



DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Annual Information Form

April 1, 2013

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GLOSSARY OF TERMS

When used in this annual information form, the following terms have the meanings set forth below unless expressly indicated otherwise:

“Acquisition Agreement” means the acquisition agreement dated October 4, 2012 between Dundee Industrial Limited Partnership, the REIT, and the Vendors.

“Adjusted Unitholders’ Equity” means, at any time, the aggregate of: (a) the amount of unitholders’ equity; and (b) the amount of accumulated depreciation and amortization recorded on the books and records of Dundee Industrial REIT and its subsidiaries in respect of their properties, in each case calculated in accordance with IFRS;

“Affiliate” means an affiliate within the meaning of National Instrument 45-106 - *Prospectus and Registration Exemptions*;

“AFFO” means adjusted funds from operations;

“AIF” means annual information form of Dundee Industrial REIT;

“Asset Management Agreement” means the asset management agreement dated October 4, 2012 between the REIT, Industrial Partnership and DRC, as described under “Real Estate Management and Advisory Services – Asset Management Agreement”;

“Asset Manager” means Dundee Realty;

“Board” or **“Board of Trustees”** means the board of trustees of Dundee Industrial REIT;

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday, on which Canadian chartered banks are generally open in the City of Toronto in the Province of Ontario for the transaction of banking business;

“CDS” means CDS Clearing and Depository Services Inc.;

“Change of Control” means the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction over 66 2/3% or more of the votes attaching, collectively, to (a) outstanding Units; and (b) Units issuable upon the conversion or exercise in accordance with their terms of securities convertible into or carrying the right to acquire Units;

“Conversion Price” means, for the 5.25% Debentures, \$13.80 per Unit, reflecting a conversion ratio of 72.4638 Units per \$1,000 principal amount;

“CRA” means the Canada Revenue Agency;

“Current Market Price” means the weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event;

“Debentures” means the 5.25% convertible unsecured subordinated debentures of Dundee Industrial REIT due December 31, 2019;

“Debenture Trustee” means Computershare Trust Company of Canada;

“Declaration of Trust” means the amended and restated declaration of trust of Dundee Industrial REIT dated as of October 4, 2012, as amended or amended and restated from time to time;

“Definitive Debentures” means Debentures in registered and definitive form;

“Depository” means CDS or its successor;

“Distribution Date” means the date on which the Board of Trustees have determined that a distribution will be made by the REIT to the Unitholders;

“Distribution Record Date” means, until otherwise determined by our trustees, the last Business Day of each month of each year, except for the month of December where the Distribution Record Date shall be December 31;

“DPLP” means Dundee Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario, and a Subsidiary of Dundee REIT;

“DRIP” means the distribution reinvestment and unit purchase plan adopted by Dundee Industrial REIT;

“DRMC” means Dundee Realty Management Corp., a corporation governed by the laws of the Province of Ontario and a Subsidiary of Dundee Management LP;

“Dundee Industrial Management LP” means Dundee Industrial Management Limited Partnership, a limited partnership formed under the laws of the Province of Ontario and a wholly-owned Subsidiary of Industrial Partnership;

“Dundee International REIT” means Dundee International Real Estate Investment Trust, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario;

“Dundee Industrial REIT” means Dundee Industrial Real Estate Investment Trust, an open-ended real estate investment trust formed under the laws of the Province of Ontario;

“Dundee REIT” means Dundee Real Estate Investment Trust, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario;

“Dundee Realty” or **“DRC”** means Dundee Realty Corporation, a corporation governed by the laws of the Province of British Columbia, a Subsidiary of Dundee Corporation;

“Dundee Realty Management” means Dundee Realty Management Corp., a wholly-owned subsidiary of Dundee Management LP existing under the laws of the Province of Ontario;

“Event of Default” has the meaning given to it in the Trust Indenture, and includes the occurrence and continuation of any one or more of the following events with respect to the Debentures: (a) failure for 15 days to pay interest on the Debentures when due; (b) failure to pay principal or premium, if any, on the Debentures, whether at the Maturity Date, upon redemption, by declaration of acceleration or otherwise; (c) an unremedied breach of any material covenant or condition of the Trust Indenture by Dundee Industrial REIT after a 30 day cure period following notice of such breach; or (d) certain events of bankruptcy, insolvency or reorganization of Dundee Industrial REIT under bankruptcy or insolvency laws;

“Exchange and Support Agreement” means the exchange and support agreement dated October 4, 2012 between the REIT, Industrial Partnership and the Transferors;

“Extraordinary Resolutions” means resolutions passed at meetings of the holders of Debentures by votes cast thereat by holders of not less than 66⅔% of the principal amount of the then outstanding Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the then outstanding Debentures, binding on all holders of Debentures once passed;

“GLA” means gross leasable area, but excludes gross leasable area resulting from parking space, where applicable;

“Global Debentures” means Debentures issued in the form of fully-registered global Debentures;

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants in Part I of The Canadian Institute of Chartered Accountants Handbook – Accounting, as amended from time to time;

“Independent Trustee” has the meaning given to that term under “Trustees and Officers – Committees”;

“Industrial GP” means Dundee Industrial (GP) Inc., a corporation governed by the laws of the Province of Ontario;

“Industrial Partnership” means Dundee Industrial Limited Partnership, a limited partnership established under the laws of the Province of Ontario of which Dundee Industrial (GP) Inc. is the general partner;

“Initial Properties” means the income-producing properties that Industrial Partnership directly or indirectly acquired on October 4, 2012, the date of completion of our initial public offering;

“Initial Term” has the meaning given to that term under “Real Estate Management and Advisory Services – Asset Management Agreement”;

“Interest Payment Date” means June 30 and December 31 in each year;

“Limited Partners” means the limited partners of Industrial Partnership, which are the REIT and the Transferors, and **“Limited Partner”** means any one of them;

“Limited Partnership Agreement” means the amended and restated limited partnership agreement dated October 4, 2012, governing Industrial Partnership;

“LP A Notes Acquisition Agreement” means the agreement dated October 4, 2012 between Dundee Industrial REIT and the Vendors;

“LP A Units” means the Class A limited partnership units of Industrial Partnership, and **“LP A Unit”** means any one of them;

“LP B Units” means the Class B limited partnership units of Industrial Partnership, and **“LP B Unit”** means any one of them;

“market price” has the meaning given to that term under “Declaration of Trust and Description of REIT Units – Unit Redemption Right”;

“Master Property Management Agreement” means the property and facility management agreement dated October 4, 2012 between the REIT, Dundee Industrial Management LP, and Industrial Partnership;

“Maturity Date” means December 31, 2019, the date that the Debentures mature;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“**Minister**” means the Minister of Finance (Canada);

“**NI 45-106**” means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“**NOI**” means the total of investment property revenue less investment property operating expenses;

“**Non-Competition Agreement**” means the non-competition agreement dated October 4, 2012 between DRC and the REIT;

“**Non-Resident**” means a non-resident of Canada within the meaning of the Tax Act;

“**Notes**” means the promissory notes, bonds, debentures, debt securities or similar evidences of indebtedness issued by an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law;

“**OBCA**” means the *Ontario Business Corporations Act* as amended from time to time;

“**October 2003 Proposals**” means draft proposed amendments to the Tax Act relating to the deductibility of losses, released by the Department of Finance for public consultation on October 31, 2003;

“**Opportunities Agreement**” means the opportunities agreement dated October 4, 2012 between DRC, Dundee REIT, Dundee International REIT and the REIT;

“**Person**” includes an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law;

“**Plans**” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, tax-free savings accounts and registered education savings plans under the Tax Act;

“**Properties**” means the commercial revenue producing properties listed under “Real Estate Portfolio” held indirectly by Dundee Industrial REIT through Industrial Partnership;

“**Put Date**” means the date which is 30 days following the giving of notice to holders of Debentures of a Change of Control;

“**Put Price**” means the price equal to 101% of the principal amount of the Debentures;

“**Record Date**” means the record date for the payment of interest on the Debentures, being June 15 and December 15 in each year;

“**REIT**” means Dundee Industrial Real Estate Investment Trust, an unincorporated open-ended real estate investment trust formed on July 20, 2012 under the laws of the Province of Ontario;

“REIT Exception” means the exception under the SIFT Legislation applicable to certain real estate investment trusts that satisfy certain specified conditions relating to the nature of their income and investments;

“REIT Units” means, collectively, the Units and the Special Trust Units;

“Related Party” means, with respect to any person, a person who is a “related party”, as that term is defined in MI 61-101, as such rule may be amended from time to time (and including any successor rule or policy thereto, but shall not include a wholly-owned Subsidiary of the person);

“Renewal Terms” has the meaning given to that term under “Real Estate Management and Advisory Services – Asset Management Agreement”;

“ROI” means Return on Innovation Capital Ltd., a corporation incorporated under the laws of the Province of Ontario;

“ROI Co-Owners” means certain limited partnerships which are Affiliates of ROI and which have an interest in the ROI Co-Owned Properties;

“ROI Co-Owned Properties” means, collectively, 1900 Dickson Street, Montreal, Quebec, 310 Henderson Drive, Regina, Saskatchewan, 310 Hoffer Drive, Regina, Saskatchewan, 402 McDonald Street, Regina, Saskatchewan, 651 Henderson Drive, Regina, Saskatchewan, 10001 Metropolitan Boulevard East, Montreal, Quebec, 1155 Autoroute Chomedey, Laval, Quebec, and **“ROI Co-Owned Property”** means any one of them;

“ROI Purchase Agreement” means the agreement of purchase and sale between the ROI Co-Owners, as vendor, and Industrial Partnership, as purchaser, dated August 3, 2012, as amended and assigned from time to time;

“SEDAR” means the System for Electronic Documents Analysis and Retrieval;

“Senior Indebtedness” has the meaning ascribed to that term in the section “Description of Debentures – Subordination”;

“Services Agreement” means the services agreement dated October 4, 2012 between the REIT, Dundee Industrial Limited Partnership, Dundee Industrial Management LP, Dundee Industrial Management Corporation, and Dundee Realty Management.

“SIFT” means a specified investment flow-through trust or partnership for purposes of the Tax Act;

“SIFT Legislation” means the provisions of the Tax Act that apply to a SIFT, taking into account all Tax Proposals with respect to such provisions, including the proposals released on October 24, 2012 and contained in Bill C-48, which received its first reading on November 21, 2012;

“Special Trust Units” means units in Dundee Industrial REIT (other than Units) authorized and issued under the Declaration of Trust to a holder of securities which are exchangeable for Units, including the LP B Units;

“Subsidiary” has the meaning given to that term in NI 45-106;

“Subsidiary Securities” means the Notes or other securities of Industrial Partnership or the Notes or other securities of a Subsidiary of Industrial Partnership as the Board of Trustees may determine from time to time;

“Support Agreement” means the support agreement dated March 19, 2013 between the REIT, Dundee Industrial Atlantic Acquisition Inc., and C2C Industrial Properties Inc.

“Tax Act” means the *Income Tax Act* (Canada), as amended from time to time, and the *Income Tax Regulations* (Canada), as amended from time to time, as applicable;

“Tax Proposals” means the specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister prior to the date of this AIF;

“Term” has the meaning given to that term under “Real Estate Management and Advisory Services – Asset Management Agreement”;

“Total Put Price” means the Put Price plus accrued and unpaid interest up to but excluding the Put Date;

“Transferors” means, collectively, DPLP, Dundee Canada Limited Partnership, LCH Properties, LAC General Partner Limited, Dundee Holdings Limited Partnership, Dundee Realex Holdings Limited Partnership, WR Trust, WR Master Limited Partnership and their respective permitted assigns, and **“Transferor”** means any one of them;

“Trust Indenture” means the trust indenture dated December 13, 2012 between Dundee Industrial REIT and the Debenture Trustee;

“Trust Liability” has the meaning given to that term under “Risk Factors – Unitholder liability may arise”;

“Trustees” means the trustees of the REIT from time to time, and “Trustee” means any one of them;

“TSX” means the Toronto Stock Exchange;

“Unit” means a unit representing an interest in the REIT (other than Special Trust Units) authorized and issued under the Declaration of Trust;

“Unitholders” means holders of Units, but **“unitholders”**, when used in lower case type, refers to all holders of REIT Units;

“Unit Interest Payment Option” means the right of Dundee Industrial REIT to elect to issue and deliver freely-tradeable Units to the Debenture Trustee in order to raise funds to satisfy all or any part of its obligations to pay interest on the Debentures in accordance with the Trust Indenture;

“Vendors” means, collectively, Dundee Properties Limited Partnership, Dundee Canada Limited Partnership, WR Trust, WR Master Limited Partnership, LCH Properties, LAC General Partner Limited, Dundee Holdings Limited Partnership, and Dundee Realex Holdings Limited Partnership, and **“Vendor”** means any one of them.

GENERAL

We provide an opportunity for investors to gain direct exposure to the industrial real estate sector, while continuing to benefit from the proven track record of Dundee Realty Corporation, our asset manager. Our portfolio currently consists of 158 light industrial properties located in seven provinces of Canada comprising approximately 11.4 million square feet of owned gross leasable area. We are the largest real estate investment trust in Canada to focus exclusively on light industrial real estate assets.

Dundee Industrial REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. Dundee Industrial REIT is a “mutual fund trust” as defined in the *Income Tax Act* (Canada), as applicable, but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. Our head office is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1.

Dundee Industrial REIT’s investment and operating activities are limited, because our operating activities are carried out by our Subsidiaries. For simplicity, we use terms in this AIF to refer to our business and operations as a whole. Accordingly, in this AIF, unless the context otherwise requires, when we use terms such as “we”, “us” and “our”, we are referring to Dundee Industrial REIT and its Subsidiaries. When we use expressions such as “our business” or “our operations”, we are referring to the activities of Dundee Industrial REIT and these Subsidiaries as a whole. When we use expressions such as “our properties”, “our portfolio”, “we own” or “we invest in” in relation to our properties, we are referring to our ownership of and investment in our properties indirectly through our Subsidiaries. When we use expressions such as “we operate”, we are referring to our operations through our Subsidiaries. When we refer to “Dundee Industrial REIT” or the “REIT”, we are referring only to Dundee Industrial Real Estate Investment Trust. When we refer to “our initial public offering”, we are referring to the initial public offering of Dundee Industrial REIT which was completed on October 4, 2012.

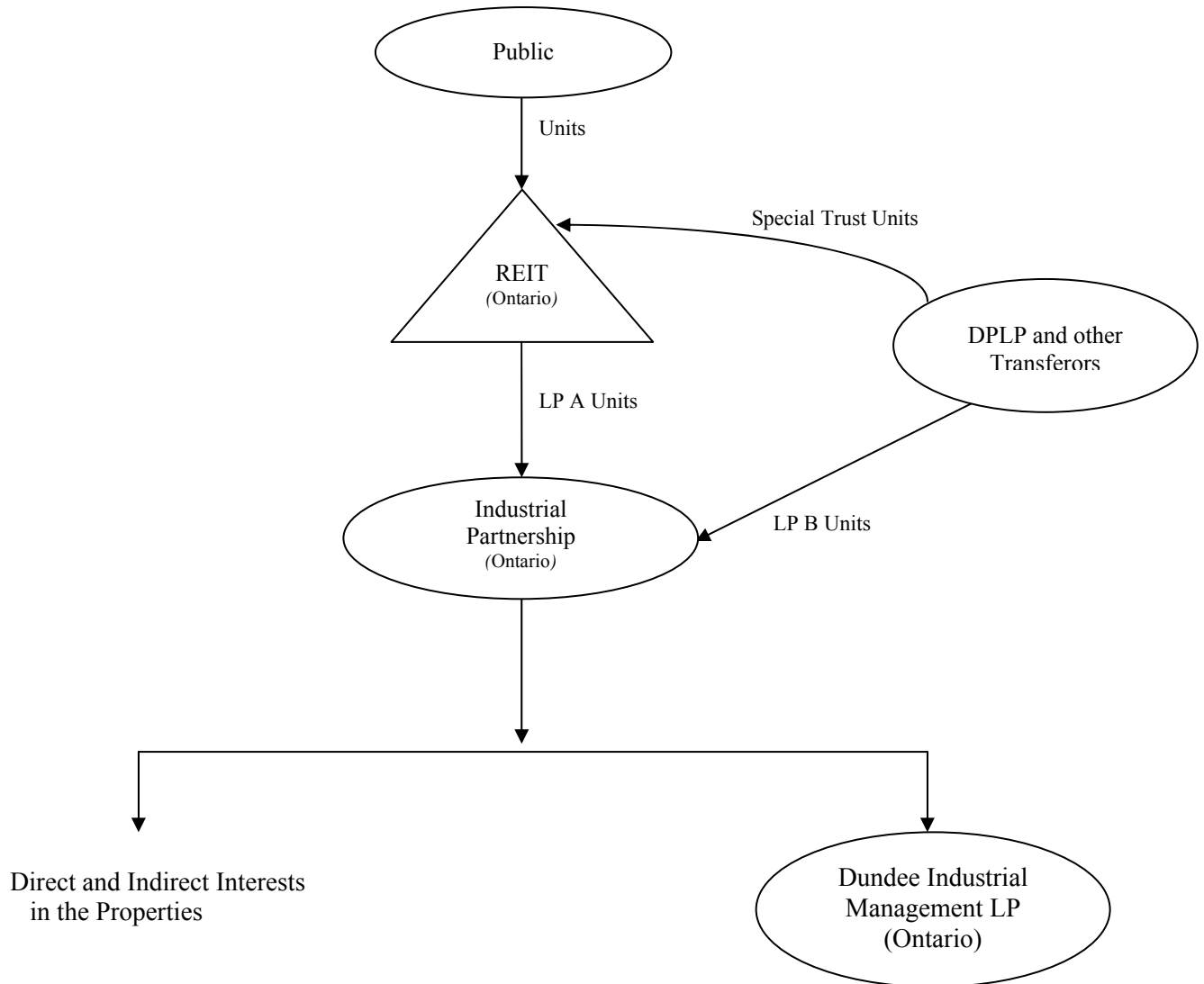
When we use the expression “our trustees” in this AIF, we are referring to the trustees of Dundee Industrial REIT.

Where we refer to the term “market rent”, we have estimated market rent through reference to recent leasing activity in the market, leasing interest in the Properties and publicly available market research.

Unless otherwise specified, all information in this AIF is presented as at December 31, 2012.

OUR STRUCTURE

The following chart is a simplified illustration of our organizational structure as at December 31, 2012:



Notes:

- (1) Units held by the public include 1,750,000 Units held by Dundee Corporation, representing approximately 3.3% of the outstanding Units on a fully-exchanged basis, and 750,000 Units held by Michael J. Cooper, representing approximately 1.4% of the outstanding Units on a fully-exchanged basis.
- (2) As at December 31, 2012, DPLP held an approximate 30.9% effective interest in Dundee Industrial REIT (on a fully-exchanged basis) through ownership of all of the issued and outstanding LP B Units. DPLP is a Subsidiary of Dundee REIT. As at the date of this AIF, the interest of DPLP was 25.8%.
- (3) The general partner of Industrial Partnership is a wholly-owned Subsidiary of Dundee Industrial REIT.
- (4) The general partner of Dundee Industrial Management LP is a wholly-owned Subsidiary of Industrial Partnership.
- (5) Except as noted above, ownership interests below Dundee Industrial REIT are 100%, excluding one Initial Property (2240 Premier Way, Edmonton, Alberta), which is co-owned.

Our principal subsidiary entities are described below:

Dundee Industrial Limited Partnership (“Industrial Partnership”) - a limited partnership governed by the laws of Ontario. Industrial Partnership holds direct and indirect interests in our commercial revenue producing properties. Industrial Partnership is also the vehicle through which Dundee Real Estate Investment Trust (“**Dundee REIT**”), one of our principal investors, holds its economic interest in our business. Dundee Industrial REIT owns all of the voting limited partnership units of Industrial Partnership, while Dundee REIT, through its subsidiaries, beneficially holds all of the non-voting limited partnership units of Industrial Partnership.

Dundee Industrial Management Limited Partnership (“Dundee Industrial Management LP”) - a limited partnership governed by the laws of Ontario. Dundee Industrial Management LP manages substantially all of our properties and provides certain services to us. Dundee Industrial REIT indirectly holds all of the voting units of Dundee Industrial Management LP. The general partner of Dundee Industrial Management LP is Dundee Industrial Management (GP) Inc., a corporation incorporated under the laws of Ontario. Industrial Partnership holds all of the limited partnership units of Dundee Industrial Management LP, and all of the issued and outstanding shares of its general partner. Through these interests, Industrial Partnership is entitled to 100% of the distributions of income from Dundee Industrial Management LP.

GENERAL DEVELOPMENT OF THE BUSINESS

Completion of Initial Public Offering and Acquisition of the Initial Properties

Dundee Industrial REIT was established on July 20, 2012 as a real estate investment trust to focus on owning and acquiring industrial properties.

On October 4, 2012, we completed our initial public offering of 15,500,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$155,000,000. Concurrently with our initial public offering, Dundee Corporation and Michael J. Cooper purchased a total of 2,500,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$25,000,000. These proceeds, together with drawings of \$8.5 million on our credit facility, were used to indirectly acquire the Initial Properties from subsidiaries of Dundee REIT. Dundee Industrial REIT also acquired on October 4, 2012 the co-ownership interests in seven of the Initial Properties that were owned by a third party. As a result, Dundee Industrial REIT owns 100% of the 77 Initial Properties, other than 2240 Premier Way, Edmonton, Alberta, in which it has a 50% interest.

On October 17, 2012, we completed the issuance of an additional 2,325,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$23,250,000. We issued the Units pursuant to the exercise of the over-allotment option by the underwriters for our initial public offering. We used the net proceeds from these additional issuances for general trust purposes, including repaying \$8.5 million of drawings on our credit facility referred to above.

Under applicable Canadian securities laws, the acquisition of the Initial Properties was considered a “significant acquisition”. We filed a business acquisition report in respect of the acquisition.

Acquisitions and Dispositions

Acquisition Highlights

On November 30, 2012, we completed the acquisition of 2 Lone Oak Court and 441 Chrislea Road, both located in the Greater Toronto Area, Ontario. The two single tenant buildings were built in 2001 and 1998, respectively, and together total approximately 173,000 square feet.

On December 19, 2012, we completed the acquisition of the KingSett Portfolio (as defined below).

Property	Property Type	Interest Acquired (%)	Acquired GLA (sq.ft.)	Occupancy at date of Acquisition (%)	Purchase Price (\$000's)	Date Acquired
Lone Oak/Chrislea	industrial	100	172,823	100	17,182 ⁽¹⁾	November 30, 2012
KingSett portfolio ⁽²⁾	industrial	100	5,259,142	95	480,243	December 19, 2012

⁽¹⁾ Includes transaction costs

⁽²⁾ A detailed listing of properties acquired as part of the KingSett Portfolio can be found in Schedule B

On December 19, 2012, we completed the acquisition of a portfolio of 79 industrial properties (the “**KingSett Portfolio**”) for approximately \$498.5 million. The acquisition was funded in part with the net proceeds of the \$230.1 million public offering of Units and Debentures completed on December 13, 2012, as well as the issuance on December 19, 2012 of \$25.0 million of units and \$25.0 million of convertible debentures to an affiliate of KingSett Capital Inc. See “—Debt and Equity Offerings”.

The KingSett Portfolio consisted of 5.3 million square feet of gross leasable area in Calgary, Halifax, the Greater Toronto Area and the Greater Montreal Area. The acquisition significantly increased Dundee Industrial REIT’s position in four of Canada’s largest and most significant industrial markets, including an additional 1.2 million square feet of gross leasable area in Calgary and 1.7 million square feet of gross leasable area in Halifax.

Under applicable Canadian securities laws, the acquisition of the KingSett Portfolio was considered a “significant acquisition”. We filed a business acquisition report in respect of the acquisition.

Dispositions

We did not dispose of any properties in 2012.

Debt and Equity Offerings

On December 13, 2012, we completed a public offering of 13,570,000 Units at a price of \$10.60 per unit and \$86,250,000 aggregate principal amount of Debentures for aggregate gross proceeds of \$230,092,000, including 1,770,000 Units and \$11,250,000 aggregate principal amount of Debentures issued pursuant to the over-allotment option granted to the underwriters. The net proceeds of this offering were used to partially fund the acquisition of the KingSett Portfolio and for general trust purposes.

On December 19, 2012, we satisfied a portion of the consideration for the acquisition of the KingSett Portfolio by issuing to an affiliate of KingSett Capital Inc. of approximately \$25 million of Units (2,358,491 Units at a deemed price of \$10.60 per Unit) and \$25 million aggregate principal amount of Debentures having the same terms as the Debentures referred to above.

RECENT DEVELOPMENTS

Announcement of Offer to Acquire C2C Industrial Properties Inc.

On March 19, 2013, we and C2C Industrial Properties Inc. (“**C2C**”) jointly announced that we had entered into a support agreement pursuant to which we have agreed to make an offer to acquire all of the issued and outstanding shares (the “**C2C Shares**”) of C2C in exchange for units of Dundee Industrial REIT (the “**Offer**”). C2C Shareholders will receive 0.4485 Dundee Industrial REIT units for each C2C Share, representing an Offer price of \$4.85 per C2C Share based on the volume-weighted average trading price of the Dundee Industrial REIT units on the TSX over the 10 trading days ended March 18, 2013. Based on an Offer price of \$4.85 per C2C Share, C2C is valued at approximately \$226 million.

The C2C portfolio comprises 2.5 million square feet of gross leasable area located primarily in Halifax, Edmonton, Greater Toronto Area and Greater Montreal Area, including an attractive portfolio of properties and land in the strong Halifax market.

The C2C Portfolio complements the REIT’s existing assets in terms of asset type and quality, as well as other key portfolio metrics. The C2C Portfolio has a current occupancy rate of 96%, a weighted average lease term of approximately 3.7 years and an average in-place rent of \$5.65 per square foot.

The Offer will be subject to certain conditions typical for transactions of this nature, including that a minimum of 66 $\frac{2}{3}$ % of the C2C Shares (on a fully diluted basis) are tendered to the Offer, customary regulatory approvals (including under the Competition Act (Canada)) and required consents. There can be no assurance that all conditions to closing of the acquisition will be satisfied or waived.

Current Discussions Regarding Acquisitions and Dispositions

Consistent with our past practices and in the normal course of business, we are engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in our portfolio. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition or disposition would be. We expect to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

Equity Offering

On March 6, 2013, we completed a bought deal public offering of 10,465,000 Units, including Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$11.00 per unit. The total gross proceeds of this offering was \$115,115,000, and were used to fund potential future acquisitions and for general trust purposes.

Appointment of Chief Operating Officer

On February 19, 2013, we announced the appointment of Randy Cameron as Chief Operating Officer of Dundee Industrial REIT. Randy Cameron is currently the Senior Vice President, Western Canada for Dundee Realty Management Corporation. The position of Chief Operating Officer is a new position for Dundee Industrial REIT.

DESCRIPTION OF THE BUSINESS

Objectives

We are committed to:

- managing our investments to provide growing cash flow and stable and sustainable returns through adapting our strategy and tactics to changes in the real estate industry and the economy;
- building and maintaining a diversified, growth-oriented portfolio of light industrial properties in major Canadian markets, based on an established platform;
- providing predictable and sustainable cash distributions to unitholders and prudently managing distributions over time; and
- maintaining a REIT that satisfies the REIT exception under the SIFT legislation in order to provide certainty to unitholders with respect to taxation of distributions.

Strategy

Dundee Industrial REIT is a growth-oriented owner of income-producing light industrial properties across Canada providing stable and predictable distributions to unitholders on a tax-efficient basis. Our strategy is to grow our portfolio and the distributable income that it generates on a per unit basis, and to do so in a manner that minimizes risk. We will continue to review and modify our strategy to meet the ever changing real estate and economic conditions. Our strategy includes:

Seeking accretive growth opportunities

Dundee Industrial REIT seeks to invest in desirable, highly functional properties located in major industrial centres that are well leased on a long-term basis to quality tenants. When evaluating acquisitions we consider a variety of criteria, including per unit accretion, replacement cost of the asset, its functionality and appeal to future tenants, and how it complements our existing portfolio.

Optimizing the performance, value and cash flow of our portfolio

We actively manage our assets to optimize performance, maintain value, retain and attract tenants and to maximize cash flows to our unitholders. Dundee Industrial REIT has experienced staff in all markets where we are active. We strive to ensure that our assets are the most attractive and cost-effective premises for our tenants, the success of which is evidenced by our occupancy rates, which are often higher than the market average.

Growing and diversifying our portfolio to reduce risk

We seek to grow and diversify our portfolio to increase value on a per unit basis, further improving the sustainability of our distributions, strengthening our tenant profile and mitigating risk. We anticipate that growing our portfolio also reduces our cost of capital, allowing us to refinance existing mortgages at lower rates and increasing our ability to competitively bid on acquisition opportunities. Our experience in each of Canada's key real estate markets and across all asset classes provides us with the flexibility to pursue acquisitions in whichever markets offer compelling investment opportunities.

Maintaining and strengthening our conservative financial profile

We operate our business in a disciplined manner with a strong focus on maintaining a conservative financial structure. We actively manage our mortgage maturity profile, maintain a conservative debt ratio and generate cash flows sufficient to fund our distributions.

Competitive Conditions

A description of the competitive conditions relevant to our business is set out in our 2012 Management's Discussion and Analysis under "Risks and our strategy to Manage - Competition". The disclosure on that page is incorporated by reference into this AIF.

REAL ESTATE PORTFOLIO

Overview of Our Properties

As at December 31, 2012, we owned a 100% interest in a diversified portfolio of 157 light industrial properties and a 50% interest in one industrial property. In total, our portfolio totals approximately 11.4 million square feet of gross leasable area. Our properties feature an attractive, geographically diverse mix of flex, warehouse and distribution, and light manufacturing assets and offer functional, well priced and professionally managed premises. Our portfolio is concentrated in the key industrial markets including Halifax, Montreal, Toronto, Calgary and Edmonton. At December 31, 2012, the average occupancy rate across our portfolio was 96.3%. The national industry average occupancy rate was 93.9% (CB Richard Ellis, Canadian Industrial MarketView, Fourth Quarter 2012). Our occupancy rates include lease commitments for space that is currently being readied for occupancy but for which rent is not yet being recognized.

The table below highlights the geographic diversification of our properties as of December 31, 2012:

Province	Number of properties			Owned GLA (sq. ft.)			
	Initial Properties	Acquisitions	Total	Initial Properties	Acquisitions	Total	%
British Columbia	1	-	1	17,405	-	17,405	0.2
Alberta	46	21	67	2,052,933	1,224,622	3,277,555	28.6
Saskatchewan	6	-	6	829,815	-	829,815	7.3
Ontario	8	17	25	883,923	1,033,478	1,917,401	16.8
Quebec	9	19	28	1,767,200	1,437,316	3,204,516	27.9
New Brunswick	3	-	3	134,704	-	134,704	1.2
Nova Scotia	4	24	28	320,250	1,736,549	2,056,799	18.0
Total	77	81	158	6,006,230	5,431,965	11,438,195	100.0

Additional data and information regarding the geographic distribution of our properties are set out on page 3 of our 2012 Management Discussion & Analysis, which disclosure is incorporated by reference into this AIF.

A comprehensive list of all of our properties as of December 31, 2012 is attached to this AIF as Schedule C.

A description of our top ten industrial properties, as at December 31, 2012, which collectively produce approximately 23% of our net operating income (“NOI”), is set out below.

1411, 1421 and 1451 Rue Ampère, Boucherville, Quebec – we own 100% of this 457,500 square foot light manufacturing industrial property located in suburban Montreal. The property is situated on 21.6 acres of land and is adjacent to the Trans-Canada Highway. It was completed in 1998 and renovated in 2002 and has a clear ceiling height of 27 feet. The property is 100% leased to Spectra Premium until 2025.

275 Wellington Street East, Aurora, Ontario – we own 100% of this 317,000 square foot light manufacturing industrial property located in Aurora, a suburb just north of Toronto. The property is situated on 16.3 acres of land and is in close proximity to Highway 404. It was completed in 1986 and has a clear ceiling height of 27 feet with a two-level office space component. The property is 100% leased to Transcontinental until 2022.

1900 Dickson Street (Molson Distribution Centre), Montreal, Quebec – we own 100% of this 225,000 square foot single storey warehouse and distribution facility. The Property features easy access to major highways Autoroute Louis-H- Lafontaine (Hwy 25), Autoroute Jean-Lesage (Hwy 132), Autoroute Métropolitaine (Hwy 40), as well as situated within 30 minutes to downtown Montréal and the Montréal International Airport. It was completed in 2003, has a clear ceiling height of 26 feet and a 2-storey office component. The property is 100% leased to Molson Breweries Properties Ltd. until 2022.

10001 Metropolitan Boulevard East, Montreal, Quebec – we own 100% of this 327,000 square foot warehouse and distribution facility in Montreal. The single-storey property, which was completed in 2004, is situated on 28.5 acres of land along the Trans-Canada Highway, has a clear ceiling height of 41 feet and is 100% leased to The Brick until 2024.

202 Brownlow Avenue, Halifax, Nova Scotia – we own 100% of this 213,300 square foot flex industrial property located within [the Burnside Business Park, in close proximity to other assets in our portfolio]. The two-storey multi-tenant property was completed in 1986, has a clear ceiling height of 18 feet and is 92.8% leased to tenants including Goodlife Fitness, Staples Business Depot and Master Merchant.

310 Henderson Drive, Regina, Saskatchewan – we own 100% of this 373,300 square foot warehouse and distribution property encompassing one-storey and two-storey multi-tenant industrial buildings. The property is situated on 24 acres of land, was completed in 1976 and has a clear ceiling height of 24 feet. The property is in close proximity to other assets in the portfolio and is 100% leased to Access Distribution, Supreme Office Products Limited, Watergroup Companies Inc. and Consumers Co-Operative Refinery.

611-615 71st Avenue SE & 7515 6th Street SE, Calgary, Alberta – we own 100% of this 167,700 square foot flex industrial property situated on 6.5 acres of land in the Glenmore Business Park. The two-storey multi-tenant property was completed in 1979, has a clear ceiling height of 20 feet and is 90% leased to tenants including Worldwide Specialty Foods, Shamrock Flooring Accessories and King-O-Matic Industries Ltd.

628 668 Henderson Drive (Chestemere), Regina, Saskatchewan – we own 100% of this 163,800 square foot warehouse and distribution property located in Regina. The property sits on 9.1 acres of land, was completed in 1975, and has a clear ceiling height of 19 feet. The property is 99.9% leased to tenants including Goodall Rubber Company of Canada and Co-operators Life Insurance Company.

1313 Autoroute Chomedey, Laval, Quebec – we own 100% of this 184,500 square foot light manufacturing property located in suburban Montreal. The property was completed in 1999, has a clear ceiling height of 26 feet and is 100% leased to Spectra Premium until 2025.

1125 50th Avenue, Montreal, Quebec – we own 100% of this 210,700 square foot light manufacturing property located in suburban Montreal. The single-storey property was completed in 2000, contains modern warehouse space complete with heated and refrigerated storage areas, has a clear ceiling height of 26 feet and is 100% leased to Nellson Nutraceutical until 2019.

ASSESSMENTS OF THE PROPERTIES

Environmental Site Assessments

Environmental legislation and policies have become increasingly stringent over the years. Such environmental laws provide a range of potential liabilities, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous or toxic substances released on, to, in or from our properties or disposed of in any other location. The presence of such substances, if any, may also adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral, and could potentially also result in civil claims by private plaintiffs.

Within the past 12 months, Phase I environmental site assessments have been completed at each of the Properties by an independent environmental consultant. Going forward, such assessments may be performed in connection with financing activities with respect to the Properties, as may be required under a lease, or to facilitate the purchase of properties not currently in our portfolio. Phase I environmental site assessments are conducted to identify actual and potential site contamination and non-compliance with environmental laws and regulations based on a review of available historical and current records, interviews with available site personnel and a visual inspection of the relevant property. Where substantial potential issues are identified, including non-compliance with material environmental laws or regulation, further assessment is carried out including, where necessary, Phase II environmental site assessments which involve intrusive investigations such as soil and groundwater sampling and analyses.

Phase II environmental site assessments have been conducted on certain of the Properties. The relatively few issues identified through this site assessment process, including the need to remediate or otherwise address contamination at some of the Properties, are being carefully managed with the involvement of professional consultants where appropriate.

The Properties, as well as any new acquisitions are insured under the REIT's blanket environmental insurance policy. This coverage provides protection from new and unknown environmental conditions.

We believe that the current estimated cost of remediation or capital expenditures with respect to actual, or potential environmental conditions would not have a material adverse effect on our results of operations, business, prospects and financial condition.

We have policies and procedures in place to review and monitor environmental matters relating to our properties, and the Governance and Environmental Committee of our Board has oversight over these matters. Our operating policies require us to conduct a Phase I environmental audit of real properties proposed to be acquired by us, subject to certain limited exceptions. We will continue to make appropriate capital and operating expenditures to ensure compliance with environmental laws and regulations.

Building Condition Assessments

Each of the Properties have been the subject of certain building condition assessment reports prepared by an independent engineering firm, and upon which the REIT has obtained a letter stating that we may rely upon the reports.

Building condition assessment reports were prepared for each of the Properties based on a visual walk-through for the purpose of assessing and documenting the existing condition of each of the Properties, with specific attention to the exterior building envelope, but also including structural, mechanical, electrical, roofing and site elements. The reports catalogue repair work, deferred maintenance and capital maintenance that were observed during on-site reviews of the Properties and provide an opinion of probable costs that could be anticipated for capital requirements relating to deferred maintenance and capital replacement which may be expected during the next ten years. Based on the building condition assessment reports, management believes that the Properties are primarily well-maintained, in accordance with their use.

As part of our annual asset review program, we monitor the appropriate level of repairs and maintenance and capital expenditures to ensure that the Properties remain competitive. We intend to manage capital expenditures prudently and maintain the physical improvements of the Properties in good condition. We will also expend capital on upgrades where appropriate, especially if we believe that such spending will accelerate lease-up of vacant space and assist in the retention of expiring tenancies.

INDEBTEDNESS

For the year ended December 31, 2012, our interest coverage ratio was 3.6 times. This ratio is calculated by dividing (i) net operating income from continuing operations plus interest and fee income less general and administrative expenses by (ii) interest expense on debt. As at the same date, our floating rate indebtedness was approximately 6.5% of total debt.

Mortgage Financing

Our properties currently serve as security for mortgage loan facilities from a number of lenders. In some cases, a group of properties may serve as security for mortgage loans from a single lender. In some cases, there is recourse to the assets of Dundee Industrial Properties LP. However, none of the lenders with respect to any of our facilities have recourse to the direct assets of Dundee Industrial REIT.

The following table summarizes the total debt, including existing mortgages and credit facilities in place on the properties in our portfolio, promissory notes and convertible debentures, as at December 31, 2012. All dollar amounts are expressed in thousands of dollars.

Year Ending December 31	Debt Maturities	Scheduled Principal Repayments On Non-matured Debt	Total	%	Weighted Average Interest Rate on Balance Due at Maturity (%)	Weighted Average face rate on balance due at maturity (%)
2013.....	\$ 85,800	\$ 13,025	\$ 98,825	15.29	3.34	3.39
2014.....	73,763	12,094	85,857	13.29	3.01	4.25
2015.....	108,296	10,222	118,518	18.35	3.08	3.67
2016.....	60,855	7,258	68,113	10.54	3.23	4.59
2017	30,136	5,296	35,432	5.49	3.27	4.18
2018 and thereafter	230,484	8,910	239,394	37.04	4.83	4.62
Total.....	\$ 589,334	\$ 56,805	\$ 646,139	100.0	3.82	4.19
Weighted average term to maturity	4.1 years					

Debentures

Each Debenture is convertible at any time by the debenture holder into 72.4638 REIT Units per one thousand dollars of face value, representing a conversion price of \$13.80 per unit. On and after December 31, 2015, but prior to December 31, 2017 the Debentures may be redeemed by Dundee Industrial REIT at a price equal to the principal amount plus accrued and unpaid interest. Interest on the Debentures is payable semi-annually on June 30 and December 31.

Credit Facilities

Demand revolving credit facilities

On October 4, 2012, we entered into a \$35.0 million demand revolving credit facility. The revolving credit facility is in the form of rolling one-month bankers' acceptances ("BAs") bearing interest at the BA rate plus 1.90% or at the bank's prime rate (3.0% at December 31, 2012) plus 0.90%. On December 19, 2012, we increased the available capacity under the demand revolving credit facility to \$50.0 million, to coincide with the acquisition of the KingSett Portfolio, all other terms of the facility remained unchanged. At December 31, 2012, 15 properties were secured as first-ranking mortgages on the facility and \$10.0 million was drawn on the facility. At year-end the formula-based amount available under this facility was \$39.6 million. The facility is available up to a formula-based maximum not to exceed \$49.6 million. The \$10.0 million drawn on the facility was subsequently paid off on January 21, 2013. The facility expires on October 4, 2014.

Unsecured non-revolving bridge facilities

On December 19, 2012, we entered into an \$80.0 million unsecured non-revolving bridge facility to facilitate the closing of the KingSett Portfolio. This facility bears interest at the bank's prime rate (3.0% as at December 31, 2012) plus 1.25% or at BA rates plus 2.25%. As at December 31, 2012, \$32.5 million was drawn on the facility, which was subsequently paid off on January 21, 2013 with the proceeds of a new mortgage.

Additional Financing

We may seek additional financing with one or more financial institutions from time to time. Such financing will be used for general trust purposes, which may include the funding of our operations or future property acquisitions.

TRUSTEES AND OFFICERS

Pursuant to the Declaration of Trust, Dundee Industrial REIT may have between five and 12 trustees at any given time and a majority of our trustees must be resident Canadians. Dundee Industrial REIT currently has six trustees.

Each of our trustees is required to exercise the powers and discharge the duties of his or her office honestly and in good faith with a view to the best interests of Dundee Industrial REIT and its unitholders and, in connection with doing so, exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The following table sets forth, as at April 1, 2013, the name, municipality of residence, position with Dundee Industrial REIT and principal occupation for each of our trustees.

Name and Municipality of Residence	Positions Held	Principal Occupation
Michael J. Cooper ⁽²⁾ Toronto, Ontario, Canada	Trustee since October 4, 2012	Managing Partner, Dundee Real Estate Asset Management
Peter A. Crossgrove ⁽¹⁾⁽³⁾ Toronto, Ontario, Canada	Trustee since October 4, 2012	Corporate Director, Executive Chairman, Excellon Resources
Joanne Ferstman ⁽²⁾⁽⁴⁾ Toronto, Ontario, Canada	Trustee since October 4, 2012	Corporate Director
Robert G. Goodall ⁽¹⁾ Mississauga, Ontario, Canada	Trustee since October 4, 2012	President, Canadian Mortgage Capital Corporation
Leerom Segal ⁽³⁾ Toronto, Ontario, Canada	Trustee since October 4, 2012	President and Chief Executive Officer, Klick Health
Vincenza Sera ⁽¹⁾⁽³⁾ Toronto, Ontario, Canada	Trustee since October 4, 2012	Corporate Director

- (1) Member of the Audit Committee.
- (2) Member of the Executive Committee.
- (3) Member of the Governance and Environmental Committee.
- (4) Chairman of the Board.

Each of the foregoing has held his or her present principal occupation for the past five years except for:

- Peter Crossgrove recently served as Interim Chief Executive Officer of Excellon Resources and who has for the past five years also been a corporate director of various public companies;
- Michael Cooper who currently also holds the position of President and Chief Executive Officer of Dundee Realty Corporation, Vice Chairman and Chief Executive Officer of Dundee REIT, and Vice Chairman of Dundee International Real Estate Investment Trust;
- Joanne Ferstman who, prior to June, 2012 was President and Chief Executive Officer of Dundee Capital Markets Inc., a securities dealer, prior to February 1, 2011, was Vice-Chair and Head of Capital Markets, DundeeWealth Inc., an investment management company, and prior to June 2009, was Executive Vice President and Chief Financial Officer and Corporate Secretary of Dundee Corporation and Executive Vice President and Chief Financial Officer of DundeeWealth Inc.

As at December 31, 2012, our trustees and executive officers beneficially owned, directly or indirectly, as a group, 927,929 Units, which represent approximately 2.6% of the outstanding Units and which do not include the LP B Units and the corresponding Special Trust Units beneficially owned by Dundee REIT, and may not include Units issued pursuant to our DRIP. As at December 31, 2012, Dundee REIT through

its subsidiaries, held 16,198,747 LP B Units and the same number of Special Trust Units issued on a one-for-one basis with the LP B Units. The Special Trust Units controlled by Dundee REIT constitute 100% of the outstanding Special Trust Units.

Committees

The Board has three committees: the Audit Committee, the Governance and Environmental Committee and the Executive Committee. The corporate governance guidelines in National Policy 58-201 – *Corporate Governance Guidelines* recommend that an issuer’s nominating committee and compensation committee be composed entirely of “independent” directors, within the meaning of National Policy 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”). Our Declaration of Trust also requires that committees of the trustees be composed of a majority of “Independent Trustees”. Our Declaration of Trust requires that a majority of the trustees on each of these committees be resident Canadians. Each member of a committee shall serve on such committee until such member resigns from such committee or otherwise ceases to be a trustee.

Audit Committee

NI 52-110 and the Declaration of Trust require the Board of Trustees to have an Audit Committee consisting of at least three trustees. NI 52-110 requires that, subject to limited exceptions, every member of the Audit Committee be “independent” for purposes of NI 52-110 and the Declaration of Trust requires that the Chair of the Audit Committee be selected from the group of Independent Trustees who are resident Canadians appointed to serve on the Audit Committee. The Board of trustees has adopted a charter, a copy of which is attached as Schedule A to this AIF.

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, including: (i) reviewing our procedures for internal control with our auditors and Chief Financial Officer; (ii) reviewing and improving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents; (iv) assessing our financial and accounting personnel; (v) assessing our accounting policies; (vi) reviewing our risk management procedures; and (vii) reviewing any significant transactions outside our ordinary course of business and any pending litigation involving us.

The Audit Committee currently consists of three trustees, being Mr. Crossgrove, Mr. Goodall and Ms. Sera. Each of these individuals is an Independent Trustee for the purposes of our Declaration of Trust and is “independent” and “financially literate” within the meaning of NI 52-110. Each member of the Audit Committee possesses considerable education and experience relevant to the performance of his responsibilities as an Audit Committee member.

Relevant Education and Experience

Peter Crossgrove is a corporate director with extensive experience in the mining industry. He is currently the Executive Chairman of Excellon Resources, a mineral resource company operating in Durango State, Mexico. He is also the former Chairman and a founder of Masonite International Inc., a door manufacturing company. He is also a former CEO of ITCO Properties Ltd. and York Hanover Development, both real estate developers in Canada and the U.S. His charitable work includes serving as a honorary board member of the University Health Network and a director of the Canadian Partnership Against Cancer. He earned a Bachelor of Commerce degree from Concordia University, a Masters in Business Administration from the University of Western Ontario and is a Sloan Fellow of the Doctoral Program at Harvard Business School. Mr. Crossgrove is also a recipient of the Queen's Jubilee Medal and a Member of the Order of Canada and was awarded the Order of Ontario in early 2010.

Robert Goodall is the President and founder of Canadian Mortgage Capital Corporation (“CMCC”), a major mortgage brokerage company with well-established lending and mortgage servicing operations.

CMCC's head office is in downtown Toronto, and the company has branch offices in Calgary and Vancouver. Mr. Goodall is also CEO of Atrium Mortgage Investment Corporation (Atrium MIC), a major non-bank lender, which has assets of approximately \$225 million and is traded on the TSX under the symbol 'AI'. Prior to founding CMCC, Mr. Goodall spent seven years with Royal Trust, where the last three years were served as National Managing Director of the Real Estate Finance Group for a portfolio of \$1.4 billion in commercial and multi-residential real estate loans, including fixed and floating rate mortgages, construction loans, and high-ratio mezzanine loan facilities. Mr. Goodall sits on the boards of Dundee REIT, Dundee Industrial REIT and a registered charity, Jump Math. Mr. Goodall has an MBA from the Schulich school of business.

Vincenza Sera is a corporate director. She is Chair of the Board of Directors and Chair of the Investment Committee for the Ontario Pension Board, a member of the Board of Directors and Audit Committee of Fallbrook Technologies Inc. and a member of the Board of Directors and Vice Chair of the Audit and Risk Management Committees of the Ontario Financing Authority. Ms. Sera is also a former member of the Board and Chair of the Audit, Compensation and Governance Committees of Mavrix Fund Management Inc., a publicly-traded mutual fund company, and a former member of the Independent Review Committee of Criterion Investments Inc., a mutual fund company. In all these various roles she has fulfilled similar responsibilities to those set out in the Audit Committee Charter. Ms. Sera spent 25 years in corporate and investment banking with Schedule I Banks and has extensive direct experience in the capital markets and with the financial reporting obligations of public companies. Ms. Sera earned a Bachelor of Commerce from the University of Windsor and a Master of Business Administration from the University of Toronto. She is also a member of the Institute of Corporate Directors and holds an ICD.D designation.

Pre-Approval Policies and Procedures

The Audit Committee Charter requires that all non-audit services to be provided to Dundee Industrial REIT or any of its subsidiaries by the external auditors or any of its affiliates are subject to pre-approval by the Audit Committee; however, the Audit Committee may delegate such responsibility to one or more of its members.

Auditors' Fees

The aggregate fees billed by PricewaterhouseCoopers LLP, Dundee Industrial REIT's external auditor, or fees accrued by Dundee Industrial REIT in 2012 for professional services, are presented below:

	Year ended December 31, 2012
Audit Fees	
Audit fees	\$ 119,450
Review of interim financial statements	9,000
Audit of Acquisitions	30,000
Audit-related fees	
IPO and prospectus related fees	721,800
Acquisition related fees	708,000
Total	\$ 1,588,250

Governance and Environmental Committee

The Declaration of Trust requires the Board of trustees to have a Governance and Environmental Committee consisting of at least three trustees. In addition to its environmental oversight function, the Governance and Environmental Committee also functions as a compensation committee and a nominating committee.

The Board of Trustees has adopted a written charter for the Governance and Environmental Committee setting out its responsibilities for: (a) assessing the effectiveness of the Board of Trustees, each of its committees and individual Trustees; (b) overseeing the recruitment and selection of candidates as Trustees; (c) organizing an orientation and education program for new Trustees; (d) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board of Trustees as a whole or on behalf of the Independent Trustees; (e) reviewing and making recommendations to the Board of Trustees concerning any change in the number of Trustees comprising the Board of Trustees; (f) reviewing the environmental state of any real property owned by us; (g) establishing formal policies and procedures to review and monitor our environmental exposure; (h) considering questions of management succession; (i) administering the Deferred Unit Incentive Plan and any unit option or purchase plan and any other compensation incentive programs; (j) assessing the performance of management of the REIT; (k) reviewing and approving the compensation paid by us, if any, to our officers, advisers and consultants (other than our auditors); and (l) reviewing and making recommendations to the Board of Trustees concerning the level and nature of the compensation payable to our Trustees and officers.

The Governance and Environmental Committee has established formal policies and procedures to review and monitor the environmental state of any real property owned by us which will take into account CSA Staff Notice 51-533 — *Environmental Reporting Guidance*. Monitoring and review of the environmental state of our real properties, may include: (a) review of environmental liability risk assessments; (b) review of environmental incident reports; (c) inspection and monitoring of any ongoing environmental control measures; (d) review of compliance with local jurisdictional regulations and orders; and (e) preparation of a hazardous materials management plan.

The Governance and Environmental Committee currently consists of all Independent Trustees, being Mr. Crossgrove, Mr. Segal and Ms. Sera. Each of these individuals is “independent” within the meaning of NI 58-101.

Executive Committee

The Declaration of Trust requires the Board of Trustees to have an Executive Committee consisting of at least four members, each of whom may be either a Trustee or executive officer of the REIT. The Executive Committee will meet on an “as needed” basis and have the authority to exercise all of the powers and discretions in the management and direction of our activities delegated to it by the Board of Trustees in accordance with its mandate and applicable law, including to: (a) approve or reject proposed investments by us in accordance with our investment guidelines, in each case, of up to \$50.0 million (by way of debt or equity); (b) approve the assumption or granting of any mortgage of up to \$50.0 million (or such other amount provided the terms thereof have been reflected in our operating budget approved by the Board of Trustees for the applicable year); (c) develop our strategy, risk management and staffing requirements for review and approval by the Board of Trustees; and (d) approve the assumption or incurrence of any debt obligations of up to \$50.0 million (or such other amount provided the terms thereof have been reflected in our operating budget approved by the Board of Trustees for the applicable year). Although our Executive Committee has been delegated authority in respect of many aspects of our business, in accordance with the mandate of the Board of Trustees, all material investments and transactions outside our ordinary course of business must be reviewed by, and are subject to the prior approval of, our Board of Trustees.

The Executive Committee currently consists of Mr. Cooper, Mr. Hayes, Mr. Barrafoto and Ms. Ferstman. Ms. Ferstman is an Independent Trustee.

Term of Office

Our trustees will be elected at each annual meeting of our unitholders for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and will be eligible for re-election. A trustee appointed by the trustees between meetings of unitholders or to fill a

vacancy will be appointed for a term expiring at the conclusion of the next annual meeting of our unitholders or until his or her successor is elected or appointed and will be eligible for election or re-election.

Our Declaration of Trust provides that a trustee may resign upon written notice to us and may be removed with or without cause by a majority of the votes cast at a meeting of unitholders called for that purpose or with cause by two-thirds of the remaining trustees.

A vacancy occurring among our trustees may be filled by resolution of the remaining trustees, so long as they constitute a quorum, or by the unitholders at a meeting of the unitholders.

Independent Trustee Matters

In addition to requiring the approval of a majority of our trustees, the following matters require the approval of at least a majority of our Independent Trustees who have no interest in the matter to become effective:

- making any material change to the Asset Management Agreement, the Services Agreement or the Opportunities Agreement (including any termination thereof) or any increase in the fees payable thereunder (or any change thereto which has the effect of increasing the fees payable thereunder);
- entering into any agreement or transaction in which any Related Party has a material interest or making a material change to any such agreement or transaction;
- approving or enforcing any agreement entered into by us with a Related Party;
- permitting any of our Subsidiaries to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party; and
- making or prosecuting any claim by or against any Related Party.

Management of Dundee Industrial REIT

The following table sets forth the name, municipality of residence and title of each executive officer of Dundee Industrial REIT:

Name, Municipality of Residence and Title

Executive Officers of Dundee Industrial REIT

Scott Hayes.....	President and Chief Executive Officer
Toronto, Ontario	
Mario Barrafato	Chief Financial Officer
Burlington, Ontario	

Prior to his appointment as President and Chief Executive Officer of Dundee Industrial REIT, Scott Hayes was President and Chief Operating Officer of Pure Industrial Real Estate Trust.

Prior to his appointment as Chief Financial Officer of Dundee Industrial REIT, Mario Barrafato was Senior Vice President and Controller of Dundee Realty Management Corporation and is currently the Senior Vice President and Chief Financial Officer of Dundee Real Estate Investment Trust.

The services of additional personnel are provided by Dundee Management LP, with the assistance of its wholly-owned subsidiary, Dundee Realty Management, to support the executive officers of Dundee Industrial REIT in fulfilling their duties. In addition, the Asset Manager provides advisory, asset

management, and administrative services to Dundee Industrial REIT pursuant to the Asset Management Agreement. See “Real Estate Management and Advisory Services – Asset Management Agreement” below.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions similar to those applicable to corporations under section 132 of the OBCA which serve to protect unitholders without creating undue limitations on us. Given that our Trustees and officers are engaged in a wide range of real estate and other business activities, our Declaration of Trust requires each of our Trustees or officers to disclose to us if he or she is a party to a material contract or transaction or proposed material contract or transaction with us or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with us. Such disclosure is required to be made by a Trustee (i) at the first meeting of the Board of Trustees or the applicable committee, as the case may be, at which a proposed contract or transaction is considered, (ii) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after a Trustee becomes so interested, (iii) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first such meeting after the Trustee becomes so interested, or (iv) at the first meeting after an interested party becomes a Trustee. Disclosure is required to be made by each of our officers as soon as the officer becomes aware that a contract or transaction or proposed contract or transaction is to be, or has been, considered by the Board of Trustees or applicable committee thereof, as soon as the officer becomes aware of his or her interest in a contract or transaction or, if not currently one of our officers, as soon as such person becomes one of our officers. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Board of Trustees or unitholders, that Trustee or officer is required to disclose in writing to the Board of Trustees or applicable committee thereof or request to have entered into the minutes of the meeting of the Board of Trustees or applicable committee thereof the nature and extent of his or her interest forthwith after the Trustee or officer becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration for serving as our Trustee, officer, employee or agent of the REIT or an Affiliate of the REIT or one for indemnity under the indemnity provisions of our Declaration of Trust or the purchase of liability insurance. Certain of our Trustees may have conflicts of interest as a result of their current full-time positions and these conflicts will be expressly acknowledged. See “Risk Factors”.

Executive Officers

The responsibilities of our senior management includes: (a) leading our management and implementing the resolutions and policies of the Board of Trustees; (b) providing the Board of Trustees with information and advice relating to the operation of our properties, acquisitions and financings; (c) establishing, at least on an annual basis, investment and operating plans for the ensuing period; (d) conducting and supervising the due diligence required in connection with proposed acquisitions and completing any acquisitions or dispositions; (e) maintaining our books and financial records; (f) determining and preparing designations, elections and determinations to be made in connection with income and capital gains for tax and accounting purposes; (g) preparing reports and other information required to be sent to unitholders and other disclosure documents; (h) calculating all distributions; (i) communicating with unitholders and other persons, including investment dealers, lenders and professionals; and (j) administering or supervising the administration, on behalf of the Board of Trustees, of the payment of cash distributions and other distributions.

Trustees' and Officers' Liability Insurance

We carry Trustees' and officers' liability insurance. Under this insurance coverage, we will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of our Trustees and officers contained in the Declaration of Trust, subject to a deductible for each loss, which will be paid by us. Individual Trustees and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by us. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. In addition, we enter into indemnity agreements with each of our Trustees and officers.

REAL ESTATE MANAGEMENT AND ADVISORY SERVICES

Asset Management Agreement

The Asset Manager of Dundee Industrial REIT is Dundee Realty. Pursuant to the Asset Management Agreement, the Asset Manager has agreed to provide the following asset management services to Dundee Industrial:

- (a) senior management team and related services, including advisory, consultation and investment management services and monitor our financial performance;
- (b) advise the Board of Trustees on strategic matters, including potential acquisitions, dispositions, financings and development;
- (c) provide guidance to the property managers on operating and capital expenditures;
- (d) identify, evaluate, recommend and assist in the structuring of acquisition, disposition and other transactions;
- (e) advise and assist with borrowings, issuances of securities and other capital requirements, including assistance in dealings with banks and other lenders, investment dealers, institutions and investors;
- (f) make recommendations with respect to the payment of distributions;
- (g) provide advice in connection with the preparation of business plans and annual budgets, implement such plans and budgets and monitor our financial performance;
- (h) advise us with respect to investor relations strategies and activities;
- (i) advise with respect to regulatory compliance requirements, risk management policies and certain litigation matters; and
- (j) any additional services as may from time to time be agreed to in writing by DRC and us for which DRC will be compensated on terms to be agreed upon between DRC and us prior to the provision of such services.

The Asset Manager is entitled to the following fees for its asset management services:

- Base annual management fee calculated and payable in cash on a monthly basis, equal to 0.25% of the purchase price paid by Dundee Industrial REIT for the Properties.
- Incentive fee equal to 15% of our adjusted funds from operations per unit in excess of \$0.80 per unit, increasing annually by 50% of the increase in the consumer price index.

- Capital expenditures fee equal to 5% of all hard construction costs incurred on each capital project with costs in excess of \$1.0 million, excluding work done on behalf of tenants or any maintenance capital expenditures.
- Acquisition fee equal to (i) 1.0% of the purchase price of a property, on the first \$100 million of properties in each fiscal year; (ii) 0.75% of the purchase price of a property on the next \$100 million of properties acquired in each fiscal year, and (iii) 0.50% of the purchase price on properties in excess of \$200 million in each fiscal year.
- Financing fee equal to 0.25% of the debt and equity of all financing transactions completed on our behalf to a maximum of actual expenses incurred by the Asset Manager in supplying services relating to financing transactions.

In addition, we will reimburse the Asset Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Asset Manager in connection with the performance of the services described in the Asset Management Agreement or such other services which we and the Asset Manager agree in writing are to be provided from time to time by the Asset Manager.

The Asset Management Agreement is for a term of ten years (the “Initial Term”) and is renewable for further five year terms (the “Renewal Terms”, and together with the Initial Term, the “Term”), unless and until the Asset Management Agreement terminates in accordance with the provisions thereof. Subject only to the termination provisions in the Asset Management Agreement, the Asset Manager will automatically be rehired at the expiration of each Term. The Asset Manager has the right, at any time, but upon 180 days’ notice, to terminate our Asset Management Agreement for any reason. Our Asset Management Agreement may also be terminated in other circumstances, such as in the event of default or insolvency of the Asset Manager within the meaning of the Asset Management Agreement.

Property Management

Dundee Industrial Management LP is responsible for providing property and facility management services in respect of our properties pursuant to the Master Property Management Agreement, and receives customary fees for such services. Dundee Industrial Management LP, with the prior approval of Industrial Partnership, may delegate some or all of its obligations under the Master Property Management Agreement, provided that such delegation will not relieve Dundee Industrial Management LP of its obligations under the Master Property Management Agreement.

Dundee Industrial Management LP will have a dedicated team of employees, who bring experience and continuity in managing the industrial portfolio. Where scale does not make it efficient to employ certain positions or perform certain functions within Dundee Industrial Management LP, Dundee Industrial Management LP may engage DRMC to provide such personnel and services pursuant to the Services Agreement. DRMC is a Subsidiary of Dundee REIT and provides property management services to Dundee REIT. DRMC has agreed to provide these services to Dundee Industrial Management LP on a cost recovery basis. See “—Other Services”.

Services provided under the Master Property Management Agreement include the following: supervising and directing the making of renovations, repairs and maintenance; supervising technical services; preparing and maintaining accounting books, records and financial reports; maintaining heating, ventilation and air conditioning equipment and ensuring proper climate control; maintaining interior and exterior common areas of our properties; arranging and supervising security with respect to our properties; paying charges and expenses relating to the operation of our properties; supervising all construction and technical services; obtaining and maintaining necessary permits; monitoring the payment of taxes; and other general services necessary for the management, operation and maintenance of our properties. The term of the Master Property Management Agreement commenced on October 4, 2012 for ten years and will be automatically renewed for further five year terms. Notwithstanding the foregoing, on or after the expiry of the initial ten year term, the Master Property Management Agreement may be

terminated by either Industrial Partnership or Dundee Industrial Management LP at the end of a calendar year upon one year's written notice.

Other Services

Services Agreement

Pursuant to the Services Agreement, DRMC may provide us with both property and facility management services as well as certain administrative and support services. The property and facility management services in the Services Agreement are the property and facility management services set out in the Master Property Management Agreement which is summarized above. DRMC has the authority to act on behalf of Dundee Industrial Management LP for these purposes.

The administrative and support services to be provided by DRMC to us under the Services Agreement include: keeping and maintaining books and records; preparing returns, filings and documents; and making determinations necessary for the discharge of our obligations and those of the Board of Trustees. Under the Services Agreement, DRMC also provides us with certain administrative and support services, including: providing office space, office equipment and communications services and computer systems; providing secretarial support personnel and reception and telephone answering services; installing and maintaining signage and promotional materials; providing banking and treasury services, including account management and transfer of funds; and providing such other administrative services as may be reasonably required from time to time.

DRMC has agreed to provide both property and facility management services and administrative and support services to us on a cost recovery basis. In this regard, the Services Agreement requires us to pay DRMC a services fee sufficient to reimburse it for the expenses incurred by it in providing services under the Services Agreement as long as the expenses are identified in the current annual budget for the properties or are otherwise approved by us in writing prior to being incurred by DRMC.

The term of the Services Agreement commenced on October 4, 2012 for one year and will be automatically renewed for further one year terms. Notwithstanding the foregoing, the Services Agreement or any of the services thereunder may be terminated by us at any time during the term upon 30 days' prior notice without payment of any termination fees to DRMC. DRMC has the right to terminate the Services Agreement with respect to property management services within 12 months' notice after the expiration of the initial one year term.

The Services Agreement contains an acknowledgement that DRMC and its Affiliates and associates may engage in other businesses that may be similar to or in competition with our affairs. In the event of a conflict, DRMC will provide us with notice of the conflict and we will be entitled to retain one or more third parties to perform the administrative services to which the conflict relates and to deduct from the fees otherwise payable to DRMC under the Services Agreement the fees payable to such third parties.

Administrative Services under the Asset Management Agreement

The Asset Management Agreement provides that DRC will provide certain administrative services to us, including: the preparation of budgets, financial forecasts, valuations and leasing analysis and amounts outstanding with respect to all receipts, disbursements and investments; the keeping and maintaining of all books and records; the preparation of regulatory filings, including our annual information forms, management information circulars, insider trading reports, financial statements, management's discussion and analysis, business acquisition reports and press releases; the preparation of financing documents, such as prospectuses; investor relations services, including the preparation of annual and quarterly reports, investor presentations and marketing materials, as well as holding quarterly conference calls with analysts and investors; the holding of annual and/or special meetings and the preparation of and arrangement for the distribution of all materials (including notices of meetings and information circulars); the preparation

of reports and other disclosure documents for the Board of Trustees and unitholders; ensuring compliance by us with all applicable laws and stock exchange rules, including continuous disclosure obligations; the preparation of returns, designations, allocations, elections and determinations to be made in connection with our income and capital gains for tax and accounting purposes; monitoring our income and investments to ensure that Dundee Industrial REIT does not become liable to pay a tax; the preparation of operational reporting, such as cash flow by property and by asset types; and the preparation of executive summaries by asset type outlining asset issues along with various other matters and development reporting costs.

We pay DRC a service fee sufficient to reimburse it for the expenses reasonably incurred by it in providing administrative services under the Asset Management Agreement.

Non-Competition Agreement

The Non-Competition Agreement prohibits Dundee Realty and its Affiliates (excluding affiliates which are public companies as described below) from directly or indirectly acquiring an ownership interest, on its own behalf, in any industrial revenue producing real property which meets the investment criteria of Dundee Industrial REIT, unless such investment opportunity has first been offered to us in accordance with the terms of the Non-Competition Agreement. See “Investment Guidelines and Operating Policies”.

The above investment restriction will not apply to investments in vacant land, residential housing, multi-residential housing units, hotels, resorts, residential condominium units, nursing homes or retirement homes. This investment restriction will not apply to: (a) passive real estate investments made by Dundee Realty or any of its Affiliates which are each less than \$25 million and represent less than a 25% interest in the real property; (b) investments in properties that do not meet the investment criteria of Dundee Industrial REIT; (c) investments in any property that will be used as office or industrial space by Dundee Realty or any Affiliates; (d) investments made on behalf of fiduciary, managed or client accounts; (e) investments that result from the realization of a loan secured by the property; and (f) investments made by any Affiliate or Dundee Realty that is a public company or any Subsidiaries or Affiliates of such public companies (other than Dundee Realty and its direct Subsidiaries).

With respect to industrial revenue producing properties owned, rezoned or developed by Dundee Realty, Dundee Realty will provide us with a first opportunity to acquire such properties, but Dundee Realty will be free to offer such properties to other parties in the event that we and Dundee Realty are not able to agree on price or other terms for the acquisition.

The Non-Competition Agreement provides that Dundee Realty and its Affiliates will no longer be bound by the terms of the Non-Competition Agreement when Dundee Realty is no longer our asset manager or, in the case of any Affiliate, when such entity has ceased to be an Affiliate of DRC.

Opportunities Agreement

The Opportunities Agreement provides that if DRC, as our asset manager and as the asset manager for Dundee REIT and Dundee International REIT, identifies an investment opportunity (each, an “**Offered Investment**”) to acquire, directly or indirectly, an ownership interest in (including as a result of making a loan secured by):

- (a) a real property or interest in a real property that is, or would reasonably be considered to be, an industrial property or primarily an industrial property, which, for purposes of the Opportunities Agreement, includes real property commonly described as “flex office/industrial” or a variation of same (an “**Industrial Property**”);
- (b) a real property or interest in a real property that is, or would reasonably be considered to be, an office property or primarily an office property (an “**Office Property**”);

- (c) a portfolio or real properties or interest in a portfolio of real properties that is, or would reasonably be considered to be, a portfolio of Industrial Properties or primarily Industrial Properties (an “**Industrial Portfolio**”);
- (d) a portfolio of real properties or interest in a portfolio of real properties that is, or would reasonably be considered to be, a portfolio of Office Properties or primarily Office Properties (an “**Office Portfolio**”); or
- (e) a portfolio of Industrial Properties and Office Properties that is, or would reasonably be considered to be, neither primarily Office Properties nor primarily Industrial Properties (a “**Mixed Portfolio**”);

then in each case, DRC shall offer such Offered Investment to Dundee Industrial REIT, Dundee REIT or Dundee International REIT on the following basis:

- (a) an opportunity to acquire (i) an Industrial Property in Canada or (ii) an Industrial Portfolio in Canada or primarily in Canada will, in each case, first be offered to us in accordance with the terms of the Opportunities Agreement;
- (b) an opportunity to acquire (i) an Office Property in Canada or (ii) an Office Portfolio in Canada or primarily in Canada will, in each case, first be offered to Dundee REIT in accordance with the terms of the Opportunities Agreement;
- (c) an opportunity to acquire an Industrial Property, Industrial Portfolio, Office Property or Office Portfolio outside of Canada will first be offered to Dundee International REIT in accordance with the terms of the Opportunities Agreement; if Dundee International REIT is not interested in pursuing such opportunity, the opportunity will then be offered to Dundee REIT or to us, as applicable, in accordance with the terms of the Opportunities Agreement on the same basis as if the property or portfolio of properties were in Canada;
- (d) an opportunity to acquire a Mixed Portfolio in Canada or primarily in Canada will be offered to both Dundee REIT and to us at the same time in accordance with the terms of the Opportunities Agreement; and
- (e) an opportunity to acquire an Industrial Portfolio, Office Portfolio or Mixed Portfolio partially in Canada and partially outside of Canada that is not required to be offered to one or both of Dundee REIT or us by the terms of the Opportunities Agreement will be offered in accordance with the terms of the Opportunities Agreement at the same time to: (i) both Dundee International REIT (in respect of that part of the portfolio outside of Canada) and to us in the case of an Industrial Portfolio; (ii) both Dundee International REIT (in respect of that part of the portfolio outside Canada) and Dundee REIT in the case of an Office Portfolio; or (iii) each of Dundee International REIT (in respect of that part of the portfolio outside Canada), Dundee REIT and us in the case of a Mixed Portfolio.

The Opportunities Agreement does not apply to opportunities to make investments: (i) in any property that will be used as office space by DRC or any of its Affiliates; (ii) made on behalf of fiduciary, managed or client accounts other than Dundee REIT, Dundee International REIT or us; and (iii) by DRC that result from the realization of a loan secured by a real property or any interest therein.

The Opportunities Agreement will cease to apply to Dundee REIT, Dundee International REIT or us at the time that DRC ceases to be the asset manager for Dundee REIT, Dundee International or us, as the case may be.

Employees

Dundee Realty Corporation is the asset manager of Dundee Industrial REIT and its subsidiaries. Dundee Realty Corporation has over 150 employees who provide advisory, asset management, and administrative services to Dundee Industrial REIT and its subsidiaries. Dundee Industrial Management Limited Partnership, a wholly-owned subsidiary of DILP, is our property manager. As at December 31, 2012, Dundee Industrial Management LP and its subsidiaries had one full-time employee. In addition, Dundee Industrial Management LP engages Dundee Realty Management Corp. (“DRMC”), a subsidiary of Dundee REIT, to provide additional personnel and services pursuant to the Services Agreement (see “Real Estate Management and Advisory Services — Other Services”). DRMC has a dedicated team of employees who bring experience and continuity in managing our Properties. See “Real Estate Management and Advisory Services”.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Dundee Industrial REIT’s investment and operating activities are limited because our operating business is carried out by our Subsidiaries. The investment guidelines governing our investments in real estate and other assets and the operating policies governing our investments exist at the Industrial Partnership level and are set out below under the headings “Investment Guidelines and Operating Policies – Investment Guidelines of Industrial Partnership” and “Investment Guidelines and Operating Policies – Operating Policies of Industrial Partnership”.

Investment Guidelines of Dundee Industrial REIT

Pursuant to the Declaration of Trust, Dundee Industrial REIT’s assets may be invested only in accordance with the following investment guidelines:

- (a) Dundee Industrial REIT will only invest in units, notes and securities of its Subsidiaries, amounts receivable in respect of such units, notes and securities, cash and similar deposits in a Canadian chartered bank or trust company and, subject to certain limitations summarized in paragraph (b) below, such other investments as the trustees of Dundee Industrial REIT deem advisable from time to time; and
- (b) Dundee Industrial REIT will not make or permit any of its Subsidiaries to make, and Subsidiaries of Dundee Industrial REIT will not make, any investment that would result in:
 - (i) the Units being disqualified for investment by Plans;
 - (ii) Dundee Industrial REIT and any of its Subsidiaries being liable under the Tax Act to pay a tax imposed under either paragraph 122(1)(b), subsection 197(2) or Part XII.2 of the Tax Act; or
 - (iii) Dundee Industrial REIT ceasing to qualify as a “mutual fund trust” or a “real estate investment trust” for purposes of the Tax Act;
- (c) subject to the qualification in paragraph (g) below, Subsidiaries of Dundee Industrial REIT will focus their investment activities on industrial revenue producing properties; provided, however, Subsidiaries of Dundee Industrial REIT may invest in other classes of real properties if the Board determines that it is in the best interests of Dundee Industrial REIT to do so;
- (d) subject to the qualification in paragraph (g) below, Subsidiaries of Dundee Industrial REIT will not invest in or acquire securities of a Canadian real estate investment trust unless:

- (i) the activities of the real estate investment trust are focused on acquiring, holding, maintaining, improving, leasing or managing revenue producing properties; and
 - (ii) in the case of any proposed investment or acquisition which would result in Subsidiaries of Dundee Industrial REIT owning beneficially more than 10% of the outstanding units of such real estate investment trust (the “acquired trust”), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the Subsidiaries and the acquired trust or for otherwise ensuring that the Subsidiaries will control the business and operations of the acquired trust;
- (e) Subsidiaries of Dundee Industrial REIT will not lease or sublease to any person any real property, premises or space where that person and its Affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market rental rate in excess of 15% of our Adjusted Unitholders’ Equity;
- (f) Subsidiaries of Dundee Industrial REIT will not invest in raw land (except for the acquisition of properties adjacent to our existing properties for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 5% of our Adjusted Unitholders’ Equity);
- (g) Subsidiaries of Dundee Industrial REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by us and secured by a mortgage on such property) up to 25% of our Adjusted Unitholders’ Equity in investments or transactions which do not otherwise comply with our investment guidelines, so long as the investment does not contravene paragraph (b) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which we have an interest will be deemed to be those of the REIT on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Pursuant to the Declaration of Trust, the investment guidelines set forth above may only be amended with the approval of at least 66 2/3% of the votes cast at a meeting of unitholders of Dundee Industrial REIT called for that purpose except for certain amendments that may be undertaken by a majority of the trustees of Dundee Industrial REIT including a majority of the Independent Trustees pursuant to the Declaration of Trust.

Investment Guidelines of Industrial Partnership

The Dundee Industrial Limited Partnership Agreement provides for certain restrictions on investments which may be made by or on behalf of Industrial Partnership. These investment guidelines are set out below.

- (a) Notwithstanding any other provision set out below, Industrial Partnership shall not make or permit any of its Subsidiaries to make any investment that would result in:
 - (i) REIT Units being disqualified for investment by Plans;
 - (ii) Dundee Industrial REIT and any of its Subsidiaries being liable under the Tax Act to pay a tax imposed under paragraph 122(1)(b), subsection 197(2) or Part XII.2 of the Tax Act; or
 - (iii) Dundee Industrial REIT ceasing to qualify as a “mutual fund trust” or a “real estate investment trust” for purposes of the Tax Act;

- (b) Subject to the qualification in paragraph (f) below, Industrial Partnership and its Subsidiaries shall focus their investment activities on industrial revenue producing properties; provided, however, Industrial Partnership and its Subsidiaries may invest in other classes of real properties if Industrial GP determines that it is in the best interests of Industrial Partnership to do so;
- (c) Subject to the qualification in paragraph (f) below, Industrial Partnership and its Subsidiaries shall not invest in or acquire securities of a Canadian real estate investment trust unless:
 - (i) the activities of the real estate investment trust are focused on acquiring, holding, maintaining, improving, leasing or managing revenue producing properties; and
 - (ii) in the case of any proposed investment or acquisition which would result in Industrial Partnership or its Subsidiaries owning beneficially more than 10% of the outstanding units of such real estate investment trust (the “acquired trust”), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of Industrial Partnership and its Subsidiaries and the acquired trust or for otherwise ensuring that Industrial Partnership will control the business and operations of the acquired trust;
- (d) Industrial Partnership and its Subsidiaries shall not lease or sublease to any person any real property, premises or space where that person and its Affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market rental rate in excess of 15% of the Adjusted Unitholders’ Equity of Dundee Industrial REIT;
- (e) Industrial Partnership and its Subsidiaries shall not invest in raw land (except for the acquisition of properties adjacent to existing properties of Industrial Partnership for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 5% of the Adjusted Unitholders’ Equity of Dundee Industrial REIT); and
- (f) Industrial Partnership and its Subsidiaries may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by Dundee Industrial REIT and secured by a mortgage on such property) up to 25% of the Adjusted Unitholders’ Equity of Dundee Industrial REIT in investments or transactions which do not otherwise comply with the guidelines listed above, so long as the investment does not contravene paragraph (a) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which Industrial Partnership or a Subsidiary has an interest shall be deemed to be those of Industrial Partnership or the Subsidiary on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Operating Policies of Dundee Industrial REIT

The Declaration of Trust provides that our operations and affairs must be conducted in accordance with the following operating policies and that we will not permit any subsidiary to conduct its operations and affairs other than in accordance with the following operating policies:

- (a)
 - (i) any written instrument creating an obligation which is or includes the granting by Dundee Industrial REIT of a mortgage; or
 - (ii) to the extent our trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of Dundee Industrial REIT and our unitholders, any written instrument which in the judgment of our trustees is a material obligation;

must, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from the private property of any of the trustees, unitholders, annuitants or beneficiaries under a plan of which a unitholder acts as a trustee or carrier or officers, employees or agents of Dundee Industrial REIT, but that only property of Dundee Industrial REIT or a specific portion thereof will be bound;

- (b) Dundee Industrial REIT will only guarantee the obligations of its wholly-owned subsidiaries (other than any other wholly-owned subsidiaries of Dundee Industrial REIT that are general partners in partnerships that are not wholly-owned by Dundee Industrial REIT), provided that Dundee Industrial REIT may guarantee the obligations of wholly-owned subsidiaries of Dundee Industrial REIT that are general partners in partnerships that are not wholly-owned by Dundee Industrial REIT if Dundee Industrial REIT has received an unqualified legal opinion that Dundee Industrial REIT's guarantee of the obligations of wholly-owned subsidiaries of Dundee Industrial REIT will not cause Dundee Industrial REIT to cease to qualify as a "mutual fund trust" for the purposes of the Tax Act.
- (c) Subsidiaries of Dundee Industrial REIT will not enter into any transaction involving the purchase of lands or land and improvements thereon and the leasing thereof back to the vendor where the fair market value net of encumbrances of the property being leased to the vendor together with all other property being leased by Subsidiaries of Dundee Industrial REIT to the vendor and its Affiliates is in excess of 15% of our Adjusted Unitholders' Equity;
- (d) the limitation referred to in paragraph (c) above will not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:
 - (i) the Government of Canada, the Government of the United States, the Government of any province or territory of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency or crown corporation thereof;
 - (ii) any corporation which has securities outstanding that have received and continue to hold an investment grade rating from a recognized credit rating agency at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements were entered into that is not less than "A (low)" or its equivalent; or
 - (iii) a Canadian chartered bank or a trust company or insurance company registered or licensed federally or under the laws of a province of Canada;
- (e) Subsidiaries of Dundee Industrial REIT may engage in construction or development of real property provided such real property meets our investment guidelines and operating policies;
- (f) title to each real property shall be held by and registered in the name of a Subsidiary of Dundee Industrial REIT or a corporation or other entity wholly-owned, directly or indirectly, by a Subsidiary of Dundee Industrial REIT or jointly-owned, directly or indirectly, by a Subsidiary of Dundee Industrial REIT with joint venturers; provided that where land tenure will not provide fee simple title, a Subsidiary of Dundee Industrial REIT or a corporation or other entity wholly-owned, directly or indirectly, by a Subsidiary of Dundee Industrial REIT or jointly-owned, directly or indirectly, by a Subsidiary of Dundee Industrial REIT with joint venturers will hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (g) Subsidiaries of Dundee Industrial REIT will have conducted environmental and other diligence, as is commercially reasonable in the circumstance, on each real property Dundee Industrial REIT or Industrial Partnership intends to acquire with respect to the physical condition thereof, including required capital replacement programs;

- (h) Subsidiaries of Dundee Industrial REIT will obtain and maintain at all times insurance coverage in respect of potential liabilities of Subsidiaries of Dundee Industrial REIT and the accidental loss of value of the assets of Subsidiaries of Dundee Industrial REIT from risks, in amounts, with such insurers, and on such terms as the Board of Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
- (i) Subsidiaries of Dundee Industrial REIT will have conducted a phase I environmental site assessment of each real property to be acquired by it and, if the phase I environmental site assessment report recommends that further environmental site assessments be conducted, Subsidiaries of Dundee Industrial REIT shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; such site assessment as a condition to any acquisition shall be satisfactory to Industrial GP; and
- (j) Subsidiaries of Dundee Industrial REIT will maintain an interest coverage ratio of no less than 1.4 times. The interest coverage ratio is calculated as net operating income from continuing operations, plus interest and fee income, less general and administrative expense from continuing operations, including equity accounted investments, divided by interest expense on debt. When calculating the interest coverage ratio, we will include the results of equity accounted investments using proportionate consolidation at its ownership level.

For the purpose of the foregoing policies, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which we have an interest will be deemed to be those of Dundee Industrial REIT on a proportionate consolidated basis. In addition, any references in the foregoing to investment in property will be deemed to include an investment in a joint venture arrangement.

Pursuant to the Declaration of Trust, the operating policies set forth above may only be amended with the approval of a majority of the votes cast at a meeting of unitholders of Dundee Industrial REIT called for that purpose.

Operating Policies of Industrial Partnership

The Dundee Industrial Limited Partnership Agreement provides that the operations and affairs of Industrial Partnership must be conducted in accordance with the following operating policies and that Industrial Partnership will not permit any Subsidiary to conduct its operations and affairs other than in accordance with the following operating policies:

- (a)
 - (i) any written instrument creating an obligation which is or includes the granting by Industrial Partnership of a mortgage; or
 - (ii) to the extent Industrial GP determines to be practicable and consistent with its fiduciary duty to act in the best interests of Industrial Partnership and the Limited Partners, any written instrument which in the judgment of Industrial GP creates a material obligation of Industrial Partnership;

must, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of any of the Limited Partners or their officers, employees or agents, but that only property of Industrial Partnership or a specific portion thereof shall be bound;
- (b) Industrial Partnership shall only guarantee the obligations of wholly-owned Subsidiaries (other than any wholly-owned Subsidiaries that are general partners in partnerships that are not wholly-owned by Industrial Partnership), provided that Industrial Partnership may guarantee the obligations of wholly-owned Subsidiaries of Industrial Partnership that are general partners in partnerships that are not wholly-owned by Industrial Partnership if Industrial Partnership has

received an unqualified legal opinion that Industrial Partnership that are general partners in partnerships that are not wholly-owned by Industrial Partnership shall not cause Dundee Industrial REIT to cease to qualify as a “mutual fund trust” for the purposes of the Tax Act;

- (c) Industrial Partnership and its Subsidiaries shall not enter into any transaction involving the purchase of lands or land and improvements thereon and the leasing thereof back to the vendor where the fair market value net of encumbrances of the property being leased to the vendor together with all other property being leased by Industrial Partnership or its Subsidiaries to the vendor and its affiliates is in excess of 15% of the Adjusted Unitholders’ Equity of Dundee Industrial REIT;
- (d) the limitations referred to in paragraph (c) above will not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:
 - (i) the Government of Canada, the Government of the United States, the Government of any province or territory of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency or crown corporation thereof;
 - (ii) any corporation which has securities outstanding that have received and continue to hold an investment grade rating from a recognized credit rating agency at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements (as determined by Properties General Partner in its discretion) were entered into that is not less than A (low) or its equivalent; or
 - (iii) a Canadian chartered bank or a trust company or insurance company registered or licensed federally or under the laws of a province of Canada;
- (e) Industrial Partnership and its Subsidiaries may engage in construction or development of real property provided such real property meets the investment guidelines and operating policies;
- (f) title to each real property shall be held by and registered in the name of Industrial Partnership or a Subsidiary or a corporation or other entity wholly-owned, directly or indirectly, by Industrial Partnership or its Subsidiary or jointly-owned, directly or indirectly, by Industrial Partnership or its Subsidiary with joint venturers; provided that where land tenure will not provide fee simple title, Industrial Partnership or its Subsidiary or a corporation or other entity wholly-owned, directly or indirectly, by Industrial Partnership or its Subsidiary or jointly-owned, directly or indirectly, by Industrial Partnership with joint venturers shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (g) Industrial Partnership and its Subsidiaries shall have conducted environmental and other diligence, as is commercially reasonable in the circumstance, on each real property they intend to acquire with respect to the physical condition thereof, including required capital replacement programs;
- (h) Industrial Partnership and its Subsidiaries shall obtain and maintain at all times insurance coverage in respect of potential liabilities of Industrial Partnership and its Subsidiaries and the accidental loss of value of the assets of Industrial Partnership and its Subsidiaries from risks, in amounts, with such insurers, and on such terms as Industrial GP considers appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
- (i) Industrial Partnership and its Subsidiaries shall have conducted a phase I environmental site assessment of each real property to be acquired by it and, if the phase I environmental site assessment report recommends that further environmental site assessments be conducted, Industrial Partnership and its Subsidiaries will have conducted such further environmental site

assessments, in each case by an independent and experienced environmental consultant; such site assessment as a condition to any acquisition shall be satisfactory to Industrial GP; and

- (j) Industrial Partnership and its Subsidiaries shall maintain an interest coverage ratio of no less than 1.4 times. The interest coverage ratio is calculated as net operating income from continuing operations, plus interest and fee income, less general and administrative expense from continuing operations, including equity accounted investments, divided by interest expense on debt. When calculating the interest coverage ratio, we include the results of equity accounted investments using proportionate consolidation at its ownership level.

For the purpose of the foregoing operating policies, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which Industrial Partnership or a Subsidiary has an interest shall be deemed to be those of Industrial Partnership or the Subsidiary on a proportionate consolidated basis. In addition, any references in the foregoing to investment in property will be deemed to include an investment in a joint venture arrangement.

DISTRIBUTION POLICY

The following outlines the distribution policy of Dundee Industrial REIT as contained in the Declaration of Trust, but is not intended to be a complete description. You should refer to the Declaration of Trust for the full text of our distribution policy. Our distribution policy may be amended only with the approval of a majority of the votes cast at a meeting of unitholders of Dundee Industrial REIT.

General

Our cash distribution rate in 2012 was \$0.05625 per Unit per month.

Distributions made by us are authorized by the Board of Trustees in its sole discretion out of funds legally available for distribution to our Unitholders and will be dependent upon a number of factors, including restrictions under applicable law and other factors described below. We believe that our estimate of AFFO constitutes a reasonable basis for setting our initial distribution rate; however, we cannot assure you that the estimate will prove accurate, and actual distributions may therefore be significantly different from the expected distributions.

We cannot assure you that our estimated distributions will be made or sustained. Any distributions we pay in the future will depend upon our actual results of operations, economic conditions, debt service requirements and other factors that could differ materially from our expectations. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our properties, our operating expenses, interest expense, the ability of our tenants to meet their obligations and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see "Risk Factors".

Distributions in respect of a month are paid on or about each Distribution Date to Unitholders of record as at the close of business on the corresponding Distribution Record Date. This means that the distribution for any month is generally paid to Unitholders of record at the close of business on the last day of the month on or about the 15th day of the following month.

In addition, on December 31 of each year, we will make payable to such unitholders, and such unitholders will have an enforceable right to payment on such date of, a distribution of sufficient net realized capital gains and net income for the taxation year ending on that date, net of any capital losses or non-capital losses recognized on or before the end of such year such that we will not be liable for ordinary income taxes for such year, net of tax refunds. The payment of such amounts shall be made on or before the following January 15th. Special Trust Units do not have any entitlement with respect to distributions of Dundee Industrial REIT.

Where our trustees determine that we do not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable on the due date for such payment, the payment may, at the option of our trustees, include the issuance of additional Units, as the case may be, or fractions of such Units, as the case may be, if necessary, having a fair market value as determined by our trustees equal to the difference between the amount of such distribution and the amount of cash which has been determined by our trustees to be available for the payment of such distribution in the case of Units.

Unless our trustees determine otherwise, immediately after any *pro rata* distribution of additional units to Unitholders, the number of outstanding Units will automatically be consolidated such that each of such holders will hold after the consolidation the same number of Units as such holder held before the distribution of additional units. Each unit certificate representing the number of units prior to the distribution of additional units will be deemed to represent the same number of units after the non-cash distribution of additional units and the consolidation.

Notwithstanding the foregoing, where tax is required to be withheld from a unitholder's share of the distribution, the consolidation will result in such unitholder holding that number of units equal to (i) the number of units held by such unitholder prior to the distribution plus the number of units received by such unitholder in connection with the distribution (net of the number of whole and part units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of units outstanding prior to the distribution by the aggregate number of units that would be outstanding following the distribution and before the consolidation if no withholding tax were required in respect of any part of the distribution payable to any unitholder. Such unitholder will be required to surrender the unit certificates, if any, representing such unitholder's original units, in exchange for a unit certificate representing such unitholder's post-consolidation units.

DRIP

We have a distribution reinvestment and unit purchase plan entitling holders to reinvest all cash distributions made by Dundee Industrial REIT in additional Units. The price at which Units are acquired for DRIP participants is determined by Dundee Industrial REIT but is generally a price per Unit calculated by reference to a five-day volume weighted average closing price of the Units on the TSX preceding the relevant Distribution Date. Participants electing to reinvest cash distributions in Units pursuant to our DRIP receive a further "bonus" distribution equal to 3% of the amount of each cash distribution that they reinvest, which further distribution is also reinvested in Units. Participants may also make optional cash purchases of additional Units pursuant to our DRIP in a maximum amount of \$250,000 per year. Participants in our DRIP do not receive a bonus distribution of Units in connection with any such optional cash purchases. We may amend, suspend or terminate the DRIP at any time.

Participation in our DRIP is open to holders of Units, other than those who are resident or present in the United States. If a participant in our DRIP is not resident in Canada, participation is subject to applicable withholding tax. In those circumstances, cash that would otherwise be distributed to such participants by us on any given Distribution Date is reduced by the amount of applicable withholding tax, and then applied towards the purchase of additional Units pursuant to our DRIP. No brokerage commission is payable in connection with the purchase of Units under the DRIP and all administrative costs are borne by Dundee Industrial REIT. We use the proceeds received upon the issuance of additional Units under the DRIP for future property acquisitions, capital improvements and working capital.

DECLARATION OF TRUST AND DESCRIPTION OF REIT UNITS

Dundee Industrial REIT has been established under the Declaration of Trust and, unless earlier terminated in accordance with the Declaration of Trust, it shall continue in full force and effect so long as any property of Dundee Industrial REIT is held by our trustees. The following is a summary, which does not

purport to be complete, of certain terms of the Declaration of Trust and the REIT Units. You should refer to the Declaration of Trust for the full text of its provisions and a complete description of the REIT Units.

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: Units and Special Trust Units. REIT Units are issued only as fully paid and non-assessable. Each REIT Unit when issued vests indefeasibly in the holder thereof.

Issued and outstanding units may be subdivided or consolidated from time to time by the trustees with approval of a majority of unitholders entitled to vote.

No certificates are issued for fractional units and fractional units do not entitle holders thereof to vote, except to the extent such fractional units represent in the aggregate one or more whole units. Holders of Special Trust Units are not entitled to receive a certificate evidencing ownership of such units.

On December 16, 2004, the *Trust Beneficiaries' Liabilities Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario), and (ii) the trust is governed by the laws of the Province of Ontario. Dundee Industrial REIT is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Units

Each Unit represents an undivided beneficial interest in Dundee Industrial REIT and in distributions made by Dundee Industrial REIT, whether of net income, net realized capital gains or other amounts and, in the event of our termination or winding up, in our net assets remaining after the satisfaction of all our liabilities. The Units rank among themselves equally and rateably without discrimination, preference or priority. The distribution entitlement of the Units is derived from the securities held by Dundee Industrial REIT.

Each Unit entitles the holder thereof to one vote at all meetings of unitholders of Dundee Industrial REIT.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such act or any other legislation. Furthermore, Dundee Industrial REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on nor intend to carry on the business of a trust company.

Special Trust Units

The Special Trust Units are only issued in connection with the issuance of securities exchangeable for Units, including LP B Units, and are used to provide voting rights with respect to Dundee Industrial REIT to persons holding such exchangeable securities. Holders of Special Trust Units are not entitled to any share of or interest in the net assets of Dundee Industrial REIT. The Special Trust Units are not transferable separately from the exchangeable securities to which they relate. The Special Trust Units will automatically be transferred upon a transfer of any exchangeable securities. In addition, as exchangeable securities are exchanged by the holder, the corresponding Special Trust Units will be automatically cancelled. Special Trust Units have no entitlement with respect to distributions of Dundee Industrial REIT. Each Special Trust Unit entitles the holder thereof to one vote at all meetings of Unitholders of Dundee Industrial REIT.

Issuance of REIT Units

We may allot and issue new REIT Units from time to time as our trustees determine, including for cash, through public offerings, through rights offerings to existing unitholders (i.e., in which unitholders

receive rights to subscribe for new REIT Units in proportion to their existing holdings of REIT Units, which rights may be exercised or sold to other investors) or through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing unitholders). In certain instances, we may issue new REIT Units as consideration for, or in connection with, the acquisition of new properties or assets. The price or the value of the consideration for which new REIT Units may be issued will be determined by our trustees in their sole discretion, except that Special Trust Units may only be issued in connection with the issuance of securities exchangeable into Units, generally in consultation with investment dealers or brokers who may act as underwriters or agents in connection with offerings of Units.

Purchase of Units

We may from time to time purchase for cancellation Units at a price per Unit and on a basis determined by our trustees in accordance with applicable securities legislation and the rules and policies of any applicable stock exchange.

Unit Redemption Right

Units are redeemable at any time on demand by the holders thereof by sending a notice to us at our head office in a form approved by our trustees and completed and executed in a manner satisfactory to our trustees, who may require supporting documentation as to identity, capacity or authority. A unitholder not otherwise holding a fully registered Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice from his or her investment dealer or other intermediary who will be required to deliver the completed redemption form to us. Upon receipt by us of a written redemption notice and other documents that may be required, all in a manner satisfactory to our trustees, a holder of Units shall cease to have any rights with respect to the tendered units, including any right to receive any distributions thereon which are declared payable after receipt of the redemption notice by us and the holder thereof shall be entitled to receive a price per Unit (the “**Redemption Price**”) equal to the lesser of:

- (a) 90% of the “market price” of the Units on the principal exchange or market on which Units are quoted for trading on the trading day prior to the day on which the Units were surrendered to us for redemption (the “**Redemption Date**”); and
- (b) 100% of the “closing market price” of the Units on the principal exchange or market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, the “market price” in respect of Units shall be an amount equal to the weighted average of the closing price of the Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Units traded on a particular day, the “market price” shall be an amount equal to the average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 20 trading days, the “market price” shall be the weighted average of the following prices established for each of the 20 trading days: (i) the weighted average of the last bid and last asking prices of the Units for each day on which there was no trading; (ii) the closing price of the Units for each day on which there was trading if the exchange or market provides a closing price; and (iii) the weighted average of the highest and lowest prices of the Units for each day that there was trading if the exchange or market does not provide a closing price but provides only the highest and lowest prices of the Units traded on a particular day.

The “closing market price” in respect of Units shall be (i) an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; (ii) an amount equal to the weighted average of the highest and lowest prices of the Units if there was trading and the

exchange or other market does not provide a closing price but provides only the highest and lowest trading prices of the Units traded on a particular day; or (iii) the weighted average of the last bid and last asking prices of the Units if there was no trading on that date.

The aggregate Redemption Price payable by us in respect of any Units tendered for redemption during any calendar month will be satisfied by way of a cheque drawn on a Canadian chartered bank or a trust company in Canadian funds, payable no later than the last day of the calendar month following the month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that:

- (a) the total amount payable by us in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000, provided that our trustees may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any particular calendar month;
- (b) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading or quoted on a stock exchange or market which our trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and
- (c) the normal trading of outstanding Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date for the Units for more than five trading days during the ten day trading period commencing immediately after the Redemption Date for the Units.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations in paragraphs (b) and (c) above, then each Unit tendered for redemption shall, subject to obtaining all applicable regulatory approvals, be redeemed by way of a distribution *in specie* of Subsidiary Securities. The fair market value of such Subsidiary Securities would be equal to the product of the Redemption Price per Unit payable by us and the number of Units tendered. However, no Subsidiary Securities with a fair market value of less than \$100 will be distributed and, where the fair market value of Subsidiary Securities to be received by the former holder of Units upon redemption *in specie* would otherwise include a Subsidiary Security with a fair market value of less than a multiple of \$100, such amount will be rounded down to the next lowest multiple of \$100 and the excess will be paid in cash.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitation in paragraph (a) above, the holder will receive a combination of cash and, subject to obtaining all applicable regulatory approvals, Subsidiary Securities, determined in accordance with our Declaration of Trust.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of Units to dispose of their Units. Subsidiary Securities which may be distributed to Unitholders *in specie* in connection with a redemption will not be listed on any stock exchange, no market is expected to develop and such securities may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. The Subsidiary Securities so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.

Meetings of Unitholders

Our Declaration of Trust provides that meetings of Unitholders must be called and held for the election or removal of trustees, the appointment or removal of our auditors, the approval of amendments to our Declaration of Trust (except as described below under “Declaration of Trust and Description of REIT Units — Amendments to the Declaration of Trust and Other Documents”), the sale of our assets as an entirety or substantially as an entirety (other than as part of an internal reorganization of our assets as

approved by our trustees) and our termination. Meetings of Unitholders will be called and held annually within 180 days after the end of the fiscal year for the election of our trustees, appointment of the auditors and any other business that the trustees may determine.

Our trustees have the power at any time to call special meetings of Unitholders at such time and place in Canada as our trustees determine. Unitholders holding in the aggregate not less than 5% of the votes attaching to all outstanding REIT Units entitled to vote at such a meeting (on a fully diluted basis) may requisition our trustees in writing to call a special meeting of Unitholders and our trustees shall, subject to certain limitations, call a meeting of Unitholders. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the *Canada Business Corporations Act*.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy and a proxyholder need not be a unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 10% of the votes attaching to all outstanding REIT Units (on a fully diluted basis) shall constitute a quorum for the transaction of business at all such meetings. If no quorum is present at any meeting of Unitholders when called, the meeting, if convened on the requisition of Unitholders, will be dissolved and otherwise will be adjourned for not less than 10 days, and at the adjourned meeting, the Unitholders then present in person or represented by proxy will form the necessary quorum.

Our Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

Book-Based System for Units; No Certificates for Special Trust Units

Units may be represented in the form of one or more fully registered unit certificates held by, or on behalf of, CDS, as custodian of such certificates for the participants of CDS, registered in the name of CDS or its nominee, and registration of ownership and transfers of Units may be effected through the book-based system administered by CDS.

No holder of Special Trust Units is entitled to a certificate or other instrument from us evidencing the holder's ownership of such units.

Limitation on Non-Resident Ownership

In order for Dundee Industrial REIT to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, our Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the Units or 49% of the Special Trust Units then outstanding. Our trustees may require declarations as to the jurisdictions in which beneficial owners of REIT Units are resident or declarations from unitholders as to whether such REIT Units are held for the benefit of Non-Residents. We monitor ownership of our REIT Units which are held by non-residents by periodically obtaining and reviewing REIT Unit ownership reports from our transfer agent or other service providers.

If our trustees become aware that the beneficial owners of more than 49% of the Units or more than 49% of the Special Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, our trustees may make a public announcement thereof and shall not accept a subscription for REIT Units from or issue or register a transfer of REIT Units to a person unless the person provides a declaration that he or she is not a Non-Resident and does not hold his or her REIT Units for the benefit of a Non-Resident. If, notwithstanding the foregoing, our trustees determine that more than 49% of the Units or more than 49% of the Special Trust Units then outstanding are beneficially owned by Non-Residents, our trustees may send a notice to Non-Resident Unitholders and Unitholders for the benefit of Non-

Residents, chosen in inverse order to the order of acquisition or registration or in such other manner as our trustees may consider equitable and practicable, requiring them to sell or redeem, within a specified period of not more than 60 days, all or a portion of their REIT Units. If the holders of REIT Units receiving such notice have not sold or redeemed the specified number of REIT Units or provided our trustees with satisfactory evidence that they are not Non-Residents and do not hold their REIT Units for the benefit of a Non-Resident within such period, our trustees may, on behalf of such unitholder, and shall have the power of attorney of such holder to, sell or redeem such REIT Units, and, in the interim, the voting and distribution rights attached to such REIT Units shall be suspended. Upon such sale or redemption, the affected holders shall cease to be holders of the REIT Units and their rights shall be limited to receiving the net proceeds of such sale upon surrender of the certificates representing such REIT Units.

Amendments to the Declaration of Trust and Other Documents

Our Declaration of Trust may be amended or altered from time to time. Certain amendments (including our termination) require approval by at least 66 $\frac{2}{3}$ % of the votes cast at a meeting of unitholders called for such purpose. Other amendments to our Declaration of Trust require approval by a majority of the votes cast at a meeting of the unitholders called for such purpose.

The following amendments require the approval of at least 66 $\frac{2}{3}$ % of the votes cast by the unitholders at a meeting called for that purpose:

- (a) any amendment to the Declaration of Trust (subject to the exceptions outlined in the Declaration of Trust);
- (b) the sale of property or assets of Dundee Industrial REIT as an entirety or substantially as an entirety or the sale of all or substantially all of the assets of a Subsidiary (other than as part of an internal reorganization, including by way of the transfer of property or assets of Dundee Industrial REIT or a Subsidiary of Dundee Industrial REIT, as approved by our board);
- (c) the termination of Dundee Industrial REIT by its unitholders;
- (d) an exchange, reclassification or cancellation of all or part of the REIT Units;
- (e) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the REIT Units, including, without limiting the generality of the foregoing,
 - (i) the removal or change of rights to distributions; or
 - (ii) the addition or removal of or change to conversion privileges, redemption privileges, voting, transfer or pre-emptive rights;
- (f) the creation of new rights or privileges attaching to certain of the REIT Units;
- (g) any change to the existing constraints on the issue, transfer or ownership of the REIT Units;
- (h) the combination, amalgamation, merger or arrangement of any of the REIT or Subsidiaries of the REIT with any other entity; and
- (i) any material change to the Limited Partnership Agreement.

A majority of our trustees, may, without the approval of the unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) to remove any conflicts or inconsistencies in our Declaration of Trust and the provisions of any applicable law or to make minor corrections which are, in the opinion of our trustees, necessary or desirable and not prejudicial to the unitholders;
- (b) which, in the opinion of our trustees, acting reasonably, are necessary to maintain the rights of the unitholders set out in our Declaration of Trust;
- (c) to make any change or correction in the Declaration of Trust which is a typographical change or correction or which our board has been advised by legal counsel is required for the purpose of curing any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein;
- (d) (i) create and issue one or more new classes of Preferred Units (each of which may be comprised of unlimited series) that rank in priority to the Units and Special Trust Units (in payment of distributions and in connection with any termination or winding-up of the REIT) and/or (ii) remove the redemption right attaching to the Units and convert Dundee Industrial REIT into a closed-end limited purpose trust;
- (e) ensure compliance with applicable laws (including the Tax Act), regulations, requirements or policies of any governmental authority having jurisdiction over: (i) our board or the Trust; (ii) the status of the Trust as a “mutual fund trust” and a “real estate investment trust” under the Tax Act or to otherwise prevent Dundee Industrial REIT or any of its Subsidiaries from becoming subject to tax under the SIFT Legislation; or (iii) the distribution of Units;
- (f) deemed necessary or advisable to ensure that Dundee Industrial REIT has not been established nor maintained primarily for the benefit of persons who are not resident Canadians; and
- (g) as otherwise deemed by our board in good faith to be necessary or desirable.

Effect of Termination

Pursuant to our Declaration of Trust, the termination of Dundee Industrial REIT requires approval by at least 66⅔% of the votes cast at a meeting of the Unitholders and holders of Special Trust Units called for that purpose. The unitholders will participate *pro rata* in any remaining distributions by Dundee Industrial REIT.

Take-Over Bids

Our Declaration of Trust contains provisions to the effect that if a take-over bid, as defined under the *Securities Act* (Ontario), is made for the Units, and within 120 days after the date of such a take-over bid, not less than 90% of the Units (including Units issuable upon the surrender or exchange of any securities for Units but not including any Units held at the date of the take-over bid by or on behalf of the offeror or affiliates and associates of the offeror) have been or are legally required to be taken up and paid for by the offeror, the offeror is entitled to acquire the Units held by the remaining unitholders who did not accept the take-over bid by requiring such unitholders to elect (a) to transfer their Units to the offeror on the terms on which the offeror acquired the Units of the offerees who accepted the take-over bid or (b) to demand payment of the fair value of the Units.

Information and Reports

We furnish, in accordance with and subject to applicable securities legislation, to unitholders our consolidated financial statements (including quarterly and annual consolidated financial statements) and other reports as are from time to time required by applicable law, including forms needed for the completion of unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each annual or any special meeting of unitholders, our trustees provide the unitholders (along with notice of such meeting) all such information as is required by applicable law and our Declaration of Trust to be provided to such holders.

DESCRIPTION OF DEBENTURES

The following is a summary of the material attributes and characteristics of the Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by the terms of the Trust Indenture. You should refer to the Trust Indenture for the full text of its provisions and a complete description of the Debentures.

The Debentures are limited in the aggregate principal amount to \$111,250,000. We may, however, from time to time, without the consent of the Debentureholders, issue additional or other debentures in addition to the Debentures. As at December 31, 2012, there were outstanding, approximately \$111,250,000 million aggregate principal amount of Debentures. The Debentures were issued in denominations of \$1,000 and are held in book-entry only form through the facilities of CDS. Holders of beneficial interests in the Debentures do not have the right to receive physical certificates evidencing their ownership of Debentures except under certain circumstances described under “— Book-entry, Delivery and Form”. No fractional Debentures have been issued.

The Debentures bear interest at a rate of 5.25% per annum and are payable semi-annually on June 30 and December 31 in each year, commencing on June 30, 2013.

Interest on the Debentures is payable in lawful money of Canada based on a 365-day year, as specified in the Trust Indenture. At our option, and subject to regulatory approval, we may deliver, issue and solicit bids to sell sufficient freely-tradeable Units in order to raise funds to satisfy all or any part of our obligations to pay interest on the Debentures, but, in any event, the holders of Debentures shall be entitled to receive cash payments equal to the interest otherwise payable on the Debentures. See “— Interest Payment Election”.

The principal on the Debentures is payable in lawful money of Canada or, at our option and subject to applicable regulatory approval, by payment of freely-tradeable Units to satisfy, in whole or in part, our obligation to repay the principal amount of the Debentures, as further described under “— Payment upon Redemption or Maturity”, “— Redemption and Purchase” and “— Put Right upon a Change of Control”.

The Debentures are our direct obligations and are not secured by any mortgage, pledge, hypothec or other charge and are subordinated to all of our other liabilities, as described under “— Subordination”. The Trust Indenture does not restrict us from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging our real or personal property or properties to secure any indebtedness.

The Debentures are transferable, and may be presented for conversion, at the principal offices of the Debenture Trustee in Toronto, Ontario.

Conversion Privilege

The Debentures are convertible at the holder's option into fully-paid, non-assessable and freely-tradeable Units at any time prior to 5:00 p.m. (Toronto time) on the earlier of the Maturity Date and the business

day immediately preceding the date specified by us for redemption of the Debentures at the respective Conversion Price.

No adjustment to the Conversion Price is made for distributions on Units issuable upon conversion or for interest accrued on Debentures surrendered for conversion; however, holders converting their Debentures are entitled to receive, in addition to the applicable number of Units, accrued and unpaid interest in respect thereof for the period from and including the last Interest Payment Date on their Debentures, but excluding, the last record date set by us occurring prior to the date of conversion for determining the Unitholders entitled to receive a distribution on the Units. Notwithstanding the foregoing, no Debentures may be converted during the period from the close of business on the Record Date preceding the Interest Payment Date to and including such Interest Payment Date, as the registers of the Debenture Trustee are closed during such periods.

Subject to the provisions thereof, the Trust Indenture provides for the adjustment of the Conversion Price in certain events, including: (a) the subdivision or consolidation of the outstanding Units; (b) the distribution of Units to all or substantially all holders of Units by way of distribution or otherwise other than an issue of securities to holders of Units or LP B Units who participate in our distribution reinvestment or unit purchase plans or similar arrangements of Industrial Partnership; (c) the issuance of options, rights or warrants to all or substantially all holders of Units entitling them for a period of not more than 45 days after the record date to acquire Units or other securities convertible into Units at less than 95% of the then Current Market Price of the Units; and (d) the distribution to all holders of Units of any units (other than Units), rights, options or warrants (other than those entitling the holders thereof for a period of 45 days to subscribe for or purchase Units or securities convertible or exchangeable into Units, evidences of our indebtedness, of Dundee Industrial REIT, or other assets (other than cash distributions and equivalent distributions in securities paid in lieu of cash distributions in the ordinary course). There is no adjustment of the Conversion Price in respect of any event described in (b), (c) or (d) above if, subject to prior regulatory approval, the holders of the Debentures are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date. We are not required to make adjustments to the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification of the Units or a capital reorganization of Dundee Industrial REIT (other than a change resulting only from consolidation or subdivision) or in case of our amalgamation, consolidation, arrangement or merger with or into any other entity, or in the case of any sale or conveyance of our properties and assets as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of Dundee Industrial REIT, the terms of the conversion privilege shall be adjusted so that each Debenture shall, after such reclassification, capital reorganization, amalgamation, consolidation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up, be exercisable for the kind and amount of our securities or property, or such continuing, successor or purchaser entity, as the case may be, which the holder thereof would have been entitled to receive as a result of such reclassification, capital reorganization, amalgamation, consolidation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up, if on the effective date or record date thereof it had been the holder of the number of Units into which the Debenture was convertible prior to the effective date of such event.

No fractional Units may be issued on any conversion of the Debentures but in lieu thereof we will satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest.

Payment upon Redemption or Maturity

On redemption or at the Maturity Date, we will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. We may, at our option, on not more than 60 days' and not less than 30 days' prior notice and subject to any required regulatory

approvals, unless an Event of Default has occurred and is continuing, elect to satisfy our obligation to repay, in whole or in part, the principal amount of the Debentures which are to be redeemed or which have matured by issuing freely-tradeable Units, in whole or in part, to the holders of the Debentures. The number of Units to be issued will be determined by dividing the principal amount of the Debentures by 95% of the Current Market Price of the Units on the date fixed for redemption or the Maturity Date, as the case may be. No fractional Units will be issued to holders of Debentures but in lieu thereof we will satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest.

Interest Payment Election

Unless an Event of Default has occurred and is continuing, we may elect, at any time and from time to time, subject to applicable regulatory approval, to issue and deliver freely-tradeable Units to the Debenture Trustee in order to raise funds to satisfy all or any part of our obligations to pay interest on the Debentures in accordance with the Trust Indenture, in which event holders of the Debentures are entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Units by the Debenture Trustee. The Trust Indenture provides that, upon such election, the Debenture Trustee shall (i) accept delivery of Units from us; (ii) accept bids with respect to, and consummate sales of, such Units, each as we shall direct in our absolute discretion; (iii) invest the proceeds of such sales in specified short term Canadian federal or provincial government or Canadian chartered bank obligations which mature prior to the applicable Interest Payment Date; (iv) deliver proceeds to holders of Debentures (or any transferees of such persons) sufficient to satisfy our interest payment obligations; and (v) perform any other action necessarily incidental thereto as directed by us in our absolute discretion. The amount received by a holder in respect of interest and the timing of payment thereof is not affected by whether or not we elect to utilize the Unit Interest Payment Option.

Neither our making of the Unit Interest Payment Option nor the consummation of sales of Units (a) results in the holders of Debentures not being entitled to receive, on the applicable payment date, cash in an aggregate amount equal to the interest payable on such payment date, or (b) entitles such holders to receive any Units in satisfaction of the interest payable on the applicable payment date.

Redemption and Purchase

On and after December 31, 2015, but prior to December 31, 2017, we may redeem the Debentures in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice, provided that, the weighted-average trading price of the Units on the principal market on which the Units are quoted for trading for 20 consecutive trading days ending on the fifth trading day immediately preceding the date upon which notice of redemption is given is at least 125% of the applicable Conversion Price.

Prior to the Maturity Date, we may redeem the Debentures on and after December 31, 2017 in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest in respect thereof for the period up to, but excluding, the date of redemption from the latest Interest Payment Date on not more than 60 days' and not less than 30 days' prior written notice.

We have the right to purchase Debentures in the market, by tender or by private contract subject to regulatory requirements; provided, however, that if an Event of Default has occurred and is continuing, we do not have the right to purchase the Debentures by private contract.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a *pro rata* basis or in such other manner as the Debenture Trustee deems equitable, subject to the consent of the TSX.

Cancellation

All Debentures converted, redeemed or purchased as aforesaid will be cancelled and may not be reissued or resold.

Subordination

The payment of the principal of, and interest on, the Debentures is subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the Trust Indenture, to our Senior Indebtedness. Our “Senior Indebtedness” is defined in the Trust Indenture as all of our indebtedness (whether outstanding as at the date of the Trust Indenture or thereafter incurred) which, by the terms of the instrument creating or evidencing the indebtedness, is not expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures. The Debentures do not limit our ability to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging our real or personal property or properties to secure any indebtedness.

The Trust Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to us, or to our property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of us, whether or not involving insolvency or bankruptcy, or any marshalling of our assets and liabilities, all creditors entitled to Senior Indebtedness will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon.

The Debentures are effectively subordinate to claims of our subsidiaries’ creditors (including trade creditors) except to the extent we are a creditor of such subsidiaries ranking at least *pari passu* with such other creditors.

Put Right upon a Change of Control

Upon the occurrence of a Change of Control, each holder of Debentures may require us to purchase on the Put Date the whole or any part of such holder’s Debentures at the Total Put Price.

If 90% or more in aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase on the Put Date, we have the right but not the obligation to redeem all the remaining Debentures on such date at the Put Price, together with accrued and unpaid interest to such date. Notice of such redemption must be given to the Debenture Trustee prior to the Put Date and as soon as reasonably possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered for purchase.

The Total Put Price will be payable in lawful money of Canada or, at our option and subject to applicable regulatory approval, by payment of Units to satisfy, in whole or in part, our obligation to pay the Put Price.

The Trust Indenture contains notification provisions to the following effect that:

- (a) we must promptly give written notice to the Debenture Trustee of the occurrence of a Change of Control and the Debenture Trustee will thereafter give to the holders of Debentures a notice of the Change of Control, the repayment right of the holders of Debentures and our right to redeem untendered Debentures under certain circumstances; and

- (b) a holder of Debentures, to exercise the right to require us to purchase its Debentures, must deliver to the Debenture Trustee, not less than five business days prior to the Put Date, written notice of the holder's exercise of such right, together with a duly endorsed form of transfer.

We will comply with the requirements of Canadian securities laws and regulations to the extent such laws and regulations are applicable in connection with the repurchase of the Debentures in the event of a Change of Control.

Modification

The rights of the holders of the Debentures may be modified in accordance with the terms of the Trust Indenture. The Trust Indenture contains certain provisions which make Extraordinary Resolutions binding on all registered holders of the Debentures. Under the Trust Indenture, the Debenture Trustee has the right to make certain amendments to the Trust Indenture in its discretion, without the consent of the registered holders of the Debentures..

Events of Default

The Trust Indenture provides that an Event of Default in respect of the Debentures occurs if certain events described in the Trust Indenture occur, including if any one or more of the following described events has occurred and is continuing with respect to the Debentures: (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures, whether at the Maturity Date, upon redemption, by declaration of acceleration or otherwise; (iii) an unremedied breach of any material covenant or condition of the Trust Indenture by us after a 30 day cure period following notice of such breach; or (iv) certain events of bankruptcy, insolvency or reorganization of us under bankruptcy or insolvency laws. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% in principal amount of the then outstanding Debentures, declare the principal of (and premium, if any) and interest on all outstanding Debentures to be immediately due and payable. Certain Events of Default may be waived by written direction of the holders of 66 2/3% of the principal amount of the outstanding Debentures, by Extraordinary Resolution or by the Debenture Trustee in certain circumstances in accordance with the terms of the Trust Indenture.

Offers for Debentures

The Trust Indenture contains provisions to the effect that if an offer is made for the Debentures which is a takeover bid for Debentures within the meaning of the *Securities Act* (Ontario) and not less than 90% of the outstanding principal amount of the Debentures (other than Debentures held at the date of the takeover bid by or on behalf of the offeror or associates or affiliates of the offeror or any person acting jointly or in concert with the offeror) are taken up and paid for by the offeror, the offeror is entitled to acquire the Debentures held by holders of Debentures who did not accept the offer on the terms offered by the offeror.

Limitation on Non-Resident Ownership

At no time may non-residents of Canada be the beneficial owners (on either a basic or fully diluted basis) of more than 49% of the REIT units (other than the Special Trust Units), whether by way of conversion of Debentures to Units, repayment of Debentures by issuance of Units, or otherwise, or more than 49% of the Special Trust Units. The Debenture Trustee may, upon our instruction, require declarations as to the jurisdictions in which beneficial owners of Debentures are resident. If we notify the Debenture Trustee that the beneficial owners (on either a basic or fully diluted basis) of more than 49% of the REIT units (other than the Special Trust Units) or more than 49% of the Special Trust Units are, or may be, non-residents, or that such a situation is imminent, we may require the Debenture Trustee to make a public announcement thereof and we may instruct the Debenture Trustee not to register a transfer of Debentures

to a person unless the person provides a declaration that the person is not a non-resident and does not hold his or her Debentures for the benefit of a non-resident. If, notwithstanding the foregoing, we notify the Debenture Trustee that beneficial owners (on either a basic or fully diluted basis) of more than 49% of the REIT units (other than the Special Trust Units) or more than 49% of the Special Trust Units are non-residents, we may instruct the Debenture Trustee to, or our trustees may, send a notice to non-resident holders of Debentures or REIT Units and holders of Debentures or REIT Units for the benefit of non-residents, chosen in inverse order to the order of acquisition or registration of the Debentures or REIT Units or in such manner as the Debenture Trustee or our trustees may consider equitable and practicable, requiring them to sell their Debentures or REIT Units or a portion thereof within a specified period of not more than 60 days. If the Debentureholders or unitholders receiving such notice have not sold the specified number of Debentures or REIT Units or provided the Debenture Trustee and us with satisfactory evidence that they are not non-residents and do not hold Debentures or REIT Units for the benefit of a non-resident within such period, our trustees may or we may instruct the Debenture Trustee, on behalf of such Debenture holder or unitholder, and our trustees or the Debenture Trustee, as applicable, shall have the power of attorney of such holder to, sell or redeem such Debentures or REIT Units, as the case may be, and, in the interim, shall suspend the rights attached to such Debentures or REIT Units. Upon such sale or redemption, the affected holders shall cease to be holders of Debentures or REIT Units, as the case may be, and their rights shall be limited to receiving the net proceeds of sale or redemption upon surrender of such Debentures or REIT Units.

Book-entry, Delivery and Form

The Debentures were issued in the form of Global Debentures held by, or on behalf of, the Depository as custodian for its participants.

All Debentures are represented in the form of Global Debentures registered in the name of the Depository or its nominee. Purchasers of Debentures represented by Global Debentures do not receive Debentures in definitive form. Rather, the Debentures are represented only in “book-entry only” form (unless we, in our sole discretion, elect to prepare and deliver definitive Debentures in fully-registered form). Beneficial interests in the Global Debentures, constituting ownership of the Debentures, are represented through book-entry accounts of institutions acting on behalf of beneficial owners, as direct and indirect participants of the Depository. The Depository is responsible for maintaining book-entry accounts for its participants having interests in Global Debentures.

If the Depository notifies us that it is unwilling or unable to continue as depository in connection with the Global Debentures, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and we and the Debenture Trustee are unable to locate a qualified successor, or if we elect, in our sole discretion, to terminate the book-entry system, beneficial owners of Debentures represented by Global Debentures at such time will receive Definitive Debentures.

Transfer and Exchange of Debentures

Transfers of beneficial ownership in Debentures represented by Global Debentures are effected through records maintained by the Depository for such Global Debentures or its nominees (with respect to interests of participants in the Depository) and on the records of participants (with respect to interests of persons other than participants). Unless we elect, in our sole discretion, to prepare and deliver Definitive Debentures, beneficial owners who are not participants in the Depository’s book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Debentures, may do so only through participants in the Depository’s book-entry system.

The ability of a beneficial owner of an interest in a Debenture represented by a Global Debenture to pledge the Debenture or otherwise take action with respect to such owner’s interest in a Debenture represented by a Global Debenture (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of Definitive Debentures may transfer such Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Debentures to the registrar for the Debentures at its principal offices in Toronto, Ontario or such other city or cities as may from time to time be designated by us whereupon new Debentures will be issued in authorized denominations in the same aggregate principal amount as the Debentures so transferred, registered in the names of the transferees. No transfer or exchange of a Debenture will be registered during the period from the date of any selection by the Debenture Trustee of any Debentures to be redeemed or during the 15 preceding days or thereafter until the close of business on the date upon which notice of redemption of such Debentures is given. In addition, no transfer or exchange of any Debentures which have been selected or called for redemption will be registered.

Payments

Payments of interest and principal on each Global Debenture are made to the Depository or its nominee, as the case may be, as the registered holder of the Global Debentures. As long as the Depository or its nominee is the registered owner of a Global Debenture, such Depository or its nominee, as the case may be, is considered the sole legal owner of the Global Debenture for the purposes of receiving payments of interest and principal on the Debentures and for all other purposes under the Trust Indenture and the Debentures. Interest payments on Global Debentures are made by electronic funds transfer on the day interest is payable and delivered to the Depository or its nominee, as the case may be. We make any withholdings or deductions from all payments of interest on the Debentures in respect of taxes required by law or by the interpretation or administration thereof and remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law.

We understand that the Depository or its nominee, upon receipt of any payment of interest or principal in respect of a Global Debenture, credits participants' accounts, on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interest in the principal amount of such Global Debenture as shown on the records of the Depository or its nominee. We also understand that payments of interest and principal by participants to the owners of beneficial interest in such Global Debenture held through such participants are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and are the responsibility of such participants. Our responsibility and liability in respect of payments on Debentures represented by the Global Debenture is limited solely and exclusively, while the Debentures are registered in Global Debenture form, to making payment of any interest and principal due on such Global Debenture to the Depository or its nominee.

If Definitive Debentures are issued instead of or in place of Global Debentures, payments of interest on each Definitive Debenture will be made by electronic funds transfer, if agreed to by the holder of the Definitive Debenture or if required under any applicable payment clearing system rules, or by cheque dated the Interest Payment Date and mailed at least five business days preceding the applicable Interest Payment Date to the address of the holder appearing in the register maintained by the registrar for the Debentures at the close of business on the Record Date. Payment of principal at maturity will be made at the principal office of the Debenture Trustee in the City of Toronto, Ontario (or in such other city or cities as may from time to time be designated by us) against surrender of the Definitive Debentures, if any. If the due date for payment of any amount of principal or interest on any Definitive Debenture is not, at the place of payment, a business day, such payment will be made on the next business day and the holder of such Definitive Debenture shall not be entitled to any further interest or other payment in respect of such delay.

DESCRIPTION OF INDUSTRIAL PARTNERSHIP

General

Industrial Partnership is a limited partnership formed under the laws of the Province of Ontario and governed by the Limited Partnership Agreement. Industrial Partnership holds our direct and indirect interests in all of the Properties. The general partner of Industrial Partnership is Industrial GP and the limited partners of Industrial Partnership are Dundee Industrial REIT and the Transferors.

Partnership Units

Industrial Partnership is authorized to issue an unlimited number of LP Class A Units, an unlimited number of LP Class B Units, LP Class A Notes and such other classes of Partnership Interests as Industrial GP may decide from time to time. The LP Class A Units are issuable only to the REIT or its Subsidiaries to the extent that the REIT has issued the same number of REIT Units. The LP Class B Units are issuable only to Persons other than the REIT.

The LP Class A Units entitle the holder thereof to receive notice of, to attend and to one vote for such unit held at all meetings of Limited Partners in respect thereof.

The LP B Units, together with the accompanying Special Trust Units, except as otherwise noted, have economic and voting rights equivalent in all material respects to the REIT Units. In particular, subject to certain limitations contained in the Limited Partnership Agreement and the Exchange and Support Agreement, each LP B Unit entitles the holder thereof to receive a distribution from Industrial Partnership equal to the amount of a distribution we declare on a REIT Unit. Additional principal terms of the LP B Units are as follows: (i) the LP B Units may be surrendered or, if such surrender cannot be effected, indirectly exchanged, on a one-for-one basis (subject to customary anti-dilution provisions) for REIT Units at the option of the holder, at any time unless our trustees determine, acting reasonably this would cause a significant risk to Dundee Industrial REIT's status as a "mutual fund trust" or "real estate investment trust" under the Tax Act; (ii) each LP B Unit will be accompanied by a Special Trust Unit which will entitle the holder thereof to receive notice of, to attend and to vote at all meetings of unitholders (except in respect of LP B Units previously surrendered or exchanged); (iii) except as required by law and in certain specified circumstances where the rights of a holder of LP B Units are affected, holders of the LP B Units are not entitled to vote at any meeting of the limited partners of Industrial Partnership, and (iv) the LP B Units, may not be transferred, subject to certain limited exceptions.

Pursuant to the Declaration of Trust and the Exchange and Support Agreement, if an offer, issuer bid, takeover bid or similar transaction with respect to the REIT Units is proposed by us or is proposed to us or holders of Units and is recommended by our trustees, or is otherwise effected or to be effected with the consent or approval of our trustees, and the LP B Units are not acquired by Industrial Partnership or exchanged, Dundee Industrial REIT will, expeditiously and in good faith, take all such actions and do all such things as are necessary or desirable to enable and permit holders of those LP B Units to participate in such offer to the same extent and on an economically equivalent basis as the holders of Units, without discrimination. Without limiting the generality of the foregoing, Dundee Industrial REIT will, expeditiously and in good faith, ensure that holders of LP B Units may participate in all such offers without being required to exercise their right to exchange such units (or, if so required, to ensure that any such exchange will be effective only upon, and will be conditional upon, the closing of the offer and only to the extent necessary to tender to or deposit under the offer). In the case of offers, issuer bids, take-over bids or similar transactions which are not effected or to be effected with the consent or approval of our trustees, Dundee Industrial REIT will take such actions only to the extent possible in the circumstances.

Distributions

Industrial Partnership will distribute to Industrial GP and to the limited partners holding LP A Units and LP B Units their *pro rata* portions of distributable income as set out below. Distributions will be made forthwith after Industrial GP determines the distributable income of Industrial Partnership and determines its expenses for acting as general partner, which shall take place no later than the 10th day of each month. Distributable income will represent, in general, all of Industrial Partnership's cash on hand that is derived from any source (other than amounts received in connection with the subscription for additional interests in Industrial Partnership) and that is determined by Industrial GP not to be required in connection with the business of Industrial Partnership. The amount of distributable income that will be distributed to the limited partners of Industrial Partnership will be the amount of distributable income which remains after the distribution of (a) an amount to Industrial GP sufficient to reimburse it for its expenses incurred in performing its duties and obligations under the Limited Partnership Agreement; (b) an amount to the holders of LP A Units sufficient to allow Dundee Industrial REIT to pay their expenses on a timely basis; and (c) an amount to Industrial GP equal to 0.001% of the balance of the distributable income of Industrial Partnership remaining after the distributions in (a) and (b) have been made. However, holders of LP B Units will be entitled to receive distributions on each such unit equal to the amount of the distribution declared by Dundee Industrial REIT on each Unit. The record date and the payment date for any distribution declared on the LP B Units will be the same as those for the Units.

A holder of LP B Units has the right to elect to reinvest all or a portion of distributions payable on its LP B Units on the same economic terms as participants in our DRIP. A holder may reinvest such distributions in LP B Units, Units or any combination thereof. If a holder elects to reinvest all or a portion of its distributions, the holder will receive a bonus distribution of 3% of the amount elected to be reinvested, which bonus distribution will be reinvested in the units that the holder elects to receive.

Allocation of Net Income and Losses

Industrial Partnership's income or loss for tax purposes for a fiscal year will be allocated to Industrial GP and to each person who was a limited partner of Industrial Partnership in that year in the manner provided below. At the end of each fiscal year, Industrial GP will be allocated taxable income of Industrial Partnership, as determined in accordance with the Tax Act, in an amount equal to the aggregate of (a) all of the amounts paid to Industrial GP as reimbursement for its expenses in performing its duties and obligations under Limited Partnership Agreement and (b) all distributions from Industrial Partnership that it has received during that year. After giving effect to the allocation of taxable income to Industrial GP, each person who was a limited partner of Industrial Partnership at any point during that year will be allocated taxable income or losses of Industrial Partnership, as determined in accordance with the Tax Act, in an amount based on the total sum of the cash distributions received by that limited partner with respect to that fiscal year. However, if, with respect to a given fiscal year, no cash distribution is made by Industrial Partnership to its limited partners, the taxable income or loss of Industrial Partnership for such fiscal year will be allocated to the limited partners, reduced by the amount, if any, determined in respect of the fiscal year as taxable income allocable to Industrial GP, and such taxable income or loss allocated to the limited partners will be allocated to each person who was a limited partner at anytime in such fiscal year in the proportion determined by Industrial GP.

Amendments to the Limited Partnership Agreement

Pursuant to the Limited Partnership Agreement, no amendment to the investment guidelines or operating policies set forth above or any other material change to such agreement may be made without the approval of 66 $\frac{2}{3}$ % of the votes cast by the limited partners entitled to vote at a meeting called for such purpose or the written approval of holders holding more than 66 $\frac{2}{3}$ % of the outstanding limited partnership units entitled to vote.

Functions and Powers of Industrial GP

Subject to the provisions of the Limited Partnership Agreement, Industrial GP is authorized to carry out the business of Industrial Partnership with the full power and exclusive authority to administer, manage, control and operate the operations and affairs of Industrial Partnership and the business of Industrial Partnership and to bind Industrial Partnership. In addition, Industrial GP has all of the power and authority for and on behalf of Industrial Partnership to do or cause to be done any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document on behalf of Industrial Partnership permitted by the Limited Partnership Agreement and involving matters or transactions which are necessary for or incidental to carrying on the business of Industrial Partnership. Industrial GP is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Industrial Partnership and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and as would the director of a corporation in comparable circumstances. Industrial GP is not entitled to dissolve Industrial Partnership, wind up its affairs or effect a sale of all or substantially all of Industrial Partnership's assets except in accordance with the provisions of the Limited Partnership Agreement.

The Limited Partnership Agreement provides that all material transactions and agreements involving Industrial Partnership must be approved by Industrial GP's board of directors.

Restrictions on the Authority of Industrial GP

The authority of Industrial GP is limited in certain respects by the Limited Partnership Agreement. For example, Industrial GP is prohibited, without the prior approval of the limited partners given by special resolution, from selling or otherwise disposing of all or substantially all of the assets of Industrial Partnership.

Reimbursement of Industrial GP

Industrial Partnership will reimburse Industrial GP for all expenses incurred by Industrial GP in the performance of its duties as general partner under the Limited Partnership Agreement on behalf of Industrial Partnership.

Limited Liability

Industrial GP will operate and carry on the business of Industrial Partnership and conduct the affairs of Industrial Partnership in a manner so as to ensure to the greatest extent possible the limited liability of its limited partners. However, limited partners may lose their limited liability in certain circumstances.

RISK FACTORS

Risk factors inherent in an investment in our Units or our Debentures include but are not limited to the following:

Risks Inherent in the Real Estate Industry May Affect Our Financial Performance

Real estate ownership is generally subject to numerous risks, including changes in general economic conditions (such as the availability, terms and cost of mortgage financings and other types of credit), local economic conditions (such as an oversupply of industrial properties or a reduction in demand for real estate in the area), the attractiveness of properties to potential tenants or purchasers, competition of others with available space, and the ability of the owner to provide adequate maintenance at competitive costs.

Our portfolio of properties generates income through rent payments made by our tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number

of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. Our cash flows and financial position would be materially adversely affected if a number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in our properties were not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting our investment may be incurred. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of such tenant and, thereby, cause a reduction in the cash flow available to us.

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit our ability to vary our portfolio promptly in response to changing economic or investment conditions. In recessionary times it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession we may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for us to dispose of properties at lower prices in order to generate sufficient cash for operations and making distributions.

Competition in the Office, Industrial and Retail Real Estate Market May Adversely Affect Our Financial Performance

We compete with other investors, managers and owners of properties in seeking tenants and for the purchase and development of desirable real estate properties. Some of the industrial properties of our competitors are newer, better located or better capitalized than our Properties. Certain of these competitors have greater financial and other resources and greater operating flexibility than us. The existence of competing managers and owners could have a material adverse effect on our ability to lease space in our Properties and on the rents we are able to charge, and could materially adversely affect our revenues and our ability to meet our obligations.

Environmental Contamination on Properties May Expose Us to Liability and Adversely Affect Our Financial Performance

Our properties may contain ground contamination, hazardous substances, and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl, dichlordiphenyltrichlorethan, pentachlorophenol or lindane above the allowable or recommended thresholds, or other environmental risks could be associated with the buildings.

We bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against us. The remediation of any pollution and the related additional measures we would have to undertake could have a materially adverse affect on us and could involve considerable additional costs that we may have to bear. We are also exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can materially adversely affect the value of a property and our ability to lease or sell such a property.

As an owner of real property, we are subject to various federal, provincial, state and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances or ground contamination. The presence of such substances, if any, could materially adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and,

potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a new property through traditional channels, we may be requested to arrange for an environmental site assessment to be conducted. Although such an assessment provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on our properties against which we cannot insure, or against which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We have formal policies and procedures to review and monitor environmental exposure. These policies include the requirement to conduct a Phase I environmental site assessment before acquiring any real property or any interest therein.

Some of the properties have tenants that use hazardous or toxic substances or create waste. In addition, asbestos containing materials, underground storage tanks, petroleum hydrocarbons and lead paint are known to be present at certain of the properties. Where circumstances so warrant, designated substance surveys and/or Phase II environmental site assessments are conducted to determine the presence and/or extent of these or any other materials or potential environmental hazards. If appropriate, we remediate such situations. Notwithstanding the above, we are not aware of any environmental conditions with respect to any of the properties that we believe would involve material expenditure by us.

Insurance to protect against certain environmental liability is in place in respect of certain of the Properties with limits which we believe are customary for portfolios similar to the Initial Properties. In addition, certain of the existing tenant leases in respect of the Properties specify that the tenant will conduct its business in accordance with environmental laws and regulations and be responsible for any liabilities arising out of infractions to such laws and regulations.

We make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations. Although there can be no assurances, we do not believe that costs relating to environmental matters will have a material adverse effect on our business, financial condition, results of operations or distributions. However, environmental laws and regulations can change and we may become subject to more stringent environmental laws and regulations (or more stringent enforcement or administration of existing legislation) in the future.

We may incur significant capital expenditures and other fixed costs

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, are made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, we must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining rental properties in accordance with market standards entails significant costs, which we may not be able to pass on to our tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization.

If the actual costs of maintaining or upgrading properties exceed our estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if we are not permitted to raise the rents due to legal constraints, we will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of our properties is located or similar properties located in the vicinity of one of our properties are substantially refurbished, the net operating income derived from and the value of such property could be reduced.

Any failure by us to undertake appropriate maintenance and refurbishment work in response to the factors described above could materially adversely affect the rental income that we earn from such properties. Any such event could have a material adverse effect on our cash flows, financial condition and results of operations and our ability to make distributions on the Units.

Financing risks, leverage and restrictive covenants may limit our ability for growth

The real estate industry is capital intensive. We require access to capital to maintain our properties, as well as to fund our growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. Our failure to access required capital could materially adversely impact our investments, cash flows, operating results or financial condition, our ability to make distributions on the Units and our ability to implement our growth strategy.

Our access to third-party financing is subject to a number of factors, including:

- general market conditions;
- the market's perception of our growth potential;
- our current and expected future earnings;
- our cash flow and cash distributions, and
- the market price of our Units.

We have certain third-party debt service obligations pursuant to our indebtedness. The degree to which we are leveraged could have important consequences to Unitholders. Such factors include:

- a significant portion of our cash flow may be dedicated to the payment of the principal of, and interest on, our indebtedness, thereby reducing the amount of funds available for the payment of cash distributions to Unitholders;
- certain of our borrowings will be at variable rates of interest which exposes us to the risk of increased interest rates;
- a high level of debt would increase vulnerability to general adverse economic and industry conditions;
- covenants contained in debt facilities will limit our ability to borrow additional funds, dispose of assets, encumber our assets, pay distributions and make potential investments;
- a high level of debt may place us at a competitive disadvantage compared to other owners of similar real estate assets that are less leveraged and therefore may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing;
- our debt covenants may also affect flexibility in planning for, and reacting to, changes in the economy and in the industry;
- a high level of debt may make it more likely that a reduction in our borrowing base following a periodic valuation (or redetermination) could require us to repay a portion of then-outstanding borrowings; and

- a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general trust or other purposes.

Certain of our competitors may operate on a less leveraged basis, and therefore could have greater financing flexibility than us. Our ability to make scheduled payments of the principal of, or interest on, and to otherwise satisfy our debt obligations will depend on our future performance, which is subject to the financial performance of our properties, prevailing economic conditions, prevailing interest rate levels and financial, competitive, business and other factors, many of which are beyond our control. These factors might inhibit us from refinancing indebtedness at all or on favourable terms, which could have a materially adverse effect on our ability to make distributions on the Units.

Upon the expiry of the term of the financing or refinancing of any particular property or debt facilities, we may need to refinance, and there can be no assurance that we will be able to do so or will be able to do so on terms as favourable as those currently in place with respect to the indebtedness. Future financing may take many forms, including debt or equity financing which could alter the current debt-to-equity ratio or which could be dilutive to our Unitholders. If we are unable to refinance our indebtedness, or are only able to refinance our indebtedness on less favourable terms, this may have a material adverse effect on our financial position, or distributable income. Similarly, if we were to be in default under the terms of our indebtedness, the applicable lender could foreclose on any of our properties on which the lender took security to satisfy our obligations under our indebtedness. In either case, this could result in the reduction or suspension of cash distributions to Unitholders.

Certain of our indebtedness contains restrictive covenants that may limit the discretion of management with respect to certain business matters. These covenants place restrictions upon, among other things, our ability to (i) incur additional indebtedness, (ii) create liens or other encumbrances, (iii) pay distributions or certain other payments, investments, loans and guarantees, (iv) sell or otherwise dispose of assets, and (v) merge or consolidate with another entity. In addition, our indebtedness may contain financial covenants that require us to maintain certain financial ratios and financial condition tests. Failure to comply with such obligations could result in an event of default which, if not cured or waived, could result in acceleration of the relevant indebtedness. If any indebtedness was to be accelerated, there can be no assurance that our assets would be sufficient to repay that indebtedness in full. If an event of default under any indebtedness was to occur, distributions may be suspended.

Changes in government regulations may affect our investment in our properties

We are subject to laws and regulations governing the ownership and leasing of real property, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting us (including with retroactive effect). Any changes in the laws to which we are subject could materially adversely affect the rights and title to the properties. It is not possible to predict whether there will be any further changes in the regulatory regime(s) to which we are subject or the effect of any such change in our investments.

An investment in us is subject to certain Canadian tax risks

We intend to continue to qualify as a “mutual fund trust” for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of “mutual fund trusts” will not be changed in a manner that adversely affects Unitholders. If we cease to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations applicable to us, would be materially and adversely different in certain respects, including that the Units may cease to be qualified investments for Plans.

The SIFT Legislation applies to a trust that is a SIFT or a partnership that is a SIFT. Dundee Industrial REIT and Industrial Partnership will not be SIFTs for the purposes of these rules because Dundee

Industrial REIT expects to qualify and continue to qualify for the REIT Exception and Industrial Partnership and each of our Subsidiaries expect to qualify and continue to qualify as an “excluded subsidiary entity” within the meaning of the Tax Act. In the event the SIFT Legislation applies to Dundee Industrial REIT, the impact to holders of Units will depend on the status of the Unitholder and, in part, on the amount of income distributed which would not be deductible by Dundee Industrial REIT in computing its income in a particular year and what portions of Dundee Industrial REIT’s distributions constitute “non-portfolio earnings”, other income and returns of capital.

The scope of the October 2003 Proposals limiting the deductibility of losses is uncertain. There can be no assurance that the October 2003 Proposals or an alternative proposal will not have a material adverse effect on us.

Having regard to the present intention of the Board of Trustees, we are required to distribute a sufficient amount of our net income and net realized capital gains each year to Unitholders in cash, or otherwise in order to eliminate our liability for tax under Part I of the Tax Act. Where such amount of net income and net realized capital gains in a taxation year exceeds our cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those units in their taxable income, in circumstances where they do not directly receive a cash distribution.

Although we are of the view that all expenses to be claimed by us and our Subsidiaries will be reasonable and deductible and that the cost amount and capital cost allowance claims of entities indirectly owned by us will have been correctly determined, there can be no assurance that the Tax Act, or the interpretation of the Tax Act, will not change, or that the CRA will agree. If the CRA successfully challenges the deductibility of such expenses or the allocation of such income, our taxable income, and indirectly the taxable income of Unitholders, will increase or change.

The extent to which distributions will be non-taxable in the future will depend in part on the extent to which entities indirectly owned by us are able to deduct depreciation, interest and loan expenses relating to our properties for purposes of the Tax Act.

We will endeavour to ensure that the Units continue to be qualified investments for Plans; however, there can be no assurance that this will occur. In addition, Subsidiary Securities received on a redemption *in specie* of Units may not be qualified investments for Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

We depend on the business of Industrial Partnership

We are entirely dependent on the business of Industrial Partnership. The cash distributions to Unitholders are dependent on the ability of Industrial Partnership to pay distributions in respect of the units of Industrial Partnership. The ability of Industrial Partnership to pay distributions or make other payments or advances to us may be subject to contractual restrictions contained in any instruments governing the indebtedness of Industrial Partnership. The ability of Industrial Partnership to pay distributions or make other payments or advances is also dependent on the ability of Industrial Partnership’s subsidiaries to pay distributions or make other payments or advances to Industrial Partnership.

There are certain risks associated with having single tenant properties

Approximately one-half (by GLA) of the Properties are single tenant properties. The table below illustrates the largest five tenants of the Properties by base revenue as of December 31, 2012:

Tenant	% In-Place Base Revenue
Spectra/Premium Industries Inc.	5.2%

TC Transcontinental Inc.	4.3%
Molson Breweries Properties Ltd.	3.0%
The Brick	2.8%
Royal Group.....	2.4%

In the event that the above-listed tenants were to terminate their tenancies or become insolvent, our financial results would be materially adversely affected. Until such a time that we will be in a position to acquire more assets and further diversify our tenant base, we will take certain steps to mitigate any credit risk by closely monitoring our tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

Changes in interest rates could adversely affect our cash flows and our ability to pay distributions and make interest payments

We require extensive financial resources to complete the Acquisition and to implement our future investment and growth strategy. When concluding financing agreements or extending such agreements, we will depend on our ability to agree on terms, including in respect of interest payments and amortization that will not impair our desired AFFO and that do not restrict our ability to pay distributions. In addition to our mortgages and credit facilities, we may enter into future financing agreements with variable interest rates if the current historical low level of interest rates continue. Given the historically low interest rates, there is a risk that interest rates will increase. An increase in interest rates could result in a significant increase in the amount paid by us and our Subsidiaries to service debt, resulting in a decrease in distributions to Unitholders, and could materially adversely affect the trading price of the Units. In addition, increasing interest rates may put competitive pressure on the levels of distributable income paid by us to Unitholders, increasing the level of competition for capital faced by us, which could have a material adverse affect on the trading price of the Units.

We may implement hedging programs in order to offset the risk of revenue losses and to provide more certainty regarding the payment of distributions to Unitholders should current variable interest rates increase. However, to the extent that we fail to adequately manage these risks, our financial results, and our ability to pay distributions to Unitholders and interest payments under the Assumed Mortgages, the Credit Facility and future financings may be adversely affected. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by banks, could have a material adverse effect on our ability to sell any of our properties.

Acquisitions of properties may expose us to undisclosed defects and obligations

Our external growth prospects depend in large part on identifying suitable acquisition opportunities, pursuing such opportunities and consummating acquisitions. We intend to make acquisitions and dispositions of properties in accordance with our external growth strategy. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as our ability to realize our anticipated growth opportunities and synergies from our newly acquired properties.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time. For example, we could acquire a property that contains undisclosed defects in design or construction. Furthermore, we are not always able to obtain from the seller the records and documents that we need in order to fully verify that the buildings we acquire were constructed in accordance, and that their use complies, with planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. Thus, we could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have a material adverse effect on our proceeds from sales and rental income of the relevant properties. In addition, after the

acquisition of a property by us, the market in which the acquired property is located may experience unexpected changes that materially adversely affect the property's value. The occupancy of properties that we acquire may decline during its ownership, and rents that are in effect at the time a property is acquired may decline thereafter. For these reasons, among others, our property acquisitions may cause us to experience significant losses. If we are unable to manage our growth and integrate our acquisitions effectively, our investments, operating results and financial condition could be materially adversely affected.

Losses of key personnel may affect our ability to operate effectively

Our operations are dependent upon the participation of our key personnel, including our chief executive officer and chief financial officer. While we believe that we could find replacements for these key employees, the loss of their services and our inability to attract and retain qualified and experienced personnel may materially adversely affect our ability to operate and expand which could materially adversely affect our operating results and financial condition.

We may not be able to source suitable acquisitions

Our strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If we are unable to manage growth effectively, it could materially adversely affect our cash flows, financial condition and results of operations. There can be no assurance as to the pace of growth through property acquisitions or that we will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

Investments in, and profits and cash flows from, properties may be lost in the event of uninsured or underinsured losses to properties or losses from title defects

We carry general liability, umbrella liability and excess liability insurance with limits which are typically obtained for similar real estate portfolios in Canada and otherwise acceptable to the Board of Trustees. For the property risks we carry "All Risks" property insurance including but not limited to, flood, earthquake and loss of rental income insurance (with at least a 24 month indemnity period). We also carry Boiler and Machinery insurance covering all boilers, pressure vessels, HVAC systems and equipment breakdown. There are, however, certain types of risks (generally of a catastrophic nature such as from war or nuclear accident) which are uninsurable under any insurance policy. Furthermore there are other risks that are not economically viable to insure at this time. We have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements. Should an uninsured or underinsured loss occur, we could lose our investment in, and anticipated profits and cash flows from, one or more of our properties, but we would continue to be obligated to repay any recourse mortgage indebtedness on such properties. We will not carry title insurance on all of the Initial Properties. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, we could lose all or part of our investment in, and anticipated profits and cash flows from, such property.

Market for Securities and Prices

Dundee Industrial REIT is an unincorporated open-ended investment trust and its Units and Debentures are listed on the TSX. There can be no assurance that an active trading market in the Units or Debentures will be sustained. A publicly traded real estate investment trust does not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Instead, the Units and Debentures may trade at a premium or a discount to such values. A number of factors may influence the market price of the Units and Debentures, including general market conditions, fluctuations in the markets for equity and/or debt securities, short-term supply and demand factors for real estate investment trusts and numerous other factors beyond our control.

The ability of Unitholders to redeem Units is subject to restrictions on redemption

It is anticipated that the redemption right attached to the Units will not be the primary mechanism by which holders of such Units will liquidate their investments. The entitlement of holders of Units to receive cash upon the redemption of their Units is subject to the limitations that: (a) the total amount payable by us in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that such limitations may be waived at the discretion of the Board of Trustees); (b) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on another market which the Board of Trustees consider, in their sole discretion, provides representative fair market value prices for such series of the Units; and (c) the normal trading of the Units is not suspended or halted on any stock exchange on which such Units are listed (or, if not listed on a stock exchange, on any market on which such Units are quoted for trading) on the Redemption Date or for more than five trading days during the 20-day trading period commencing immediately after the Redemption Date.

Cash distributions are not guaranteed and may fluctuate with our financial performance

Our distribution policy is established in the Declaration of Trust and may only be changed with the approval of a majority of unitholders. However, the Board of Trustees may reduce or suspend cash distributions indefinitely, which could have a material adverse effect on the market price of the Units.

Although we intend to make cash distributions in accordance with our distribution policy, the actual cash flow available for distribution to Unitholders is dependent on the amount of cash flow paid to us by our operating entities and can vary significantly from period to period for a number of reasons, including among other things: (a) the amount of net rental income derived from our properties; (b) the amount of cash required or retained for debt service or repayment; (c) amounts required to fund capital expenditures and working capital requirements; (d) tenant allowances; (e) leasing commissions; (f) Unit redemptions; (g) interest rates; and (h) other factors that may be beyond our control. These amounts are subject to the discretion of the Board of Trustees, which will regularly evaluate our distribution payout with respect to anticipated cash flows, debt levels, capital expenditure plans and amounts to be retained to fund acquisitions and expenditures. In addition, our level of distributions per Unit will be affected by the number of outstanding Units and other securities that may be entitled to receive cash distributions. Distributions may be increased, reduced or suspended entirely depending on our operations and the performance of our assets. The market value of the Units may materially deteriorate if we are unable to meet distribution expectations in the future.

Unitholders do not have legal rights normally associated with ownership of shares of a corporation

Unitholders do not have all of the statutory rights normally associated with ownership of shares of a company including, for example the right to bring “oppression” or “derivative” actions against us.

Unitholder liability may arise

The Declaration of Trust provides that no holder of REIT Units or annuitant or beneficiary of a trust governed by a Plan/or of any Plan of which a holder of REIT Units acts as an annuitant will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any holder of REIT Units or annuitant for any liability whatsoever, whether constituting extra contractual or contractual liability or arising in tort, contract or otherwise, to any Person in connection with our property or our affairs, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of us or of the Board of Trustees or any obligation which a holder of REIT Units or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such (“Trust Liability”). Only our assets are intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each holder of REIT

Units and annuitant is entitled to be reimbursed out of our assets in respect of any payment of such Trust Liability made by such holder of REIT Units or annuitant.

The Declaration of Trust further provides that the Board of Trustees shall cause our operations to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine practicable and consistent with their fiduciary duty to act in the best interests of the holders of the REIT Units, any material risk of liability on the holders of REIT Units for claims against us, and shall, to the extent available on terms which they determine to be practicable, including the cost of premiums, cause the insurance carried by us, to the extent applicable, to cover the holders of REIT Units and annuitants as additional insured. Any written instrument creating an obligation which is or includes the granting by us of a mortgage and, to the extent the Board of Trustees determine it to be practicable and consistent with their fiduciary duties to act in the best interest of the holders of REIT Units, any written instrument which is a material obligation, shall contain a provision that the obligation created is not personally binding upon the Trustees, the holders of REIT Units or officers, employees or agents of us, but that only our property or a specific portion thereof is bound. Except in case of bad faith or gross negligence on their part, no personal liability will attach under the laws of the Province of Ontario to unitholders or annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

However, in conducting our affairs, we are acquiring immovable property investments, subject to existing contractual obligations, including obligations under hypothecs, mortgages and leases. The Board of Trustees will use commercially reasonable efforts to have any such obligations, other than leases, modified so as not to have such obligations binding upon any of the unitholders or annuitants personally. However, we may not be able to obtain such modification in all cases. If a claim is not satisfied by us, there is a risk that a unitholder or annuitant will be held personally liable for the performance of the obligations of us where the liability is not disavowed as described above. The possibility of any personal liability attaching to unitholders or annuitants under the laws of the Province of Ontario for contract claims where the liability is not so disavowed is remote.

The issuance of additional Units will result in dilution

The number of Units we are authorized to issue is unlimited. We may, in our sole discretion, issue additional Units from time to time. Any issuance of Units, including Units issued in consideration for properties acquired by us, will have a dilutive effect on existing unitholders.

Regulatory approvals may be required in connection with a distribution of securities on a redemption of Units our termination

Upon a redemption of Units or termination of the REIT, the Board of Trustees may distribute securities directly to the unitholders, subject to obtaining any required regulatory approvals. No established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. In addition, the securities so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.

Our ability to enforce contracts may be limited

From time to time we enter into contracts with third parties who make representations and warranties to us with respect to certain matters or agree to indemnify us if certain circumstances should occur. There can be no assurance that we will be fully protected in the event of a breach of such representations and warranties or if such circumstances should occur or that such party will be in a position to indemnify us in any such event. We may not be able to successfully enforce an indemnity contained in an agreement against such party or any such indemnity may not be sufficient to fully indemnify us from third party claims. In addition, we may be subject to undisclosed liability to third parties and such liability may be

material, which could negatively impact our financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Our Trustees, executive officers and DRC may be put in a position of conflict as a result of their positions held and interests in other businesses

Certain of our Trustees and executive officers are also Trustees, directors and/or officers of other entities such as Dundee REIT and DRC, or are otherwise engaged, and may continue to be engaged, in activities that may put them in conflict with our business strategy. Accordingly, these individuals may not devote all of their time and attention to us. Consequently, these positions could create, or appear to create, conflicts of interest with respect to matters involving us. Pursuant to the Declaration of Trust, all decisions to be made by the Board of Trustees which involve us are required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the REIT and the unitholders. In addition, our Trustees and officers are required to declare their interests in, and such Trustees are required to refrain from voting on, any matter in which they may have a material conflict of interest. However, there can be no assurance that the provisions in the Declaration of Trust will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in our favour.

DRC acts as the asset manager for two publicly-traded real estate investment trusts and also provides management services to other public and private companies. As asset manager for other entities and on its own behalf, DRC will pursue other business opportunities, including but not limited to real estate and development business opportunities outside of the REIT. These multiple responsibilities to public entities and other businesses could create competition for the time and efforts of DRC which materially adversely affect our cash flows, operating results and financial condition.

We rely on DRC for asset management services

We rely on DRC with respect to the asset management of our properties. Consequently, our ability to achieve our investment objectives depend in large part on DRC and its ability to properly advise us. This means that our investments are dependent upon DRC's business contacts, its ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If we were to lose the services provided by DRC or its key personnel, our investments and growth prospects may significantly decline. We may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager. Prospective investors should not purchase any Units unless they are prepared to rely on our Board of Trustees, executive officers and DRC.

Although the Asset Management Agreement provides that DRC will automatically be rehired at the expiration of each term (subject to certain termination provisions), DRC has the right, at any time after the initial 10-year term and upon 180 days' notice, to terminate the Asset Management Agreement for any reason. The Asset Management Agreement may also be terminated in other circumstances, such as upon the occurrence of an event of default or insolvency of DRC within the meaning of such agreement. Accordingly, there can be no assurance that DRC will continue to be our asset manager. If DRC should cease for whatever reason to be our asset manager, the cost of obtaining substitute services may be greater than the fees we will pay DRC under the Asset Management Agreement, and this may materially adversely affect our ability to meet our objectives and execute our strategy which could materially adversely affect our cash flows, operating results and financial condition.

The Debentures are unsecured, subordinated obligations of Dundee Industrial REIT

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on our financial condition and creditworthiness. In addition, the Debentures are unsecured obligations and are subordinate in right of payment to all of our existing and future Senior

Indebtedness. Therefore, if Dundee Industrial REIT becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, Dundee Industrial REIT's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of our senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding. The Debentures are also effectively subordinate to claims of creditors of our Subsidiaries except to the extent Dundee Industrial REIT is a creditor of such Subsidiaries ranking at least *pari passu* with such other creditors. The Trust Indenture does not prohibit or limit the ability of Dundee Industrial REIT or the ability of its Subsidiaries to incur additional debt or liabilities (including Senior Indebtedness and secured indebtedness) or to make distributions except in respect of cash distributions where an Event of Default has occurred and such default has not been cured or waived. The Trust Indenture does not contain any provision specifically intended to protect holders of Debentures in the event of a future leveraged transaction involving Dundee Industrial REIT.

The effect of certain transactions on the Debentures could substantially lessen or eliminate the value of the conversion privilege

In the case of certain transactions involving Dundee Industrial REIT that could occur in the future, the Debentures will become convertible into the securities, cash or property receivable by a unitholder in the kind and amount of securities, cash or property into which the Debentures were convertible immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the Debentures in the future. For example, if Dundee Industrial REIT were acquired in a cash merger, the Debentures would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on Dundee Industrial REIT's future prospects and other factors.

MARKET FOR SECURITIES

Trading Price and Volume

The Units are listed on the TSX under the symbol "DIR.UN". The following table sets forth the high and low reported trading prices and the trading volume of the Units on the TSX for each month, starting with the partial month from October 4, 2012, being the date of closing of our initial public offering, to the most recently completed financial year:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
October 4, 2012 to October 31, 2012.....	11.49	10.75	7,316,918
November 2012	11.38	10.58	2,473,673
December 2012	11.20	10.62	2,981,565

The Debentures are listed on the TSX under the symbol "DIR.DB". The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month, starting with the partial month from October 4, 2012, being the date of closing of our initial public offering, to the most recently completed financial year.

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
October 4, 2012 to October 31, 2012.....	-	-	-
November 2012	-	-	-
December 2012	102.75	101.26	140,090

Prior Sales of Unlisted Securities

The Special Trust Units of the REIT are not listed or quoted on any marketplace, and may only be issued in connection with the issuance of securities exchangeable for Units, including LP B Units. See “Declaration of Trust and Description of REIT Units”. Each Special Trust Unit entitles the holder thereof to one vote at all meetings of unitholders.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in this AIF, no Trustee, officer of Dundee Industrial REIT, or unitholder that beneficially owns, or controls or directs more than 10% of the REIT Units, or any associate or Affiliate of any of the foregoing persons, has or has had any material interest in any transaction within the last three years, or any proposed transaction, that has materially affected or would materially affect Dundee Industrial REIT or any of its Subsidiaries.

Dundee Industrial REIT has completed the following public offerings of securities:

- (a) On October 4, 2012, Dundee Industrial REIT completed an initial public offering of 15,500,000 Units at a price of \$10.00 per unit for aggregate gross proceeds of \$155,000,000. Concurrently with the completion of its initial public offering on October 4, 2012, Dundee Industrial REIT also issued 1,750,000 Units to Dundee Corporation at a price of \$10.00 per Unit and 750,000 Units to Michael J. Cooper at a price of \$10.00 per Unit for aggregate gross proceeds of \$25,000,000. Industrial Partnership also issued on that date 16,034,631 LP B Units (together with the same number of Special Trust Units) to DPLP and certain of its subsidiaries as partial consideration for the indirect acquisition of the Initial Properties. The LP B Units are economically equivalent to and exchangeable for Units.
- (b) On October 17, 2012, Dundee Industrial REIT completed the issuance of an additional 2,325,000 Units at a price of \$10.00 per Unit for gross proceeds of \$23,250,000 pursuant to the exercise by the underwriters of the over-allotment option granted with respect to Dundee Industrial REIT’s initial public offering.
- (c) On December 13, 2012, Dundee Industrial REIT completed a bought deal public offering of 13,570,000 Units at a price of \$10.60 per Unit and \$86,250,000 aggregate principal amount of 5.25% Debentures for total gross proceeds of \$230,092,000. The 13,570,000 Units included Units issued on closing pursuant to the exercise by the underwriters of the over-allotment option granted with respect to that offering.
- (d) On December 19, 2012, Dundee Industrial REIT issued 2,358,491 Units and \$25.0 million principal amount of 5.25% Debentures to an affiliate of KingSett in order to satisfy a portion of the purchase price payable for our acquisition of the KingSett Portfolio.

Dundee Securities Ltd., a subsidiary of Dundee Corporation, was a member of the underwriting syndicate for each of these public offerings. Mr. Ned Goodman is an officer of Dundee Securities Ltd.

MATERIAL CONTRACTS

The only material contracts, other than contracts entered into in the ordinary course of business, that we entered into in 2012 or after, are:

- (a) the Acquisition Agreement for our initial public offering;
- (b) the LP A Notes Acquisition Agreement for our initial public offering;

- (c) the ROI Purchase Agreement described under “Real Estate Management and Advisory Services – Asset Management Agreement”;
- (d) the Declaration of Trust described under “Declaration of Trust and Description of REIT Units”;
- (e) the Asset Management Agreement described under “Real Estate Management and Advisory Services — Asset Management Agreement”;
- (f) the Master Property Management Agreement described under “Real Estate Management and Advisory Services — Property Management”;
- (g) the Services Agreement described under “Real Estate Management and Advisory Services — Other Services”;
- (h) the Exchange and Support Agreement described under “Description of Industrial Partnership”;
- (i) the Non-Competition Agreement described under “Real Estate Management and Advisory Services — Non Competition-Agreement”;
- (j) the Limited Partnership Agreement described under “Description of Industrial Partnership”;
- (k) the Opportunities Agreement described under “Real Estate Management and Advisory Services — Opportunities Agreement”;
- (l) the underwriting agreements dated September 26, 2012, November 30, 2012, and February 15, 2013 between Dundee Industrial REIT and Dundee Properties Limited Partnership and various syndicates of underwriters regarding the issuance and sale of Units and Debentures. Each underwriting agreement provided that we would pay to the underwriters an aggregate fee in respect of the Units or Debentures offered thereunder and that we would indemnify the underwriters and their directors, officers and employees against certain liabilities pursuant to the underwriting agreement, including liabilities under Canadian securities legislation;
- (m) the Trust Indenture described under “Description of Debentures”; and
- (n) the Support Agreement described under “Recent Developments”.

Copies of the foregoing documents are available on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS

We are not involved in any litigation or proceedings which, if determined adversely, would be material to us, and no such proceedings are known to us to be contemplated.

INTEREST OF EXPERTS

Our auditors are PricewaterhouseCoopers LLP, chartered accountants, at its offices in Toronto, Ontario. Such firm is independent of Dundee Industrial REIT in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Units and the Debentures is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to Dundee Industrial REIT may be found on SEDAR at www.sedar.com. Additional information, including with respect to trustees' and officers' remuneration and indebtedness, principal holders of Dundee Industrial REIT's securities and units authorized for issuance under equity compensation plans, is contained in Dundee Industrial REIT's information circular for its most recent annual meeting of unitholders that involved the election of trustees.

Additional financial information is provided in the consolidated financial statements and notes to the consolidated financial statements and management's discussion and analysis of Dundee Industrial REIT for 2012.

SCHEDULE A
DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST
(the “Trust”)

AUDIT COMMITTEE CHARTER
(the “Charter”)

PURPOSE

The Audit Committee (the “Committee”) is a standing committee appointed by the board of trustees of the Trust (the “Board”) pursuant to the amended and restated declaration of trust for the Trust dated October 4, 2012 (the “Declaration of Trust”). The Committee is established to fulfil applicable securities law obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, including to:

- a) oversee the integrity of the Trust’s financial statements and financial reporting process, including the audit process and the Trust’s internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- b) oversee the qualifications and independence of the external auditors;
- c) oversee the work of the Trust’s financial management, internal auditors and external auditors in these areas; and
- d) provide an open avenue of communication between the external auditors, the internal auditors, the Board and management of the Trust.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (a) to plan or conduct audits, (b) to determine that the Trust’s financial statements are complete and accurate and are in accordance with International Financial Reporting Standards or (c) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its chair and its financial expert members are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Trust, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the member or members identified as audit committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Trust’s financial information.

Management is responsible for the preparation, presentation and integrity of the Trust’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. The chief financial officer is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Trust’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with International Financial Reporting Standards.

Procedures, Powers and Duties

Pursuant to the Declaration of Trust, the Committee shall have the following procedures, powers and duties:

General

1. *Definitions* — Unless otherwise defined herein, all capitalized terms shall have the meanings set out in the Declaration of Trust.
2. *Composition* — The Committee shall consist of at least three members, all of whom shall be Independent Trustees and a majority of whom shall be resident Canadians. All members of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust's financial statements.
3. *Separate Executive Meetings* — The Committee shall meet periodically with the chief financial officer, the head of the internal audit function (if other than the chief financial officer) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without management present.
4. *Professional Assistance* — The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee's duties at the Trust's expense.
5. *Reliance* — Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Trust from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any information technology, internal audit and other non-audit services provided by the external auditors to the Trust and its subsidiaries.
6. *Reporting to the Board* — The Committee will report through the chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
7. *Procedure* — The Committee meetings shall be conducted as follows: (i) questions arising at any meeting shall be decided by a majority of the votes cast; (ii) decisions may be taken by written consent signed by all members of the Committee; and (iii) meetings may be called by the external auditors of the Trust or any member of the Committee upon not less than 48 hours' notice. The external auditors of the Trust are entitled to receive notice of every meeting of the Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the external auditors.

Audit Responsibilities of the Committee

Selection and Oversight of the External Auditors

- a) The external auditors are ultimately accountable to the Committee and the Board as the representatives of the unitholders of the Trust and the Committee shall so instruct the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Trust to be proposed in the Trust's management information circular for approval of the unitholders of the Trust and the compensation to be paid by the Trust to the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other

significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.

- b) The Committee shall approve in advance the terms of engagement of the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Trust or any of its subsidiaries by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee.
- c) The Committee shall review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:
 - (i) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (ii) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Trust and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;
 - (iii) consider whether there should be a regular rotation of the external audit firm itself; and
 - (iv) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies.
- d) The Committee shall prohibit the external auditor and its affiliates from providing certain non-audit services to the Trust and its subsidiaries.
- e) The Committee shall establish and monitor clear policies for the hiring by the Trust of employees or former employees of the external auditors.
- f) The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require.
- g) The Committee is responsible for resolving disagreements between management and the external auditors regarding financial reporting.

Appointment and Oversight of Internal Auditors

- h) The appointment, terms of engagement, compensation, replacement or dismissal of the internal auditors shall be subject to prior review and approval by the Committee. When the internal audit function is performed by employees of the Trust, the Committee may delegate responsibility for approving the employment, term of employment, compensation and termination of employees engaged in such function other than the head of the Trust's internal audit function.
- i) The Committee shall obtain from the internal auditors and shall review summaries of the significant reports to management prepared by the internal auditors, or the actual reports if requested by the Committee, and management's responses to such reports.
- j) The Committee shall, as it deems necessary, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditor brings to the attention of the Committee. The head of the internal audit function shall have unrestricted access to the Committee.

- k) The Committee shall, annually or more frequently as it deems necessary, evaluate the internal auditors including their activities, organizational structure and qualifications and effectiveness.

Oversight and Monitoring of Audits

- l) The Committee shall review with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements of the Trust and its subsidiaries, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.
- m) The Committee shall meet periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit-related deficiencies.
- n) The Committee shall discuss with the external auditors any difficulties or disputes that arose with management or the internal auditors during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.
- o) The Committee shall review with management the results of internal and external audits.
- p) The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

- q) The Committee shall, as it deems necessary, oversee, review and discuss with management, the external auditors and the internal auditors:
 - (i) the quality, appropriateness and acceptability of the Trust's accounting principles and practices used in its financial reporting, changes in the Trust's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;
 - (ii) disagreements between management and the external auditors or the internal auditors regarding the application of any accounting principles or practices;
 - (iii) any material change to the Trust's auditing and accounting principles and practices as recommended by management, the external auditors or the internal auditors or which may result from proposed changes to applicable International Financial Reporting Standards;
 - (iv) any reserves, accruals, provisions, estimates or Trust programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Trust;
 - (v) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Trust's operations;
 - (vi) the use of any "pro-forma" or "adjusted" information not in accordance with International Financial Reporting Standards; and
 - (vii) management's determination of goodwill impairment, if any, as required by applicable accounting standards.
- r) The Committee will review and resolve disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practices.

Oversight and Monitoring of Internal Controls

- s) The Committee shall, as it deems necessary, exercise oversight of, review and discuss with management, the external auditors and the internal auditors:
 - (i) the adequacy and effectiveness of the Trust's internal accounting and financial controls and the recommendations of management, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;
 - (ii) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
 - (iii) management's compliance with the Trust's processes, procedures and internal controls.

Communications with Others

- t) The Committee shall establish and monitor procedures for the receipt and treatment of complaints received by the Trust regarding accounting, internal accounting controls or audit matters and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal auditors these procedures and any significant complaints received.

Oversight and Monitoring of the Trust's Financial Disclosures

- u) The Committee shall:
 - (i) review with the external auditors and management and recommend to the Board for approval the audited financial statements and the notes and management's discussion and analysis accompanying such financial statements, the Trust's annual report, any interim financial statements included or to be included in a prospectus and any financial information of the Trust contained in any management information circular of the Trust; and
 - (ii) review with the external auditors and management each set of interim financial statements and the notes and management's discussion and analysis accompanying such financial statements and any other disclosure documents or regulatory filings of the Trust containing or accompanying financial information of the Trust.

Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

- v) Prior to their distribution, the Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Trust gives earnings guidance.
- w) The Committee shall review the disclosure with respect to its pre-approval of audit and non-audit services provided by the external auditors.

Oversight of Finance Matters

- x) Appointments of the key financial executives involved in the financial reporting process of the Trust, including the chief financial officer, shall require the prior review of the Committee.
- y) The Committee shall receive and review:
 - (i) Periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefor and the management's plan and timetable to correct any deficiencies;

- (ii) material policies and practices of the Trust respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Trust; and
 - (iii) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.
- z) The Committee shall meet periodically with management to review and discuss the Trust's major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.
 - aa) The Committee shall receive and review the financial statements and other financial information of material subsidiaries of the Trust and any auditor recommendations concerning such subsidiaries.
 - bb) The Committee shall meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Additional Responsibilities

- cc) The Committee shall review any significant transactions outside the Trust's ordinary activities and all pending litigation involving the Trust.
- dd) The Committee shall review and make recommendations to the Board concerning the financial structure, condition and strategy of the Trust and its subsidiaries, including with respect to annual budgets, long-term financial plans, corporate borrowings, investments, capital expenditures, long term commitments and the issuance and/or repurchase of securities.
- ee) The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

Audit Committee Charter

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

The Committee shall ensure that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements in the annual management information circular or annual report of the Trust.

SCHEDULE B
KINGSETT PORTFOLIO ASSETS

Address	City	Asset Type	Interest Acquired	Acquired GLA	Occupancy at date of Acquisition	Purchase Price⁽¹⁾ (\$)	Date Acquired
202 Brownlow Avenue	Halifax	Flex Industrial	100%	213,290	92%	27,032,675	December 19, 2012
320-340 Wright Avenue	Halifax	Flex Industrial	100%	170,129	100%	18,440,804	December 19, 2012
201 Brownlow Avenue	Halifax	Flex Industrial	100%	160,105	92%	15,915,017	December 19, 2012
10 Morris Drive	Halifax	Flex Industrial	100%	118,793	96%	8,269,255	December 19, 2012
131-135 Ilsley Avenue	Halifax	Flex Industrial	100%	97,784	98%	9,160,529	December 19, 2012
11 Morris Drive	Halifax	Flex Industrial	100%	89,778	93%	6,299,924	December 19, 2012
120 Troop Avenue	Halifax	Warehouse & Distribution	100%	87,049	100%	8,879,770	December 19, 2012
100 Wright Avenue	Halifax	Warehouse & Distribution	100%	76,264	96%	4,865,953	December 19, 2012
100 Ilsley Avenue	Halifax	Flex Industrial	100%	75,435	94%	7,789,905	December 19, 2012
51 Raddall Avenue	Halifax	Flex Industrial	100%	70,002	100%	7,012,737	December 19, 2012
50 Akerley Boulevard	Halifax	Warehouse & Distribution	100%	62,685	93%	5,301,253	December 19, 2012
101 Thornhill Drive	Halifax	Warehouse & Distribution	100%	61,453	86%	4,024,692	December 19, 2012
30-58 Mosher Drive	Halifax	Light Manufacturing	100%	56,937	100%	3,919,527	December 19, 2012
29-59 Mosher Drive	Halifax	Warehouse & Distribution	100%	54,367	100%	4,187,831	December 19, 2012
50 Troop Avenue	Halifax	Flex Industrial	100%	53,859	100%	5,667,374	December 19, 2012
32 Troop Avenue	Halifax	Warehouse & Distribution	100%	47,790	100%	4,454,876	December 19, 2012
109 Ilsley Avenue	Halifax	Flex Industrial	100%	44,801	100%	5,213,407	December 19, 2012
58 Wright Avenue	Halifax	Warehouse & Distribution	100%	43,000	100%	3,086,264	December 19, 2012
50 Garland Avenue	Halifax	Flex Industrial	100%	35,574	100%	9,323,603	December 19, 2012
60 Thornhill Drive	Halifax	Flex Industrial	100%	32,225	85%	2,308,275	December 19, 2012
40 Thornhill Drive	Halifax	Warehouse & Distribution	100%	32,186	90%	2,196,931	December 19, 2012
50 Thornhill Drive	Halifax	Warehouse & Distribution	100%	32,065	100%	2,537,957	December 19, 2012
16 Garland Avenue	Halifax	Flex Industrial	100%	10,888	100%	2,946,641	December 19, 2012
80 Thornhill Drive	Halifax	Warehouse & Distribution	100%	10,090	100%	879,509	December 19, 2012
650 rue Bergeron	Drummondville	Warehouse & Distribution	100%	181,000	100%	11,715,680	December 19, 2012
5000 rue Fairway & 1645 50e Avenue	Lachine	Warehouse & Distribution	100%	106,517	70%	5,821,100	December 19, 2012
1700 - 1764 50e Avenue	Lachine	Light Manufacturing	100%	94,569	100%	7,475,950	December 19, 2012

1100 - 1154 Rue Berlier	Laval	Warehouse & Distribution	100%	91,843	100%	6,280,210	December 19, 2012
333 Chemin du Tremblay	Boucherville	Warehouse & Distribution	100%	86,842	70%	3,387,220	December 19, 2012
1500 rue Nobel	Boucherville	Flex Industrial	100%	82,081	100%	5,129,590	December 19, 2012
2000 32e Avenue	Lachine	Warehouse & Distribution	100%	81,288	100%	5,614,170	December 19, 2012
1624 - 1692 50e Avenue	Lachine	Light Manufacturing	100%	79,094	75%	4,496,140	December 19, 2012
1151 - 1179 Autoroute 440	Laval	Flex Industrial	100%	78,622	76%	5,644,070	December 19, 2012
2101 rue Nobel	Sainte-Julie	Flex Industrial	100%	73,411	85%	5,072,590	December 19, 2012
1805 50e Avenue	Lachine	Light Manufacturing	100%	60,750	100%	4,260,810	December 19, 2012
4605 - 4645 rue Fairway & 1405 - 1465 46e Avenue	Lachine	Light Manufacturing	100%	60,728	91%	3,319,460	December 19, 2012
1010 Rue Berlier & 2854 - 2870 Boulevard Industriel	Laval	Warehouse & Distribution	100%	58,622	100%	3,950,840	December 19, 2012
1025 - 1087 Autoroute 440	Laval	Warehouse & Distribution	100%	56,622	91%	3,649,500	December 19, 2012
585 - 625 Avenue Meloche	Dorval	Light Manufacturing	100%	54,410	100%	3,510,800	December 19, 2012
1421 rue Nobel	Sainte-Julie	Light Manufacturing	100%	50,878	100%	4,360,470	December 19, 2012
3800 Trans Canada Highway	Pointe-Claire	Light Manufacturing	100%	50,000	100%	4,377,970	December 19, 2012
135 Chemin du Tremblay	Boucherville	Warehouse & Distribution	100%	49,808	100%	3,196,400	December 19, 2012
1870 Boulevard Saint-Régis	Dollard-des-Ormeaux	Warehouse & Distribution	100%	40,231	100%	3,086,810	December 19, 2012
750 Creditstone Road	Vaughan	Light Manufacturing	100%	176,535	100%	14,832,278	December 19, 2012
121 Pippin Road	Vaughan	Light Manufacturing	100%	169,500	100%	14,031,078	December 19, 2012
700 Ormont Drive	North York	Light Manufacturing	100%	123,370	100%	5,234,078	December 19, 2012
903-951 Matheson Boulevard	Mississauga	Warehouse & Distribution	100%	77,420	100%	6,405,406	December 19, 2012
5554 Tomken Road	Mississauga	Warehouse & Distribution	100%	61,623	100%	4,942,682	December 19, 2012
855 Matheson Boulevard	Mississauga	Flex Industrial	100%	46,608	100%	3,862,366	December 19, 2012
5448 Timberlea Boulevard	Mississauga	Flex Industrial	100%	32,025	100%	2,724,687	December 19, 2012
5430 Timberlea Boulevard	Mississauga	Flex Industrial	100%	31,448	100%	2,973,257	December 19, 2012
5466 Timberlea Boulevard	Mississauga	Warehouse & Distribution	100%	28,657	31%	2,256,232	December 19, 2012
750 Barmac Drive	North York	Warehouse & Distribution	100%	23,959	100%	1,823,788	December 19, 2012
5380 Timberlea Boulevard	Mississauga	Light Manufacturing	100%	19,988	100%	1,443,606	December 19, 2012
5420 Timberlea Boulevard	Mississauga	Light Manufacturing	100%	19,816	100%	1,548,771	December 19, 2012
5462 Timberlea Boulevard	Mississauga	Flex Industrial	100%	17,708	100%	1,434,046	December 19, 2012
5370 Timberlea Boulevard	Mississauga	Warehouse & Distribution	100%	16,682	100%	1,357,566	December 19, 2012
5444 Timberlea Boulevard	Mississauga	Light Manufacturing	100%	15,316	100%	1,348,003	December 19, 2012
611-615 71st Avenue SE & 7515 6th Street SE	Calgary	Flex Industrial	100%	167,675	86%	21,819,280	December 19, 2012
7504 30th Street SE	Calgary	Light Manufacturing	100%	138,729	100%	11,899,207	December 19, 2012
3916 61st Avenue	Calgary	Warehouse & Distribution	100%	99,978	100%	7,465,780	December 19, 2012
7008 5th Street SE	Calgary	Light Manufacturing	100%	85,906	100%	10,305,260	December 19, 2012
7004 5th Street SE	Calgary	Flex Industrial	100%	79,204	100%	9,628,340	December 19, 2012

7111 6th Street SE	Calgary	Warehouse & Distribution	100%	64,330	100%	6,874,870	December 19, 2012
3401 19th Street	Calgary	Flex Industrial	100%	63,962	100%	8,347,570	December 19, 2012
7710 5th Street SE	Calgary	Flex Industrial	100%	58,638	99%	11,130,090	December 19, 2012
550 71st Avenue SE	Calgary	Flex Industrial	100%	57,368	100%	12,480,080	December 19, 2012
6812 6th Street SE	Calgary	Warehouse & Distribution	100%	56,723	64%	6,140,750	December 19, 2012
7003 5th Street SE	Calgary	Flex Industrial	100%	52,409	100%	6,815,670	December 19, 2012
610 70th Avenue SE	Calgary	Warehouse & Distribution	100%	44,280	100%	7,071,120	December 19, 2012
5824 Burbank Road SE	Calgary	Warehouse & Distribution	100%	39,803	100%	5,290,710	December 19, 2012
4001 19th Street	Calgary	Flex Industrial	100%	37,385	94%	4,977,190	December 19, 2012
6810 6th Street SE	Calgary	Light Manufacturing	100%	31,470	17%	2,456,950	December 19, 2012
6908 6th Street SE	Calgary	Light Manufacturing	100%	31,467	100%	4,609,960	December 19, 2012
7131 6th Street SE	Calgary	Warehouse & Distribution	100%	29,002	100%	3,111,460	December 19, 2012
7007 5th Street SE	Calgary	Light Manufacturing	100%	23,266	100%	2,708,190	December 19, 2012
616 71st Avenue SE	Calgary	Light Manufacturing	100%	21,830	100%	2,734,770	December 19, 2012
6910 6th Street SE	Calgary	Warehouse & Distribution	100%	21,189	94%	2,288,060	December 19, 2012
7121 6th Street SE	Calgary	Warehouse & Distribution	100%	19,274	100%	1,805,380	December 19, 2012

⁽¹⁾ Purchase Price excludes transaction costs

SCHEDULE C

LIST OF PROPERTIES

Property	Ownership	Total GLA in Square Feet	Year/Built Renovated	Occupied/Committed as at December 31, 2012	Significant Tenants
9451 45th Avenue (Southwood Centre), Edmonton	100%	75,172	1998	100.0%	ABC Recycling Corp.
2985 23rd Avenue NE (Sunridge Business Park), Calgary	100%	53,265	2000	19.9%	Botaneco
1919 84th Avenue (Park 19), Edmonton	100%	48,365	1975/1987	100.0%	Boden Fabricating
4021 9th Street SE, Calgary	100%	44,491	1961	100.0%	Fratello Coffee Corporation
2721 Hopewell Place NE, Calgary	100%	37,690	2006	100.0%	Net Safety Monitoring Inc.
204 26229 Township Road 531A, Parkland County (Edmonton), Parkland	100%	34,904	2005	100.0%	Clean Harbors Industrial Services Inc.
6908 6th Street SE (Glenmore Business Park), Calgary	100%	31,467	1978	100.0%	Norwesco Industries
3917 81st Avenue, Edmonton	100%	30,353	2006	100.0%	GE Oil & Gas ESP (Canada) Ltd.
2876 Sunridge Way NE (Sunridge Business Park), Calgary	100%	30,000	2000	100.0%	Ametek (Canada) Inc.
3250 Sunridge Way NE (Sunridge Business Park), Calgary	100%	27,180	2000	100.0%	The City of Calgary
15301 100th Street, Grand Prairie	100%	27,058	2005	100.0%	Clean Harbors Industrial Services Inc.
7121 6th Street SE (Glenmore Business Park), Calgary	100%	19,274	1985	100.0%	Regal Building Materials
6715 85th Avenue, Fort St. John	100%	17,405	2006	100.0%	Clean Harbors Industrial Services Inc.
120 Pond Street East, Brooks	100%	14,305	2006	100.0%	Clean Harbors Industrial Services Inc.
2240 Premier Way (GE Turbine), Edmonton	50%	26,381	2003	100.0%	General Electric Canada
310 Henderson Drive, Regina	100%	373,284	1976	100.0%	Access Distribution, Supreme Office Products Limited, Watergroup Companies Ltd., Consumers Co-Operative Refinery
15303 128th Avenue, Edmonton	100%	178,143	1977/2004	100.0%	McLeod Mercantile Ltd., Highland Moving & Storage Ltd., Direct Right Cartage 2001 Inc.
611-615 71st Avenue SE & 7515 6th Street SE (Glenmore Business Park), Calgary	100%	167,675	1979	90.0%	Worldwide Specialty Foods, Shamrock Flooring Accessories, King-O-Matic Industries Ltd., Gemini Positioning System, Lamoc Ltd.
628 668 Henderson Drive (Chestemere), Regina	100%	163,807	1975	99.9%	Goodall Rubber Company of Canada, Co-Operators Life Insurance Company, Regina Fasteners & Tools Ltd., TFI Transport 2 LP, Ply Gem Canada Inc.

7504 30th Street SE, Calgary	100%	138,729	1976	100.0%	DIRTT Environmental Solutions, Trans-Frt McNamara
11445 163rd Street (Alberta Park), Edmonton	100%	130,138	1981	98.9%	North American Construction, Elite Marble & Granite Ltd.
603 Park Street, Regina	100%	109,333	1978	100.0%	Novo Water Group Inc., Creative Door Services Ltd., P.A. Fine Foods & Distributors
3916 61st Avenue, Calgary	100%	99,978	1976	100.0%	Dare Foods, Pacific Coast Warehouse
7004-7042 30th Street SE, Calgary	100%	94,029	1976	100.0%	Control Chemical (1989) Corp.
651 Henderson Drive (Henderson Business Centre), Regina	100%	90,152	1982	83.8%	Pacific Fresh Fish Ltd., All Weather Windows Ltd., General Fasteners Ltd.
7008 5th Street SE (Glenmore Business Park), Calgary	100%	85,906	1975	100.0%	Aaron Machine Shop Ltd., WorldPac Canada Inc., RS Ventures, Installation Services, New West Equipment
7004 5th Street SE (Glenmore Business Park), Calgary	100%	79,204	1975	100.0%	Adria International, Pulse Directional Technology, Paxx Industrial Supply Ltd.
4710-4760 14th Street NE (McCall Industrial Park), Calgary	100%	72,866	1976	96.7%	Collega International
2777 23rd Avenue NE (Sunridge Business Park), Calgary	100%	67,250	2001	100.0%	Cabinet Solutions Ltd., Sleep Country Canada LP, Western Sleep Products Ltd.
3510 29th Street NE (ACC Centre), Calgary	100%	65,009	1998	100.0%	Extreme Engineering, Calgary Life Church
7111 6th Street SE (Glenmore Business Park), Calgary	100%	64,330	1985	100.0%	DT Tire Distribution, Regal Building Materials
3401 19th Street, Calgary	100%	63,962	1976	100.0%	Refrigerative Supply, Eecol Electric, Topco Oilsite
2150 29th Street NE (Sunridge Business Park), Calgary	100%	59,865	1999	100.0%	Kilowatts Design Company Inc., ROE Logistics Inc.
2175 29th Street NE (Sunridge Business Park), Calgary	100%	58,820	2000	55.2%	Mentor Engineering Inc., Talnea Technologies Inc., Deluxe Toronto Ltd.
7710 5th Street SE (Glenmore Business Park), Calgary	100%	58,638	1980	98.8%	HMA Land Services Ltd.
2256 29th Street NE (Sunridge Business Park), Calgary	100%	58,015	1998	100.0%	P&H Minepro Services Canada Ltd.
550 71st Avenue SE (Glenmore Business Park), Calgary	100%	57,368	1982	100.0%	The Cedarglen Group Inc.
1139-1165 40th Avenue NE, Calgary	100%	57,344	1974	85.7%	Instabox Alberta Inc.
2151 32nd Street NE (Sunridge Business Park), Calgary	100%	57,198	1999	100.0%	Coast Wholesale Appliances Inc., Haefele Canada Inc., Corporate Express Canada Inc.
501-529 36th Avenue SE, Calgary	100%	57,122	1974	100.0%	Icon Stone and Tile Inc., East West Plastic and Electric Products Limited
4504-4576 14th Street NE, Calgary	100%	57,065	1976	97.5%	Alberta Damproofing and Waterproofing Ltd.

2928 Sunridge Way NE (Sunridge Business Park), Calgary	100%	57,001	2003	78.8%	Wesco Distribution Canada LP, AM/PM Systems Ltd., Sinclair Dental Co. Ltd, MS Healthcare Ltd.
6812 6th Street SE (Glenmore Business Park), Calgary	100%	56,723	1978	69.9%	Direct Right Cartage, Envirotech Coatings Ltd.
2121 29th Street NE (Sunridge Business Park), Calgary	100%	56,648	2000	100.0%	Lifemark Health Management Inc., ASAT Technology Inc.
402 McDonald Street (Imperial Business Centre), Regina	100%	55,311	1984	94.7%	WBM Office Systems Inc., Konica Minolta Business Solutions
4402-4434 10th Street NE, Calgary	100%	54,015	1974	100.0%	Budrich Industries, Scholastic Book Fairs Canada
7003 5th Street SE (Glenmore Business Park), Calgary	100%	52,409	1975	100.0%	Installation Service
610 70th Avenue SE (Glenmore Business Park), Calgary	100%	44,280	1985	92.5%	Bigfoot Building Products
2886 Sunridge Way NE (Sunridge Business Park), Calgary	100%	44,230	2001	100.0%	Weatherford Canada Partnership, Plasti-Fab Ltd.
1512-1514 8th Street, Edmonton	100%	42,670	1980	100.0%	PCL Tools Inc.
535-561 36th Avenue SE, Calgary	100%	41,440	1974	100.0%	The Flower Market, Alberta Health Services
5824 Burbank Road SE, Calgary	100%	39,803	1972	100.0%	Cordell's Window, The Tile Company
310 Hoffer Drive(McDonald Business Centre), Regina	100%	37,928	1985	100.0%	7-Eleven Canada Inc.
4001 19th Street, Calgary	100%	37,385	1978	94.1%	Emerson Clarke Printing
6810 6th Street SE (Glenmore Business Park), Calgary	100%	31,470	1978	100.0%	East West Plastics, Bantrel
6804-6818 30th Street SE, Calgary	100%	29,998	1976	100.0%	Enterprise Robert Thibert Inc., Enmax Power Corporation
7131 6th Street SE (Glenmore Business Park), Calgary	100%	29,002	1982	100.0%	Regal Building Materials
6023-6039 Centre Street South, Calgary	100%	28,792	1973	100.0%	Tom Harris Cellular Ltd.
4502-4516 10th Street NE, Calgary	100%	28,653	1974	100.0%	Chateau Exteriors Ltd.
3030 Sunridge Way NE (Sunridge Business Park), Calgary	100%	27,016	2000	100.0%	Coffey Geotechnics Inc.
6043-6055 Centre Street South, Calgary	100%	25,200	1973	100.0%	Wolseley Canada Inc.
530-544 38A Avenue SE, Calgary	100%	23,987	1974	50.0%	Blackdog Productions, Inspectacar Inc., G2 Solar Corp.
7007 5th Street SE (Glenmore Business Park), Calgary	100%	23,266	1974	100.0%	Process Color Print Ltd.
616 71st Avenue SE (Glenmore Business Park), Calgary	100%	21,830	1985	100.0%	CNC Proficient Machine Works
1135-1149 45th Avenue NE, Calgary	100%	21,552	1974	100.0%	International Furniture Wholesalers
6910 6th Street SE (Glenmore Business Park), Calgary	100%	21,189	1978	61.1%	Con-Way Canada Express Inc.

4620-4640 11th Street NE, Calgary	100%	21,111	1971	100.0%	Interfast Inc., North West Wholesales Florist
102-114 61st Avenue SW, Calgary	100%	18,890	1973	100.0%	Fair's Fair (For Book Lovers), Beauty Depot Enterprises
4001-4019 23rd Street NE, Calgary	100%	15,787	1976	100.0%	Anwalt International Ltd., Mobile Augers & Research Ltd.
2915-2925 58th Avenue SE, Calgary	100%	15,556	1976	100.0%	Crazy Red's Transport
4515-4519 1st Street SE, Calgary	100%	14,340	1969	100.0%	Mars Blinds & Shutters Ltd.
3503-3521 62nd Avenue SE, Calgary	100%	13,343	1975	100.0%	Tony William General Contracting
4501-4509 1st Street SE, Calgary	100%	13,200	1970	100.0%	Tunedub Automotive Inc.
4523-4529 1st Street SE, Calgary	100%	11,400	1969	100.0%	Audio Video Interiors Ltd.
Western Canada	99.7%	4,137,965		95.8%	
1411, 1421 and 1451 Rue Ampère, Boucherville	100%	457,875	1998/2002	100.0%	Spectra Premium Industries Inc.
10001 Metropolitan Boulevard East, Montreal	100%	327,000	2004	100.0%	The Brick
275 Wellington Street East, Aurora	100%	317,000	1986	100.0%	TC Transcontinental Inc.
1900 Dickson Street (Molson Distribution Centre), Montreal	100%	225,000	2003	100.0%	Molson Breweries Properties Ltd.
1125 50th Avenue, Montreal	100%	210,710	2000	100.0%	Nellson Nutraceutical
8000 Avenue Blaise-Pascal, Montreal	100%	206,345	1993	100.0%	TC Transcontinental Inc.
1313 Autoroute Chomedey, Laval	100%	184,493	1999	100.0%	Spectra Premium Industries Inc.
650 rue Bergeron, Drummondville	100%	181,000	2007	100.0%	McKesson Canada
750 Creditstone Road, Vaughan	100%	176,535	1999	100.0%	Royal Group
121 Pippin Road, Vaughan	100%	169,500	1999	100.0%	Royal Group
700 Ormont Drive, North York	100%	123,370	1974	100.0%	Multi Home LP
1155 Autoroute Chomedey, Laval	100%	115,362	1990/2002	100.0%	Effigi Inc.
2340 St. Laurent Boulevard, Ottawa	100%	114,724	1989	100.0%	The Dollco Corporation
580 Industrial Road, London	100%	113,595	1972/2002	100.0%	Colabor Limited Partnership
441 Chrislea Road, Vaughan	100%	100,626	1998	100.0%	Aquarium Services Warehouse
970 Fraser Drive, Burlington	100%	95,444	1999	100.0%	Sound Design Technologies Ltd.
9305 Twin Oaks Drive, Windsor	100%	74,239	1996	100.0%	Magna Closures Inc.
2 Lone Oak Court, Toronto	100%	72,197	2001	100.0%	Clariant Canada Inc.

1805 50e Avenue, Lachine	100%	60,750	1986	100.0%	Groupe Induspac Emballage
585-625 Avenue Meloche, Dorval	100%	54,410	1981	100.0%	Groupe Lessard Inc.
1421 rue Nobel, Sainte-Julie	100%	50,878	1998	100.0%	Dermolab Pharma Ltee
3800 Trans Canada Highway, Pointe-Claire	100%	50,000	1966/2000	100.0%	Hercules SLR
880 Rangeview Road, Mississauga	100%	45,600	1977/2005	100.0%	Filamat Composites Inc.
1870 Boulevard Saint-Régis, Dollard-des-Ormeaux	100%	40,231	1984	100.0%	Nealanders International
2946 Walker Road, Windsor	100%	32,264	1960	100.0%	Ground Effects Ltd.
750 Barmac Drive, North York	100%	23,959	1979	100.0%	Gentek Building Supplies
29 rue de Varennes, Gatineau	100%	23,959	2006	100.0%	PWGSC
5380 Timberlea Boulevard, Mississauga	100%	19,988	1986	100.0%	Colourfast Printing
5462 Timberlea Boulevard, Mississauga	100%	17,708	1977	100.0%	Service Master of Canada
5370 Timberlea Boulevard, Mississauga	100%	16,682	1986	100.0%	Stockwell Wholesale
5444 Timberlea Boulevard, Mississauga	100%	15,316	1977	100.0%	INX INTL INK Co.
5000 rue Fairway & 1645 50e Avenue, Lachine	100%	106,517	1978	69.9%	S.R. Potten Enterprises Ltd.
1700-1764 50e Avenue, Lachine	100%	94,569	1989	100.0%	Hardt Equipment Manufacturing, Vesuvius Canada Inc.
1100-1154 Rue Berlier, Laval	100%	91,843	1975	100.0%	Service Mailex Inc., Usinage Industriel RLS Inc., Elements Décor Foresta Inc., Profom Inc., 9016-8899 Quebec Inc.
4515 and 4525 Rhodes Drive (Delta Park), Windsor	100%	91,057	1999	94.1%	Ground Effects Ltd., Bowes Publishers Limited
333 Chemin du Tremblay, Boucherville	100%	86,842	1987	70.1%	MSB Design, Datamark Systems, Group VSRG Inc.
1500 rue Nobel, Boucherville	100%	82,081	1989	100.0%	Datamark Systems, Disca Automatisation Inc.
2000 32e Avenue, Lachine	100%	81,288	1985	100.0%	Wesco Aircraft Hardware, Contact Travel Marketing, Service Transmission
1624-1692 50e Avenue, Lachine	100%	79,094	1975	75.5%	9113-1144 Quebec Inc., Ardmore Imports (International), Laboval Inc.
1151-1179 Autoroute 440, Laval	100%	78,622	1975	76.0%	UTC Canada Corporation, Flexovision Ltee MTM
903-951 Matheson Boulevard, Mississauga	100%	77,420	1977	100.0%	Ferrara Pan Candy Co., Jason Industrial (Canada), Amcan Bearing Company
2101 rue Nobel, Sainte-Julie	100%	73,411	1992	84.8%	CVTCORP Transmissions, Groupe Bikini Village I
5554 Tomken Road, Mississauga	100%	61,623	1979	100.0%	CMC Wholesale Warehouse

4605-4645 rue Fairway & 1405-1465 46e Avenue, Lachine	100%	60,728	1974	91.4%	Bruni Glass Packaging Inc.
1010 Rue Berlier & 2854-2870 Boulevard Industriel, Laval	100%	58,622	1975	100.0%	Capeq Inc., Lumen, Groupe Qualitas Inc.
1025-1087 Autoroute 440, Laval	100%	56,622	1979	94.7%	Profom Inc.
135 Chemin du Tremblay, Boucherville	100%	49,808	1989	100.0%	Greenfield Ethanol Inc.
855 Matheson Boulevard, Mississauga	100%	46,608	1986	100.0%	Topknotch Prep. & Print
5448 Timberlea Boulevard, Mississauga	100%	32,025	1977	100.0%	Imaje Canada Inc., Service Master of Canada
5430 Timberlea Boulevard, Mississauga	100%	31,448	1977	100.0%	Canadian Spirit, Teloip
5466 Timberlea Boulevard, Mississauga	100%	28,657	1977	31.1%	Acart Equipment
5420 Timberlea Boulevard, Mississauga	100%	19,816	1977	100.0%	Needleworks
38 rue de Valcourt, Gatineau	100%	16,456	1985	100.0%	Camille Villeneuve
Central Canada	100%	5,121,917		97.3%	
131 Thornhill Drive (Burnside Business Park), Dartmouth	100%	115,773	1986	100.0%	Climate Technical Gear (Helly Hansen Canada)
58 Wright Avenue (Burnside Business Park), Dartmouth	100%	43,000	1972	100.0%	Crane Supply
722 Edinburgh Drive, Moncton	100%	41,200	1975/1990	100.0%	Hercules Tire Company
50 Garland Avenue (Burnside Business Park), Dartmouth	100%	35,574	2006	100.0%	Royal & Sun Alliance
80 Thornhill Drive (Burnside Business Park), Dartmouth	100%	10,090	1984	100.0%	IPEX Management Inc.
202 Brownlow Avenue (Burnside Business Park), Dartmouth	100%	213,290	1986	92.8%	Goodlife Fitness, Staples Business Depot, Master Merchant, Pets Unlimited, Royal Bank of Canada
320-340 Wright Avenue (Burnside Business Park), Dartmouth	100%	170,129	2007	100.0%	Honda Canada Inc., CDMV Inc., Arcom Telecom Ltd., Swish Maintenance Ltd., Hoyt's Moving & Storage
201 Brownlow Avenue (Burnside Business Park), Dartmouth	100%	160,105	1988	91.8%	CDA-NS Offshore Petroleum, Safety Services, Brookfield Global Relocation
10 Morris Drive (Burnside Business Park), Dartmouth	100%	118,793	1979	96.2%	Arcadian Mining, Uplift Technologies Inc.
131-135 Ilsley Avenue (Burnside Business Park), Dartmouth	100%	97,784	1984	98.4%	Wesco Distribution, Yellow Pages Group, W&O Supply (Canada) Inc.
222 Edinburgh Drive, Moncton	100%	93,504	1977/1999	64.1%	Exide Technologies Canada Corp., Gevity Group Inc., Al Pack Enterprises Ltd., Atlantic Chemical & Aquatics Inc.
11 Morris Drive (Burnside Business Park), Dartmouth	100%	89,778	1977	92.5%	Agat Laboratories Ltd., Jet Equipment & Tools

120 Troop Avenue (Burnside Business Park), Dartmouth	100%	87,049	2004	100.0%	Power & Telephone Supply, Atlantic Motoplex General Insulation Company, Siemens Canada Limited, Gentek Building Product
100 Wright Avenue (Burnside Business Park), Dartmouth	100%	76,264	1979	95.7%	eCycle Solutions, Powermatic of Canada
100 Ilsey Avenue (Burnside Business Park), Dartmouth	100%	75,435	1984	94.4%	Sojourn Enterprises, Wade Atlantic
51 Raddall Avenue (Burnside Business Park), Dartmouth	100%	70,002	1986	100.0%	Liteco Inc., Power Vac Services
170 Joseph Zatzman Drive (Burnside Business Park), Dartmouth	100%	65,670	1981	97.4%	Cleve's Sporting Goods Ltd., G4S Cash Services Canada
50 Akerley Boulevard (Burnside Business Park), Dartmouth	100%	62,685	1983	93.3%	The Printer Burnside, Cooke Sales
101 Thornhill Drive (Burnside Business Park), Dartmouth	100%	61,453	1982	86.3%	Allied Reclamation Services, Sabic Polymershapes
105 Akerley Boulevard (Burnside Business Park), Dartmouth	100%	57,436	1983	100.0%	Domtar Inc., Goodall Snowden Rubber, H&H Industries Ltd.
30-58 Mosher Drive (Burnside Business Park), Dartmouth	100%	56,937	1972	100.0%	Univar Canada Ltd., Redirack, CSMG Inc., Feed Nova Scotia
29-59 Mosher Drive (Burnside Business Park), Dartmouth	100%	54,367	1974	100.0%	Emco, Pro Body Parts
50 Troop Avenue (Burnside Business Park), Dartmouth	100%	53,859	2001	100.0%	Amec Americas Limited, Ceratec Inc.
32 Troop Avenue (Burnside Business Park), Dartmouth	100%	47,790	2000	100.0%	Eaton Yale Company, Jasco Sciences, Mill Supply Limited
109 Ilsey Avenue (Burnside Business Park), Dartmouth	100%	44,801	1987	100.0%	Aaron's Sales and Lease, The Bank of Nova Scotia, MS Society of Canada
81 Wright Avenue (Burnside Business Park), Dartmouth	100%	44,131	1986	84.7%	Princess Auto Limited, Ribbons Recycled
30 Simmonds Drive (Burnside Business Park), Dartmouth	100%	37,240	1982	92.3%	Safety-Kleen Canada Inc., Prosol Distribution Inc.
60 Thornhill Drive (Burnside Business Park), Dartmouth	100%	32,225	1986	84.9%	Hazmasters Environmental
40 Thornhill Drive (Burnside Business Park), Dartmouth	100%	32,186	1982	89.8%	R.J.B. Sales & Marketing
50 Thornhill Drive (Burnside Business Park), Dartmouth	100%	32,065	1983	100.0%	McFadden's Hardwood
16 Garland Avenue (Burnside Business Park), Dartmouth	100%	10,888	2008	100.0%	Wawanesa Mutual Ins.
Eastern Canada	100%	2,191,503		94.8%	
TOTAL	99.9%	11,451,385		96.3%	