

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Plaza Retail REIT at 98 Main Street, Fredericton, New Brunswick E3A 9N6, Attention: Secretary (telephone: 506-451-1826), and are also available electronically at [www.sedar.com](http://www.sedar.com) (“**SEDAR**”).

## SHORT FORM PROSPECTUS

New Issue

March 23, 2016



## PLAZA RETAIL REIT

**\$20,010,000**

**4,350,000 Units**

This short form prospectus qualifies the distribution (the “**Offering**”) of 4,350,000 trust units (the “**Offered Units**”) of Plaza Retail REIT (“**Plaza**” or the “**REIT**”) at a price of \$4.60 per Offered Unit (the “**Offering Price**”). The Offering is being made pursuant to an underwriting agreement dated March 16, 2016 (the “**Underwriting Agreement**”) among Plaza and RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Desjardins Securities Inc., Raymond James Ltd., Laurentian Bank Securities Inc., National Bank Financial Inc. and TD Securities Inc. (collectively, the “**Underwriters**”).

Plaza is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario pursuant to a declaration of trust of Plaza dated November 1, 2013 (the “**Declaration of Trust**”). The current issued and outstanding trust units of the REIT (the “**Units**”) are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “PLZ.UN”. The TSX has conditionally approved the listing of the Offered Units. Listing is subject to Plaza fulfilling all the requirements of the TSX on or before June 14, 2016. On March 10, 2016, being the last day on which the Units traded prior to the public announcement of the Offering, the closing price of the Units on the TSX was \$4.75.

---

### Price: \$4.60 per Offered Unit

---

	<u>Price to the Public<sup>(1)</sup></u>	<u>Underwriters’ Fee<sup>(2)</sup></u>	<u>Net Proceeds to the REIT<sup>(3)</sup></u>
Per Offered Unit.....	\$4.60	\$0.184	\$4.416
Total <sup>(4)</sup> .....	\$20,010,000	\$800,400	\$19,209,600

Notes:

(1) The Offering Price was determined by negotiation among the REIT and the Underwriters.

- (2) Pursuant to the terms of the Underwriting Agreement, and in consideration of the services rendered by the Underwriters in connection with the Offering, the Underwriters will receive an aggregate fee of \$800,400, representing 4.0% of the gross proceeds from the Offering before giving effect to any exercise of the Over-Allotment Option. See “Plan of Distribution”.
- (3) Before deducting expenses of the Offering estimated at \$400,000, which, together with the Underwriters’ fee, will be paid from the proceeds of the Offering.
- (4) The REIT has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part and at any time up to 30 days after the closing of the Offering to purchase up to an additional 652,500 Units on the same terms as set forth above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters’ fee and net proceeds to the REIT will be \$23,011,500, \$920,460 and \$22,091,040, respectively (before deducting expenses of the Offering estimated at \$400,000). This short form prospectus qualifies the distribution of the Over-Allotment Option and the Units issuable on the exercise thereof. A purchaser who acquires Units forming part of the Over-Allotment Option acquires those Units under this short form prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

<u>Underwriters’ Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Option to purchase up to 652,500 Units	At any time up to 30 days after the closing of the Offering	\$4.60 per Unit

The Underwriters, as principals, conditionally offer the Offered Units, subject to prior sale, if, as and when issued, sold and delivered by the REIT and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters by Goodmans LLP on behalf of the REIT and by Stikeman Elliott LLP on behalf of the Underwriters.

Subscriptions will be received subject to rejection or allocation in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering (the “**Closing**”) is expected to occur on or about March 31, 2016. Other than pursuant to certain exceptions, registration of interests in and transfers of Offered Units held through CDS Clearing and Depository Services Inc. (“**CDS**”), or its nominee, will be made electronically through the non-certificated inventory (“**NCI**”) system of CDS. Offered Units registered in the name of CDS or its nominee will be deposited electronically with CDS on an NCI basis on Closing. A purchaser of Offered Units (subject to certain exceptions) will receive only a customer confirmation from the registered dealer through which the Offered Units are purchased. Notwithstanding the foregoing, a purchaser of Offered Units in the United States that is an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act (“**Accredited Investors**”) will receive definitive physical certificates representing their Offered Securities.

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions that stabilize or maintain the market price of the Units at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Offered Units initially at the Offering Price. **After the Underwriters have made reasonable efforts to sell the Offered Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Offered Units remaining unsold. Any such reduction will not affect the proceeds received by the REIT. See “Plan of Distribution”.**

**CIBC World Markets Inc. and Scotia Capital Inc. are affiliates of banks that are lenders to the REIT or its subsidiaries under three separate facilities (the “Credit Facilities”). Certain of the Underwriters, including RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Desjardins Securities Inc. and TD Securities Inc. are affiliates of banks that are lenders to Plaza, whose indebtedness is secured by specific properties. Accordingly, the REIT may be considered to be a “connected issuer” of RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Desjardins Securities Inc. and TD Securities Inc. within the meaning of applicable Canadian securities legislation. See “Plan of Distribution – Relationship Between the REIT and the Underwriters”.**

**An investment in the Offered Units is subject to a number of risks that should be carefully considered by a prospective investor. Prospective investors should carefully review the risk factors referred to under “Risk Factors” before purchasing Offered Units.**

The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that statute or any other legislation.

Plaza’s head office is located at 98 Main Street, Fredericton, New Brunswick.

## TABLE OF CONTENTS

	Page
GENERAL MATTERS .....	1
DOCUMENTS INCORPORATED BY REFERENCE .....	1
MARKETING MATERIALS .....	2
ELIGIBILITY FOR INVESTMENT.....	2
FORWARD-LOOKING STATEMENTS .....	2
GLOSSARY OF TERMS.....	4
PLAZA RETAIL REIT .....	6
CONSOLIDATED CAPITALIZATION OF THE REIT .....	6
USE OF PROCEEDS .....	7
PLAN OF DISTRIBUTION.....	7
DESCRIPTION OF UNITS .....	9
PRIOR SALES .....	10
TRADING PRICE AND VOLUME .....	11
DISTRIBUTION POLICY .....	13
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	14
RISK FACTORS .....	18
EXPERTS.....	18
EXEMPTIONS.....	18
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	19
PURCHASERS' STATUTORY RIGHTS .....	19
CERTIFICATE OF THE REIT .....	C-1
CERTIFICATE OF THE UNDERWRITERS.....	C-2

## GENERAL MATTERS

Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. The REIT has not authorized anyone to provide different information. If an investor is provided with different or inconsistent information, he or she should not rely on it. The REIT is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. Readers should not assume that the information contained or incorporated by reference in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus or the respective dates of the documents incorporated by reference herein. The REIT does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

References to “\$” are to Canadian currency. Unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option has not been exercised.

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from Plaza at 98 Main Street, Fredericton, New Brunswick, E3A 9N6, Attention: Secretary (telephone: 506-451-1826). In addition, copies of the documents incorporated by reference herein may be obtained from the securities commissions or similar authorities in the provinces of Canada online at [www.sedar.com](http://www.sedar.com).

The following documents or portions of documents, filed with the securities commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the annual audited consolidated financial statements of the REIT as at and for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditors’ report thereon (“**Annual Financial Statements**”);
- (b) management’s discussion and analysis of results of operations and financial condition of the REIT for the years ended December 31, 2015 and 2014 (the “**Annual MD&A**”);
- (c) the annual information form of the REIT dated March 23, 2016 for the year ended December 31, 2015 (the “**AIF**”);
- (d) the management information circular dated March 25, 2015 relating to the annual general meeting of unitholders of the REIT held on May 21, 2015 (the “**MIC**”);
- (e) the material change report dated of the REIT dated March 18, 2016 filed in connection with the announcement of the Offering; and
- (f) the term sheet dated March 10, 2016 in respect of the Offering (the “**Marketing Materials**”).

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* which are filed by the REIT with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this short form prospectus.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or**

**superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.**

## **MARKETING MATERIALS**

The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus or any amendment. Any template version of “marketing materials” (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference herein.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Goodmans LLP, counsel to the REIT, and Stikeman Elliott LLP, counsel to the Underwriters, provided the REIT is at all times a “mutual fund trust” for the purposes of the Tax Act or the Units are listed on a designated stock exchange (which currently includes the TSX), the Units will be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan, registered disability savings plan, tax-free savings account (“**TFSA**”) and deferred profit sharing plan (collectively, the “**Plans**”).

Notwithstanding the foregoing, if the Units are a “prohibited investment” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF, the holder or annuitant thereof will be subject to a penalty tax as set out in the Tax Act. The Units will not be a prohibited investment for a TFSA, RRSP or RRIF provided the holder or annuitant of such Plan, (i) deals at arm’s length with the REIT, for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the REIT. Generally, a holder or annuitant will have a significant interest in the REIT if the holder or annuitant either alone or together with persons and partnerships not dealing at arm’s length with the holder or annuitant, owns units of the REIT representing 10% or more of the fair market value of all units of the REIT. In addition, Units will not be a “prohibited investment” if the Units are “excluded property” (as defined in the Tax Act) for trusts governed by a TFSA, RRSP and RRIF. Prospective purchasers who intend to hold Units in a TFSA, RRSP or RRIF are advised to consult their personal tax advisors.

## **FORWARD-LOOKING STATEMENTS**

This short form prospectus contains forward-looking statements which reflect management’s expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT. The words “plans”, “expects”, “does not expect”, “scheduled”, “estimates”, “intends”, “anticipates”, “does not anticipate”, “projects”, “believes” or variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “would”, “might”, “occur”, “be achieved” or “continue” and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this short form prospectus include, but are not limited to, statements with respect to: (i) the Offering, including the REIT’s and the Underwriters’ ability to complete the Offering; (ii) net proceeds expected to be raised from the Offering and use of proceeds from the Offering (including any redemptions of the Series B Debentures); (iii) the expected tax treatment of the REIT’s distributions to unitholders; (iv) the strategy of the REIT; and (v) the REIT’s intention to pay distributions.

Forward-looking statements are necessarily based on the REIT’s current views with respect to future events and are subject to certain risks, uncertainties, estimates and assumptions, which, while considered reasonable by management of the REIT as of the date of this short form prospectus, may cause the actual results and performance of the REIT to differ materially from the forward-looking statements contained herein or in certain documents incorporated by reference herein. Among other things, these risks may relate to the business of the REIT generally, competition, interest rate fluctuations, debt financing and refinancing, restrictive covenants, reliance on external sources of capital, credit, lease roll-over and occupancy, development and acquisitions, joint venture investments,

environmental matters, litigation, potential undisclosed liabilities associated with acquisitions, availability of cash flow, capital expenditures and distributions, cash distributions, current economic conditions, reliance on anchor tenants, economic stability of local markets, specific lease considerations, ownership of ground lease properties, potential conflicts of interest, liquidity, uninsured losses, key personnel, operational matters, status for tax purposes, changes in legislation and administrative policy, dilution, restrictions on redemptions, the market for Units and Unit prices, investments in Units and disclosure controls and procedures on internal control over financial reporting. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, economic, capital market and competitive real estate conditions.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors". These forward-looking statements are made as of the date of this short form prospectus and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## GLOSSARY OF TERMS

In this short form prospectus, the following terms have the meanings set forth below:

“**affiliate**” or “**associate**” when used to indicate a relationship with a person or company, has the same meaning as set forth in the *Securities Act* (Ontario).

“**AIF**” means the annual information form of the REIT for the year ended December 31, 2015, dated March 23, 2016.

“**Annual Financial Statements**” means the annual audited consolidated financial statements of the REIT as at and for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditors’ report thereon.

“**Annual MD&A**” means the management’s discussion and analysis of results of operations and financial condition of the REIT for the years ended December 31, 2015 and 2014.

“**business day**” means any day other than a Saturday, Sunday or statutory holiday in the City of Toronto, Ontario.

“**CDS**” means CDS Clearing and Depository Services Inc. and its successors.

“**CDS Participant**” means a broker, dealer, bank, other financial institution or other person who participates directly in the book-entry registration and book-based securities transfer system administered by CDS for the Debentures.

“**Closing**” means the closing of the Offering, which is expected to occur on or about March 31, 2016.

“**Credit Facilities**” has the meaning ascribed to it on the cover page of this prospectus.

“**Declaration of Trust**” means the declaration of trust of Plaza dated November 1, 2013.

“**Marketing Materials**” means the term sheet dated March 10, 2016 in respect of the Offering.

“**NCI**” means the non-certificated inventory system of CDS.

“**Offered Units**” means the 4,350,000 Units to be issued by the REIT pursuant to the Offering.

“**Offering**” means the offering of the Offered Units pursuant to this short form prospectus.

“**Offering Price**” means the price of \$4.60 per Offered Unit.

“**Over-Allotment Option**” mean an option that the REIT has granted to the Underwriters, exercisable in whole or in part and at any time up to 30 days after the closing of the Offering to purchase up to an additional 652,500 Units on the same terms as the Offered Units solely to cover over-allotments, if any, and for market stabilization purposes.

“**person**” includes any individual, partnership, limited partnership, association, body corporate, trust, joint venture, trustee, executor, administrator, legal representative, government, regulatory authority or other entity.

“**Plaza**” means Plaza Retail REIT.

“**Proposed Amendments**” means all specific proposals to amend the Tax Act and regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof.

“**Redemption Notes**” means unsecured subordinated promissory notes of the REIT having a maturity date and bearing interest from the date of issue at a market rate of interest to be determined at the time of issuance by the Trustees, such promissory notes to provide that the REIT shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus.

“**REIT**” means Plaza Retail REIT.

“**RRIF**” means a registered retirement income fund.

“**RRSP**” means a registered retirement savings plan.

“**Rule 144A**” means Rule 144A under the U.S. Securities Act.

“**Series B Debentures**” means the REIT’s 8.00% convertible unsecured subordinated debentures due December 31, 2016.

“**Series C Debentures**” means the REIT’s 7.00% convertible unsecured subordinated debentures due December 31, 2017.

“**Series D Debentures**” means the REIT’s 5.75% convertible unsecured subordinated debentures due December 31, 2018.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended.

“**TFSA**” means a tax-free savings account.

“**Trustees**” means the trustees of the REIT from time to time.

“**TSX**” means the Toronto Stock Exchange.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

“**Underwriters**” means, collectively, RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Desjardins Securities Inc., Raymond James Ltd., Laurentian Bank Securities Inc., National Bank Financial Inc. and TD Securities Inc.

“**Underwriting Agreement**” means the underwriting agreement dated March 16, 2016 between the REIT and the Underwriters, as described under “Plan of Distribution”.

“**Unitholders**” means the registered holders of Units from time to time.

“**Units**” means the trust units of the REIT.



## PLAZA RETAIL REIT

### Overview

Headquartered in Fredericton, New Brunswick, Plaza is an unincorporated “open-ended” real estate investment trust established pursuant to its Declaration of Trust and governed by the laws of the Province of Ontario.

Plaza is a leading retail property owner and developer, particularly in Eastern Canada. Plaza’s current portfolio includes interests in approximately 303 properties totaling approximately 7.1 million square feet across Canada and additional lands held for development. Plaza’s properties include a mix of shopping malls, strip plazas, stand-alone small box retail outlets and enclosed shopping centres, anchored by approximately 91% national tenants. Plaza is fully internalized, therefore providing unitholders directly with the synergies that come with an internalized platform. Plaza has an active development pipeline with approximately 24 projects under development, redevelopment or in planning, totaling approximately 1.5 million square feet, which are expected to be completed between 2016 and 2019.

For further information regarding the REIT and its properties and business see the Annual MD&A and AIF and other documents incorporated by reference in this short form prospectus available at [www.sedar.com](http://www.sedar.com) under the REIT’s profile.

### CONSOLIDATED CAPITALIZATION OF THE REIT

The following table sets forth the REIT’s consolidated capitalization as at December 31, 2015 and the *pro forma* consolidated capitalization of the REIT as at December 31, 2015 as adjusted to give effect to the Offering and the use of proceeds therefrom, and other material changes since such date. The following should be read with the Annual Financial Statements and the Annual MD&A incorporated by reference in this short form prospectus.

	<b>As at December 31, 2015 (in thousands)<sup>(1)</sup></b>	<b><i>Pro Forma</i> As at December 31, 2015 as adjusted to give effect to the Offering (in thousands)<sup>(2)</sup></b>
<b>Indebtedness</b>		
Debentures <sup>(3)</sup> .....	\$64,490	\$55,242
Mortgage bonds .....	\$14,761	\$14,761
Mortgages .....	\$472,044	\$472,044
Operating facility <sup>(4)</sup> .....	\$26,486	\$16,831
Notes payable.....	\$1,175	\$1,175
<b>Class B exchangeable LP units</b>	<b>\$6,199</b>	<b>\$6,199</b>
<b>Unitholders’ Equity</b>		
Units and retained earnings.....	\$415,665	\$434,568
<b>Non-controlling Interests<sup>(5)</sup> .....</b>	<b>\$3,885</b>	<b>\$3,885</b>
<b>Total Capitalization .....</b>	<b>\$1,004,705</b>	<b>\$1,004,705</b>

Notes:

- (1) All figures are shown at their carrying amounts.
- (2) Excludes the potential effect of the Over-Allotment Option.
- (3) As at December 31, 2015, \$9,155 thousand was outstanding on the Series B Debentures. A portion of the net proceeds of the Offering will be used to redeem the currently outstanding Series B Debentures. The fair value of the Series B Debentures at December 31, 2015 was \$9,248 thousand, resulting in a gain of \$93 thousand compared to the settlement amount of \$9,155 thousand.
- (4) As at December 31, 2015, the REIT had drawn \$26.5 million on its operating facility. Approximately \$9.6 million of the net proceeds of the Offering will be used to repay amounts currently outstanding on the REIT’s operating facility.
- (5) Represents minority interests in certain entities owned by the REIT.

## USE OF PROCEEDS

The estimated net proceeds to Plaza from its sale of the Offered Units, after deducting the Underwriters' fee of \$800,400 and the estimated expenses of this Offering of \$400,000, but before giving effect to any exercise of the Over-Allotment Option, will be approximately \$18,809,600.

Plaza intends to use the net proceeds from the Offering as follows:

- (i) approximately \$9.2 million to redeem the currently outstanding Series B Debentures, which mature on December 31, 2016 and which have a par call date of December 31, 2015;
- (ii) approximately \$9.6 million to repay amounts outstanding on the REIT's operating line of credit (the majority of which was drawn to fund Plaza's on-going development and re-development program and previous acquisitions); and
- (iii) the remainder, if any, will be used to fund the REIT's future and on-going development and re-development activities and for general trust purposes.

Upon closing of the Offering (excluding the effect of the Over-Allotment Option), Plaza estimates its debt-to gross assets ratio (including convertible debentures) will decrease to approximately 54.5% from 56.3% at December 31, 2015, and excluding convertible debentures will decrease to approximately 49.6% from 50.4% at December 31, 2015.

## PLAN OF DISTRIBUTION

### General

Pursuant to the Underwriting Agreement, the REIT has agreed to sell and the Underwriters have severally agreed to purchase on Closing an aggregate of 4,350,000 Offered Units at a purchase price of \$4.60 per Offered Unit payable in cash to the REIT against delivery of the Offered Units. The Closing is expected to take place on or about March 31, 2016.

The TSX has conditionally approved the listing of the Offered Units. Listing is subject to Plaza fulfilling all the requirements of the TSX on or before June 14, 2016. The Units are currently listed on the TSX under the symbol "PLZ.UN". On March 10, 2016, being the last day on which the Units were traded prior to the public announcement of the terms of the Offering, the closing price of a Unit on the TSX was \$4.75. The terms of the Offering, including the Offering Price, were determined by negotiation between the REIT and RBC Dominion Securities Inc. on its own behalf and on behalf of the Underwriters.

In consideration for their services in connection with the Offering, the Underwriters will receive an aggregate fee of \$800,400 (or 4% of the gross proceeds of the Offering before giving effect to any exercise of the Over-Allotment Option) to be paid by the REIT.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint and several) and may be terminated at their discretion on the basis of the "material adverse change out", "disaster out", "regulatory out", and "income tax out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events as set out in the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement. The Underwriters are entitled under the Underwriting Agreement to indemnification by the REIT against certain liabilities and expenses.

The Underwriting Agreement provides that the REIT will not create, issue or sell (or agree or announce any such agreement to create, issue or sell), directly or indirectly, except in certain limited circumstances, any equity securities or any securities exchangeable or convertible into or exercisable for equity securities, without the prior written consent of RBC Dominion Securities Inc. on behalf of the Underwriters, for a period of 90 days following Closing, such consent not to be unreasonably withheld or delayed.

This Offering is being made in each of the provinces of Canada. The Offered Units have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws and, subject to registration under the U.S. Securities Act and applicable state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States. Each Underwriter has agreed that, except as permitted under the Underwriting Agreement, it will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Offered Units at any time within the United States, except pursuant to an exemption from registration under the U.S. Securities Act.

The Underwriting Agreement permits the Underwriters, acting through their registered U.S. broker-dealer affiliates, to (i) offer and resell Offered Units, purchased from the REIT, in the United States to “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act (“**Rule 144A**”) in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A; or (ii) to offer Offered Units to certain Accredited Investors as substituted purchasers to whom the REIT may sell Offered Units in transactions that comply with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506 of Regulation D thereunder, and in each case in accordance with and similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Offered Units that are sold in the United States will be restricted securities within the meaning of Rule 144(a)(3) of the U.S. Securities Act and certificates representing the Offered Units that are sold in the United States to Accredited Investors will contain a legend to the effect that the Offered Units have not been registered under the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Units in the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

The Underwriters propose to offer the Offered Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell the Offered Units at the Offered Price, such offering price may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than the Offered Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the REIT.

#### **Price Stabilization and Passive Market Making**

In connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of the Offered Units at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Offered Units while the Offering is in progress. These transactions may also include making short sales of the Offered Units, which involve the sale by the Underwriters of a greater number of Offered Units than they are required to purchase in the Offering.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase the Offered Units. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Offered Units. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Offered Units may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Offered Units are listed, in the over-the-counter market, or otherwise.

### **Over-Allotment Option**

Plaza has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to 652,500 additional Units at the initial Offering Price. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' fee and the net proceeds to the REIT, before deducting the expenses of the Offering, will be \$23,011,500, \$920,460 and \$22,091,040, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and up to 652,500 Units to be sold by the Underwriters upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over-Allotment Option acquires those Units under this short form prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

### **Relationship Between the REIT and the Underwriters**

Certain of the Underwriters, including RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Desjardins Securities Inc. and TD Securities Inc. are affiliates of banks that are lenders to Plaza. As at December 31, 2015, Plaza was indebted to the banks in an aggregate amount of approximately \$182 million (at the REIT's consolidated percentage), which debt is secured by specific properties. In addition, CIBC World Markets Inc. and Scotia Capital Inc. are affiliates of banks that are lenders to Plaza or its subsidiaries pursuant to the REIT's Credit Facilities. The REIT's Credit Facilities consist of: (i) a revolving operating line of credit for up to \$30.0 million (approximately \$26.5 million outstanding at December 31, 2015, with approximately \$16.7 million currently outstanding), which fluctuates depending on the specific assets pledged as security, at a rate of prime plus 1.00% or BA plus 2.25%, maturing July 31, 2016 secured by 23 properties; (ii) a secured \$20 million development line of credit (\$3.5 million outstanding at December 31, 2015, with approximately \$4.2 million currently outstanding) at a rate of prime plus 1.00% or BA plus 2.75%, maturing July 31, 2016; and (iii) a secured \$15 million development line of credit (\$7.9 million outstanding at December 31, 2015, with approximately \$11.8 million currently outstanding) at a rate of prime plus 1.00% or BA plus 2.25%, maturing July 31, 2016.

As a result of the above, the REIT may be considered a connected issuer of RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Desjardins Securities Inc. and TD Securities Inc. for the purposes of the securities regulations of certain Canadian provinces. As of the date of this short form prospectus, the REIT is in compliance with the terms of its indebtedness. Since the date the indebtedness was incurred, the financial position of Plaza and the value of the collateral granted as security for the indebtedness have not materially changed. The Underwriters have advised that the decision to underwrite the Offering was made independently of the banks and the banks had no influence as to the determination of the terms of the distribution. The Underwriters will not receive any benefit in connection with this Offering other than the Underwriters' fee payable by the REIT.

### **DESCRIPTION OF UNITS**

See the section entitled "Capital Structure — Description of Units" in the AIF for a description of the terms and provisions of the Units. As at March 22, 2016, there were 92,929,356 Units issued and outstanding.

## PRIOR SALES

The following table sets forth the details regarding all issuances of Units, including issuances of all securities convertible into Units during the 12 months preceding the date hereof:

<u>Date of Issue</u>	<u>Issuance Type</u>	<u>Number of Securities Issued</u>	<u>Price per Security (\$)</u>
March 16, 2015	Units (DRIP )	21,508	4.30
March 16, 2015	Units (redemption of monthly Distribution RSUs)	162	4.43
April 15, 2015	Units (DRIP )	21,728	4.31
April 15, 2015	Units (redemption of monthly Distribution RSUs)	162	4.44
May 15, 2015	Units (DRIP )	21,891	4.29
May 15, 2015	Units (redemption of monthly Distribution RSUs)	165	4.42
June 15, 2015	Units (DRIP )	23,032	4.14
June 15, 2015	Units (redemption of monthly Distribution RSUs)	167	4.22
June 17, 2015	Deferred Units (annual grant)	11,764.70	4.25
July 15, 2015	Units (DRIP )	22,855	4.16
July 15, 2015	Units (redemption of RSUs / monthly Distribution RSUs)	302	4.31
July 15, 2015	Deferred Units (in respect of monthly cash distributions)	56.85	4.31
August 7, 2015	Deferred Units (trustee fees)	2,505.83	4.29
August 17, 2015	Units (DRIP )	23,148	4.13
August 17, 2015	Units (redemption of monthly Distribution RSUs)	164	4.25
August 17, 2015	Deferred Units (in respect of monthly cash distributions)	57.90	4.25
September 15, 2015	Units (DRIP )	23,165	4.08
September 15, 2015	Units (redemption of monthly Distribution RSUs)	164	4.20
September 15, 2015	Deferred Units (in respect of monthly cash distributions)	71.28	4.20
October 15, 2015	Units (DRIP )	22,418	4.26
October 15, 2015	Units (redemption of monthly Distribution RSUs)	161	4.39
October 15, 2015	Deferred Units (in respect of monthly cash distributions)	68.60	4.39
November 13, 2015	Deferred Units (trustee fees)	2,426.63	4.43
November 16, 2015	Units (DRIP )	22,410	4.28
November 16, 2015	Units (redemption of monthly Distribution RSUs)	159	4.41
November 16, 2015	Deferred Units (in respect of monthly cash distributions)	68.58	4.41

<b>Date of Issue</b>	<b>Issuance Type</b>	<b>Number of Securities Issued</b>	<b>Price per Security (\$)</b>
December 15, 2015	Units (DRIP )	21,308	4.43
December 15, 2015	Units (redemption of monthly Distribution RSUs)	153	4.56
December 15, 2015	Deferred Units (in respect of monthly cash distributions)	77.70	4.56
December 17, 2015	Units (redemption of RSUs)	24,181	4.56
December 30, 2015	Units (redemption of RSUs)	866	4.62
January 15, 2016	Units (DRIP )	22,694	4.29
January 15, 2016	Units (redemption of monthly Distribution RSUs)	23	4.42
January 15, 2016	Deferred Units (in respect of monthly cash distributions)	80.56	4.42
February 15, 2016	Units (DRIP )	24,079	4.29
February 15, 2016	Units (redemption of monthly Distribution RSUs)	23	4.42
February 15, 2016	Deferred Units (in respect of monthly cash distributions)	84.18	4.42
February 25, 2016	Deferred Units (trustee fees)	2,232.15	4.48
March 15, 2016	Units (DRIP )	23,773	4.49
March 15, 2016	Units (redemption of monthly Distribution RSUs)	23	4.63
March 15, 2016	Deferred Units (in respect of monthly cash distributions)	91.25	4.63

### TRADING PRICE AND VOLUME

The Units are listed and posted for trading on the TSX under the trading symbol “PLZ.UN”. On March 10, 2016, being the last day on which the Units traded prior to the public announcement of the Offering, the closing price of the Units on the TSX was \$4.75. The following table shows the monthly range of high and low prices per Unit and total monthly volumes traded on the TSX during the 12 months preceding the date hereof.

<b>Month</b>	<b>Price per Unit Monthly High (\$)</b>	<b>Price per Unit Monthly Low (\$)</b>	<b>Total Monthly Volume (Units)</b>
March 2015.....	4.60	4.30	1,073,313
April 2015.....	4.52	4.32	706,431
May 2015.....	4.49	4.36	595,939
June 2015.....	4.43	4.14	2,641,970
July 2015 .....	4.44	4.23	2,290,444
August 2015.....	4.35	4.1	723,957
September 2015.....	4.50	4.15	755,281
October 2015 .....	4.50	4.31	714,479
November 2015 .....	4.60	4.33	735,143
December 2015.....	4.82	4.5	940,504

<b>Month</b>	<b>Price per Unit Monthly High (\$)</b>	<b>Price per Unit Monthly Low (\$)</b>	<b>Total Monthly Volume (Units)</b>
January 2016.....	4.72	4.19	902,479
February 2016.....	4.68	4.35	711,333
March 2016 (until March 22, 2016).....	4.79	4.51	1,021,509

The outstanding Series B Debentures are traded on the TSX under the trading symbol “PLZ.DB.B”. The following table sets forth the reported minimum and maximum prices and total monthly trading volumes of such debentures as reported by the TSX for the periods indicated.

<b>Month</b>	<b>Price per Debenture Monthly High (\$)</b>	<b>Price per Debenture Monthly Low (\$)</b>	<b>Total Monthly Volume</b>
March 2015.....	103.40	102.03	233,000
April 2015.....	103.40	102.93	106,000
May 2015.....	103.40	102.00	343,000
June 2015.....	103.50	101.76	250,000
July 2015.....	103.50	102.51	92,000
August 2015.....	103.25	102.50	80,000
September 2015.....	103.00	101.51	224,000
October 2015.....	102.00	101.40	80,000
November 2015.....	102.99	101.50	57,000
December 2015.....	101.50	101.00	32,000
January 2016.....	102.00	101.00	74,000
February 2016.....	102.00	100.00	213,000
March 2016 (until March 22, 2016).....	105.00	100.02	40,000

The outstanding Series C Debentures are traded on the TSX under the trading symbol “PLZ.DB.C”. The following table sets forth the reported minimum and maximum prices and total monthly trading volumes of such debentures as reported by the TSX for the periods indicated.

<b>Month</b>	<b>Price per Debenture Monthly High (\$)</b>	<b>Price per Debenture Monthly Low (\$)</b>	<b>Total Monthly Volume</b>
March 2015.....	104.50	103.00	859,000
April 2015.....	103.51	102.00	111,000
May 2015.....	103.00	102.52	29,000
June 2015.....	103.10	102.55	104,000
July 2015.....	106.00	102.50	138,000
August 2015.....	102.66	100.51	145,000
September 2015.....	102.01	101.15	99,000
October 2015.....	102.01	101.27	145,000
November 2015.....	103.02	101.51	106,000

<b>Month</b>	<b>Price per Debenture Monthly High (\$)</b>	<b>Price per Debenture Monthly Low (\$)</b>	<b>Total Monthly Volume</b>
December 2015.....	104.00	100.96	265,000
January 2016.....	103.88	100.00	405,000
February 2016.....	103.00	101.49	82,000
March 2016 (until March 22, 2016).....	106.99	101.75	174,000

The outstanding Series D Debentures are traded on the TSX under the trading symbol “PLZ.DB.D”. The following table sets forth the reported minimum and maximum prices and total monthly trading volumes of such debentures as reported by the TSX for the periods indicated.

<b>Month</b>	<b>Price per Debenture Monthly High (\$)</b>	<b>Price per Debenture Monthly Low (\$)</b>	<b>Total Monthly Volume</b>
March 2015.....	103.00	101.50	498,000
April 2015.....	103.00	101.00	105,000
May 2015.....	105.00	103.00	150,000
June 2015.....	103.77	102.00	419,000
July 2015 .....	102.75	102.00	113,000
August 2015.....	103.35	100.49	236,000
September 2015 .....	102.00	99.00	295,000
October 2015 .....	102.00	100.00	365,000
November 2015 .....	102.00	100.00	160,000
December 2015.....	101.25	96.43	231,000
January 2016.....	100.36	95.00	651,000
February 2016.....	101.00	96.00	338,000
March 2016 (until March 22, 2016).....	102.00	99.99	241,000

#### **DISTRIBUTION POLICY**

On November 15, 2002, Plaza commenced paying a distribution and since that time, has announced annual distribution increases each year. On November 16, 2015, the REIT announced an increase to its annual distribution from \$0.25 per Unit to \$0.26 per Unit, payable in monthly instalments of 2.167 cents per Unit. The distribution increase became effective beginning with the January 2016 distribution, which was paid on February 15, 2016. Future distributions will depend on a number of factors, including current and expected operating cash flow, growth opportunities, and liquidity and no assurance can be provided on the amount of distributions, if any, to be paid in future months. See “Risk Factors”.

The REIT expects that the first cash distribution to which purchasers of Offered Units under this Offering will be entitled to participate will be for the month of March, which has a record date of March 31, 2016 (the “**Record Date**”) and payment date of April 15, 2016. In the event that the Closing or the closing of the Over-Allotment Option occurs after the Record Date, the REIT will make a cash payment to purchasers of the Offered Units (including purchasers of any Units issued under the Over-Allotment Option), equal to the amount per Unit distributed by the REIT to its unitholders for the month of March 2016 as if such purchasers had been unitholders on



the Record Date for such distribution, such payment to be made on the later of: (i) the Closing or the closing of the Over-Allotment Option, as applicable, and (ii) April 15, 2016.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Goodmans LLP, counsel to the REIT, and Stikeman Elliott LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable as of the date hereof to the acquisition, holding and disposition of Units acquired under this Offering. This summary is applicable to a holder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length with and is not affiliated with the REIT or the Underwriters and holds the Units as capital property (a "**Holder**"). The Units generally will be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Units, and any other "Canadian security" (as defined in the Tax Act) owned in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Unitholders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary does not apply to a Holder: (i) that is a "financial institution" subject to the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) that is a partnership; (iv) an interest in which would be a "tax shelter investment"; (v) that has elected to determine its "Canadian tax results" in a foreign currency pursuant to the "functional currency" reporting rules; or (vi) that enters into a "derivative forward agreement" with respect to any Units, each as defined in the Tax Act. Such holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units. In addition, this summary does not address the deductibility of interest by a purchaser who has borrowed money to acquire Units under this Offering.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) before the date hereof ("**Proposed Amendments**"), counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"), and a certificate as to certain factual matters from an executive officer of the REIT. Except for Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations which may differ significantly from the Canadian federal income tax considerations discussed herein. No assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on a Holder's particular status and circumstances, including the province or territory in which the Holder resides or carries on business. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any prospective Holder.**

**Prospective Holders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units in their own circumstances.**

### **Mutual Fund Trust Status**

This summary is based on the assumption that the REIT will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act. An executive officer of the REIT has advised counsel that it intends to ensure that the REIT will meet the requirements necessary for it to qualify as a mutual fund trust at all times. If the REIT were not to qualify as a mutual fund trust at all times, the income tax considerations, in certain respects, would be materially and adversely different from those described below.

## SIFT Rules

The summary is also based on the assumption that the REIT will at no time be a “SIFT Trust” as defined in the rules applicable to “SIFT trusts”, “SIFT partnerships” and their investors (the “SIFT Rules”). The SIFT Rules effectively tax certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. These rules apply only to “SIFT trusts”, “SIFT partnerships” (each as defined in the Tax Act) and their investors.

Where the SIFT Rules apply, distributions of a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s net income. Non-portfolio earnings generally are defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and capital gains from the disposition of, “non-portfolio properties” (as defined in the Tax Act). The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Non-deductible distributions paid to a holder of units of the SIFT trust generally are deemed to be taxable dividends received by the holder of such units from a taxable Canadian corporation. Such deemed dividends will qualify as “eligible dividends” for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada and for purposes of computing a Canadian resident corporation’s “general rate income pool” or “low rate income pool”, as the case may be (each as defined in the Tax Act). In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

The REIT will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a “real estate investment trust”, as defined in the Tax Act, throughout the year (the “REIT Exception”). The REIT Exception is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. An executive officer of the REIT has advised counsel that the REIT expects to qualify for the REIT Exception in 2016 and future years. However, no assurances can be given that subsequent investments or activities undertaken by the REIT will not result in the REIT failing to qualify for the REIT Exception in 2016 or any subsequent taxation year. See “Risk Factors- Status for Tax Purposes” in the AIF. **If the REIT is subject to the SIFT Rules, certain of the income tax considerations described below would, in some respects, be materially and adversely different, and the SIFT Rules may have a material adverse effect on the after-tax returns of certain Unitholders.**

The remainder of this summary is subject to the SIFT Rules discussed above and assumes that the REIT is at all times eligible for the REIT Exception.

## Taxation of the REIT

The taxation year of the REIT is the calendar year. The REIT must compute its income or loss for each taxation year as though it were an individual resident in Canada. The REIT’s income for a taxation year for purposes of the Tax Act will include, among other things, any net taxable capital gains for that year and the REIT’s allocated share of the income from its underlying partnerships for the fiscal period of such underlying partnerships ending in, or coinciding with the year-end of the REIT, whether or not such income is distributed to the REIT in the taxation year.

In computing its income or loss, the REIT may deduct administrative costs and other expenses of a current nature incurred by it for the purpose of earning income from its business or property, provided such expenses are reasonable and otherwise deductible, subject to the applicable provisions of the Tax Act. The REIT may also deduct any expenses incurred by it in the course of the issuance of its units on a five-year straight line basis (subject to proration for short taxation years).

The REIT may deduct from its taxable income for a taxation year amounts, not exceeding the amount that would otherwise be its income for the year, which become payable by it to Holders in such year. An amount will be considered to be payable in a taxation year if it is paid to a Holder in the year by the REIT or if a Holder is entitled in the year to enforce payment of the amount. Counsel has been advised by an executive officer of the REIT that the Trustees’ current intention is to make payable to Unitholders each year sufficient amounts such that the REIT

generally will not be liable to pay tax under Part I of the Tax Act. Where the REIT does not have sufficient cash to distribute such amounts in a particular taxation year, the REIT will make one or more in-kind distributions in the form of additional Units. Income of the REIT payable to the Unitholders in the form of additional Units generally will be deductible to the REIT in computing its taxable income.

Losses incurred by the REIT cannot be allocated to Holders but may be deducted by the REIT in the future years in accordance with the Declaration of Trust and the Tax Act.

In the event the REIT would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it will be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of Units of the REIT during the year.

## **Taxation of Holders**

### ***REIT Distributions***

A Holder generally will be required to include in computing income for a particular taxation year the portion of the net income of the REIT, including net realized taxable capital gains, that is paid or payable to the Holder in that taxation year, whether or not those amounts are received in cash, additional Units or otherwise. Any loss of the REIT for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Holder. The Declaration of Trust provides that income and net taxable capital gains for purposes of the Tax Act will be allocated to Unitholders in the same proportion as distributions received by the Unitholders.

Provided that the appropriate designations are made by the REIT, net taxable capital gains realized by the REIT that are paid or become payable to a Holder will retain their character as taxable capital gains to Holders for purposes of the Tax Act. The non-taxable portion of any net realized capital gains of the REIT that is paid or payable to a Holder in a year will not be included in computing the Holder's income for the year. Any other amount in excess of the net income of the REIT that is paid or payable to a Holder in a year (including additional bonus distributions of Units acquired pursuant to the DRIP) generally should not be included in the Holder's income for the year but will reduce the adjusted cost base of the Units held by such Holder. To the extent that the adjusted cost base of a Unit otherwise would be less than zero, the Holder will be deemed to have realized a capital gain equal to the negative amount and the Holder's adjusted cost base of the Units will be increased by the amount of such deemed capital gain.

Provided that the appropriate designations are made by the REIT, such portions of the taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations as are paid or payable, or deemed to be paid or payable, by the REIT to Holders effectively will retain their character and be treated and taxed as such in the hands of Holders for purposes of the Tax Act. The normal (or in the case of eligible dividends, the enhanced) gross-up and dividend tax credit rules will apply to Holders who are individuals (other than certain trusts) and the deduction in computing taxable income will apply to Holders that are corporations. Holders that are private corporations (and certain other corporations) may be subject to the refundable tax under Part IV of the Tax Act.

### ***Disposition of Units***

Upon the disposition or deemed disposition of Units by a Holder, whether on a redemption or otherwise, the Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any amount payable by the REIT which represents an amount that must otherwise be included in the Holder's income as described herein) are greater (or less) than the aggregate of the Holder's adjusted cost base of the Units immediately before such disposition and any reasonable costs of disposition.

The adjusted cost base to a Holder of a Unit generally will include all amounts paid by the Holder for the Unit subject to certain adjustments and may be reduced by distributions made by the REIT to a Holder of Units as described above. The cost of additional Units received in lieu of a cash distribution will be the amount of income of the REIT distributed by the issuance of such Units. The cost of Units acquired by re-investment of distributions pursuant to the DRIP will be the amount of such re-investment. For the purpose of determining the adjusted cost base to a Holder, when a Unit is acquired, the cost of the newly-acquired Unit, whether acquired pursuant to the DRIP or otherwise, will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital

property immediately before that acquisition. There will be no net increase or decrease in the adjusted cost base of all of a Holder's Units as a result of the receipt of any bonus distribution automatically re-invested in Units under the DRIP; however, the adjusted cost base per Unit of such Holder's Units will be reduced. A consolidation of Units following a distribution of additional Units or reinvestment of cash distributions under the DRIP will not be regarded as a disposition of Units.

A redemption of Units in consideration for cash or Redemption Notes, as the case may be, will be a disposition of such Units for proceeds of disposition equal to such cash or the fair market value of such Redemption Notes, as the case may be, less any income or capital gain realized by the REIT in connection with the redemption of those Units to the extent such income or capital gain is designated by the REIT to the redeeming Holder. Holders exercising the right of redemption consequently will realize a capital gain, or sustain a capital loss, depending upon whether such proceeds of disposition exceed, or are exceeded by, the adjusted cost base of the Units redeemed.

#### ***Other Amounts Received by Purchasers pursuant to the Offering***

If the Closing or the closing of the Over-Allotment Option occurs after the record date for the REIT's distribution for the month of March 2016, purchasers should consult their own tax advisors with respect to the tax consequences of the payment to be made by the REIT in such circumstances to purchasers of the Offered Units (including purchasers of any Units issued under the Over-Allotment Option) in respect of the Units being acquired after such date, of an amount equal to the amount per Unit distributed by the REIT to its Unitholders as if such purchasers had been Unitholders on the record date for such distribution.

#### ***Capital Gains and Capital Losses***

One-half of any capital gain realized by a Holder from a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the REIT in respect of the Holder will be included in the Holder's income under the Tax Act as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") realized on a disposition or deemed disposition of Units will be deducted against any taxable capital gains realized by the Holder in the year of disposition, and any excess of allowable capital losses over taxable capital gains may be carried back to the three preceding taxation years or forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

#### ***Refundable Tax***

A Holder which is a Canadian-controlled private corporation (as defined in the Tax Act) will be subject to a refundable tax of 6 2/3% (increased pursuant to Proposed Amendments to 10 2/3% for taxation years ending after December 31, 2015, subject to proration for taxation years beginning before 2016) in respect of its aggregate investment income for the year, including taxable capital gains.

#### ***Alternative Minimum Tax***

A Holder who is an individual or trust (other than certain specified trusts) may have an increased liability for alternative minimum tax as a result of (i) capital gains realized on a disposition of Units and (ii) net income of the REIT, paid or payable, or deemed to be paid or payable, to the Holder and that is designated as taxable dividends or net taxable capital gains.

## **RISK FACTORS**

An investment in the Offered Units is subject to certain risks. Investors should carefully consider the risks described below, the risk factors described in the Annual MD&A, AIF and other information elsewhere in this short form prospectus and the documents incorporated by reference herein, prior to making an investment in the Offered Units. If any of such or other risks occur, the REIT's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that case, the trading price of the Units could decline and investors could lose all or part of their investment in the Offered Units. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks.

### **Volatile Market Price for Offered Units**

The price of the Offered Units was established by negotiation between the REIT and the Underwriters with reference to the market price of the Units and other factors, and may not be indicative of the price at which the Offered Units will trade following the completion of the Offering.

The market price for Offered Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the REIT's control, including the following: (i) actual or anticipated fluctuations in the REIT's results of operations, financial performance and future prospects; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the REIT; (iv) addition or departure of the REIT's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Units; (vi) sales or anticipated sales of additional Units; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the REIT or its competitors; (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the REIT's industry or target markets; (ix) liquidity of the Offered Units; (x) prevailing interest rates; (xi) the market price of the Units; and (xii) general economic conditions.

### **Dilution**

The number of Units that the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Units from time to time subject to the rules of any applicable stock exchange on which the Units are then listed and applicable securities law. The issuance of any additional Units may have a dilutive effect on the interests of holders of Units.

To the extent that any of the net proceeds of the Offering remain un-invested pending their use, or are used to pay down indebtedness with a low interest rate, the Offering may result in substantial dilution, on a per Unit basis, to the REIT's net income and certain other financial measures used by the REIT.

## **EXPERTS**

The matters referred to under "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations", as well as certain other legal matters relating to the issue and sale of the Offered Units, will be passed upon by Goodmans LLP on behalf of the REIT and by Stikeman Elliott LLP on behalf of the Underwriters. As of the date of this short form prospectus, the partners and associates of Goodmans LLP and Stikeman Elliott LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the REIT.

## **EXEMPTIONS**

Pursuant to a decision of the Autorité des marchés financiers dated March 15, 2016, the REIT was granted relief from the requirement to file, together with the filing of the preliminary short form prospectus only, French versions of the Annual Financial Statements, Annual MD&A, annual information form of the REIT for the year ended December 31, 2014, dated March 25, 2015 (the "2014 AIF"), and MIC. The 2014 AIF has been superseded by the AIF, and is not incorporated by reference into this short form prospectus.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

KPMG LLP are the auditors of the REIT and have confirmed with respect to the REIT, that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The registrar and transfer agent of Plaza is CST Trust Company as the Administration Agent for CIBC Mellon Trust Company, 600 The Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

## **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE REIT**

Dated: March 23, 2016

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

**PLAZA RETAIL REIT**

(Signed) Michael Zakuta  
Chief Executive Officer

(Signed) Floriana Cipollone  
Chief Financial Officer

On behalf of the Board of Trustees

(Signed) Earl Brewer  
Trustee

(Signed) Edouard Babineau  
Trustee

**CERTIFICATE OF THE UNDERWRITERS**

Dated: March 23, 2016

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

**RBC DOMINION SECURITIES INC.**

(Signed) David Switzer  
Director

**BMO NESBITT BURNS INC.**

(Signed) Onorio Lucchese  
Managing Director

**CIBC WORLD MARKETS INC.**

(Signed) Jeff Appleby  
Managing Director

**SCOTIA CAPITAL INC.**

(Signed) Charles Vineberg  
Director

**DESJARDINS SECURITIES INC.**

(Signed) Mark Edwards  
Managing Director

**RAYMOND JAMES LTD.**

(Signed) Lucas Atkins  
Managing Director

**LAURENTIAN BANK SECURITIES INC.**

(Signed) Tyler Wirvin  
Vice-President

**NATIONAL BANK FINANCIAL INC.**

(Signed) Glen Hirsh  
Managing Director

**TD SECURITIES INC.**

(Signed) David Barnes  
Director