



COMINAR REAL ESTATE INVESTMENT TRUST

Unitholder Distribution Reinvestment Plan

Cominar's Unitholder Distribution Reinvestment Plan (the "Plan") allows Unitholders to use their monthly cash distributions to steadily increase ownership in Cominar without incurring any commission or other transaction costs.

To encourage participation, investors registered in the Plan will each obtain the **right to receive an additional amount equal to 5% of their distributions** which they have elected to reinvest, which amount will be paid in the form of additional Units.

The right to receive the additional Units is being provided for no additional consideration and, in addition to there being no commission or transaction fees applied in respect of Units purchased through the Plan, represents a compelling reason to enroll in the Plan and increase ownership in Cominar.

Many frequently asked questions are answered below. We have also attached a PDF version of the Plan for your review, as well as an authorization form to enroll.

FREQUENTLY ASKED QUESTIONS

The following section has been prepared to assist Cominar's Unitholders in understanding the Plan. Unitholders are encouraged to carefully read the full details of the Plan before enrolling.

What is the Distribution Reinvestment Plan?

The Plan allows Unitholders of Cominar to have their monthly cash distributions reinvested in additional Units. In addition, Unitholders registered in the Plan will be granted a right to receive an additional amount equal to 5% of their monthly distributions reinvested in Units, which amount shall be paid in the form of additional Units.

What price do I pay for the Units?

Unitholders registered in the Plan will pay the weighted average closing price for Cominar's Units on The Toronto Stock Exchange (the "TSE") for the twenty (20) trading days immediately preceding the distribution date, which is on or about the 15th day of each month (other than January 15) and December 31.

What are the benefits of enrolling in the Plan?

Unitholders enrolling in the Plan can steadily increase their ownership of Cominar on a convenient monthly basis. You pay no commissions, service charges or brokerage fees because Units are acquired directly from Cominar. You also receive additional Units representing 5% of each distribution reinvested pursuant to the Plan.

How does the Plan work?

The following is an example of how the distribution proceeds will be reinvested pursuant to the Plan:

Example: Distribution amount: \$200
 Unit Market Price: \$10

Based on these amounts, the number of Units a participant will receive under the Plan will be 21 (20+1 additional Unit) with a cost for tax purposes of \$200. The tax cost of these Units will be averaged with the tax cost of the other Units held by such participant from time to time.

Who administers the Plan?

The plan is administered by Cominar's transfer agent, Computershare Trust Company of Canada (the "Agent") or arrangements can be made through your investment advisor if your investment advisor participates in the Plan.

Will I receive a report of my purchases under the Plan?

The Agent or your investment dealer will send you statements of your purchases under the Plan. If you hold Units in registered form, the Agent will deliver your statement on a monthly basis. Otherwise, you will receive your statement in accordance with your investment dealer's usual practice. You will also receive appropriate tax information for reporting distributions paid on Units in the Plan.

Are there any tax consequences of enrolling in the Plan?

Cominar encourages you to seek advice relating to the tax consequences of enrolling in the Plan from your tax advisor.

Who can join the Plan?

Any Unitholder is eligible to join the Plan. If your Units are held in an investment dealer's account and not registered in your name, you may also arrange to participate in the Plan by contacting your investment dealer.

When can I join the Plan?

You can join the Plan at any time. If your authorization form is received before the record date of a distribution, the immediately following cash distribution will be invested in the Plan.

How do I enroll in the Plan?

If your Units are registered in your name, you can complete the attached Authorization form included in this package and forward it to the Agent. Otherwise, you may call your investment advisor and, provided your investment advisor participates in the Plan, you can simply ask your investment advisor to make necessary arrangements.

How do I terminate my participation in the Plan?

You can terminate your participation in the Plan at any time by advising your investment dealer or, in the case of registered holders, the Agent in writing. Upon termination in the Plan, you will be issued a certificate for whole Units and a cash payment for any fraction of a Unit, unless you make alternative arrangements with your investment dealer. The cash payment will be based on the sale price of the last board lot of Units traded on the TSE prior to the effective date of termination of participation in the Plan.

Who do I contact for more information?

For more information about the Plan, please contact the Agent or Cominar.

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1100, University
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G1M 3A2
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Unitholder Distribution Reinvestment Plan

INTRODUCTION

This unitholder distribution reinvestment plan (the “**Reinvestment Plan**”) is being offered to registered holders of units (“**Unitholders**”), including, without limitation, registered holders of units represented by instalment receipts (collectively, “**Eligible Units**”) of Cominar Real Estate Investment Trust (the “**Trust**”). The Reinvestment Plan is administered by Computershare Trust Company of Canada (the “**Agent**”), which acts as agent for Unitholders participating in the Reinvestment Plan (the “**Participants**”). The Units issued pursuant to the Plan will not trade on any stock exchange until the Units are listed and posted for trading on such exchange.

Purpose

The purpose of the Reinvestment Plan is to enable Participants to invest all cash distributions on Eligible Units in additional units of the Trust (“**Units**”). All such additional Units are purchased directly from the Trust by the Agent. The Reinvestment Plan enables the Trust to issue additional equity capital to existing Unitholders.

Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

“**Authorization Form**” means the authorization form attached hereto.

“**Distribution Date**” means on or about the 15th day of each calendar month (other than January) and on December 31 in each calendar year, beginning in July 1998.

“**Distribution Record Date**” means, in relation to a Distribution Date, the date which is determined by the trustees of the Trust to be the record date for any distribution on a Distribution Date.

“**Market Price**” on any particular day means the market price of one Unit and shall be calculated by reference to the weighted average of the trading prices for the Units on The Toronto Stock Exchange for the twenty (20) trading days immediately preceding such day; or if, at any time, the Units are no longer listed on The Toronto Stock Exchange, then the Market Price shall be calculated on the basis of the weighted average of the trading prices for the Units for the twenty (20) trading days immediately

preceding such day on the stock exchange on which the Units are listed and had the greatest volume of trading on that particular day.

“**Unitholder**” means a holder of a Unit of the Trust (including a Unit represented by an instalment receipt).

Advantages

Under the Reinvestment Plan, a Participant may purchase additional Units with the cash distributions paid on the Eligible Units which are registered in the name of the Participant or held in a Participant's account maintained pursuant to the Reinvestment Plan. Each Participant will also receive a right to receive an additional amount equal to 5% of their monthly distributions reinvested pursuant to the Reinvestment Plan, which amount shall automatically be paid on each Distribution Date in the form of additional Units. Full investment of Participants' funds is possible under the Reinvestment Plan because the Reinvestment Plan permits fractions of Units, as well as whole Units, to be purchased and held for Participants. Distributions in respect of whole Units and fractions of Units acquired under the Reinvestment Plan will be held by the Agent for the Participants' account and automatically invested under the Reinvestment Plan in additional Units.

The price at which Units will be purchased with such cash distributions will be the Market Price on the trading day immediately preceding the relevant Distribution Date. No commissions, service charges or brokerage fees are payable by Participants in connection with the Reinvestment Plan.

ADMINISTRATION

The Trust shall promptly pay over to the Agent, on behalf of Participants, all cash distributions paid on their Eligible Units. The Agent shall use such funds to purchase additional Units for the Participants directly from the Trust. Additional Units purchased under the Reinvestment Plan shall be registered in the name of the Agent, as agent for the Participants in the Reinvestment Plan.

Accounts under the Reinvestment Plan shall be maintained in the names in which Eligible Units were registered at the time the Participants entered the Reinvestment Plan.

PARTICIPATION

Participation in the Reinvestment Plan

Any Canadian resident holder of record of Eligible Units may enroll in the Reinvestment Plan at any time by completing an Authorization Form and returning it to the Agent.

Beneficial holders of Eligible Units may enroll in the Reinvestment Plan at any time by completing an Authorization Form and returning it to their investment dealer. Once a Participant has enrolled in the Reinvestment Plan, participation shall continue automatically unless terminated in accordance with the terms of the Reinvestment Plan or unless participation becomes unlawful under the laws governing the Trust.

Unitholders resident outside of Canada will be entitled to participate in the Reinvestment Plan unless prohibited by law of the jurisdiction in which they reside. Unitholders who are resident in the United States of America or who are United States citizens will not be entitled to participate in the Reinvestment Plan.

Upon ceasing to be eligible to participate in the Reinvestment Plan, a Participant shall forthwith notify the Agent and terminate his participation in the Reinvestment Plan.

An Authorization Form may be obtained from the Agent at any time upon written request addressed to the Agent. The Authorization Form directs the Trust to forward to the Agent, and the Agent to invest in additional Units, all of the Participant's cash distributions on Eligible Units. The Agent will apply such funds received under the Reinvestment Plan to the purchase of additional Units. When enrolling in the Reinvestment Plan, if a completed Authorization Form is received by the Agent on or before a Distribution Record Date, the immediately following cash distribution will be invested under the Reinvestment Plan.

An election to participate in the Reinvestment Plan by a Unitholder must be made in respect of all of the Units held by such Unitholder, as specified in the Authorization Form. Distributions paid on Units held by the Agent for the account of a Participant under the Reinvestment Plan will be automatically reinvested in additional Units on each Distribution Date.

No interest will be paid to Participants on any funds held for investment under the Reinvestment Plan.

No Transfer of Participation Rights

The right to participate in the Reinvestment Plan may not be transferred by a Participant (including by a beneficial Unitholder who is a Participant) without the approval of securities regulatory authorities.

Termination of Participation

Participation in the Reinvestment Plan may be terminated by a Participant at any time except during the time between a Distribution Record Date and the corresponding Distribution Date, inclusively, by giving written notice to the Agent. For greater certainty, such termination will not prevent a former Participant from participating in the

Reinvestment Plan at a later date. Beneficial holders shall give written notice of termination to their investment dealer who will then provide notice of termination to the Agent on their behalf. The Trust will send at least annually to all Participants a notice of their right to withdraw from the Reinvestment Plan.

The Trustees reserve the right to terminate the right of a Participant to participate in the Reinvestment Plan where such Participant has failed to comply with the terms of the Reinvestment Plan or, in the reasonable opinion of the Trustees, abused the Reinvestment Plan to the detriment of the Trust or its Unitholders.

When participation in the Reinvestment Plan is terminated, the Participant, or the Participant's investment dealer, as the case may be, will receive a certificate for the whole Units held for such Participant's account and a cash payment for any fractional Units. Any fractional Unit interest will be paid in cash calculated by reference to the Market Price of the Units on the trading day immediately preceding the effective date of termination.

Upon termination, a Participant may request in writing that its investment dealer, or in the case of a Participant who is registered Unitholders, the Agent, arrange for the sale by a registered stockbroker on behalf of the Participant of the Participant's Units held by the Agent, provided that these constitute less than a board lot. The Units may be sold on a commingled basis with other Units of the Trust held by the Agent or a Participant's investment dealer, as the case may be, on behalf of other Participants. Upon receipt of such written request, the Agent or the investment dealer, as the case may be, will arrange for the sale of such odd-lot holdings. Net proceeds of such sale will be forwarded by the Agent or a Participant's investment dealer, as the case may be, by cheque to the Participant, or the Participant's investment dealer, as the case may be. Any brokerage fees or commissions payable on such sale will be pro-rated among all the selling Participants.

Participation in the Reinvestment Plan will be terminated automatically upon receipt by the Agent of a written notice of the death of a Participant. Thereafter, all distributions paid in respect of the deceased's Eligible Units will be paid in cash. In the case of termination of participation due to death, a certificate for whole Units and a cheque for payment in lieu of fractional Units, if any, will be issued by the Trust in the name of the deceased Participant, as appropriate, and the Trust will send such certificates and a cash payment for any fractional Unit to the representative of the deceased Participant.

Participation in the Reinvestment Plan will also terminate automatically upon transfer or disposition of all of a Participant's Eligible Units.

Amendment, Suspension or Termination of the Reinvestment Plan

The Trust reserves the right to amend, suspend or terminate the Reinvestment Plan at any time, subject to the approval of The Toronto Stock Exchange, but such action shall

have no retroactive effect that would prejudice the interest of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination.

In the event of termination of the Reinvestment Plan by the Trust, certificates for whole Units held for Participants' accounts under the Reinvestment Plan and cash payments for any fractional Unit will be remitted with due dispatch by the Trust to the Participants. In the event of suspension of the Reinvestment Plan by the Trust, no investment will be made by the Agent on the Distribution Date immediately following the effective date of such suspension. Any Unit distribution subject to the Reinvestment Plan and paid after the effective date of any such suspension will be remitted by the Trust to the Participants, or the Participants' respective investment dealers, as the case may be, in cash only.

Rules and Regulations

The Trust, in conjunction with the Agent, may from time to time adopt rules and regulations to facilitate the administration of the Reinvestment Plan. The Trust also reserves the right to regulate and interpret the Reinvestment Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Reinvestment Plan.

Rights Offering

In the event the Trust makes available to holders of Eligible Units rights to subscribe for additional Units or other securities, rights certificates will be issued by the Trust in accordance with the provisions governing such rights to each Participant in respect of the whole Units held for a Participant's account under the Reinvestment Plan on the record date for such rights issue. Rights based on fractional Units held for a Participant's account will be sold together with rights based on fractional Units held for other Participants on a commingled basis by the Agent and the proportionate net proceeds will be remitted to the Participant.

Unit Splits and Unit Distributions

If Units of the Trust are distributed pursuant to a Unit split or Unit distribution on Eligible Units, such Units received by the Agent or its nominee for Participants under the Reinvestment Plan will be retained by the Agent or its nominee and credited proportionately to the accounts of the Participants in the Reinvestment Plan.

Units

Each Unit carries one vote at meetings of Unitholders and a holder thereof is entitled to participate equally and ratably in distributions by the Trust and in the event of any required distribution of all of the property of the Trust, in the net assets of the Trust after satisfaction of all liabilities.

Unitholder Voting

Whole Units held for a Participant's account under the Reinvestment Plan on the record date for a vote of Unitholders will be voted in the same manner as such Participant's Eligible Units are voted. Fractional Units may not be voted.

PRICE OF UNITS AND COSTS

Price of Additional Units

On each Distribution Date, the Agent will pay to the Trust all distribution funds held by it as of such date on behalf of Participants for investment in the Reinvestment Plan at the Market Price for the Units on the trading day immediately preceding the relevant Distribution Date. The Trust will advise the Agent of the Market Price for such additional Units.

Each Participant's account will be credited with that number of Units purchased for such Participant (including fractions computed to three decimal places) which is equal to the amount to be invested for the Participant divided by the Market Price. Each Participant will also be credited with that number of Units (including fractions computed to three decimal points) equal to 5% of the number of Units purchased with the cash distributions paid on the Eligible Units and invested in accordance with the Reinvestment Plan.

Costs

There are no commissions, service charges or brokerage fees payable in connection with the issuance of Units under the Reinvestment Plan. All administrative costs of the Reinvestment Plan are borne by the Trust.

RECORDING AND CERTIFICATES

Reports to Participants

An account will be maintained by the Agent or its nominee for each Participant in the Reinvestment Plan. A statement will be mailed to each Participant who is a registered holder quarterly. Participants holding Eligible Units beneficially through an investment dealer will receive statements from their investment dealer in accordance with such investment dealer's customary practice. These statements will be the Participant's continuing record of purchases made and Units issued under the Reinvestment Plan and should be retained for income tax purposes. In addition, the Agent will annually send to each Participant, or each Participant's investment dealer, as the case may be, the appropriate information for tax reporting purposes.

Certificates for Units

Units purchased under the Reinvestment Plan will be held by the Agent or its nominee for Participants in the Reinvestment Plan. Certificates for such Units will not be issued to Participants unless specifically requested.

A participant may, upon written request to the Agent, receive a Unit certificate issued in the Participant's name for any number of whole Units held for the Participant's account under the Reinvestment Plan even though the Participant is not terminating participation in the Reinvestment Plan. Normally, a certificate will be sent to a Participant within three weeks of receipt by the Agent of a Participant's written request. Any remaining whole Units and fractional Units will continue to be held for the Participant's account under the Reinvestment Plan. No certificate requests will be processed between a Distribution Record Date and the related Distribution Date. Any such requests will be processed immediately following the related Distribution Date.

Units held by the Agent for a Participant may not be pledged, sold or otherwise disposed of by the Participant while so held. A Participant who wishes to effect any such transaction must request that the certificates for such Units be issued in the Participant's name.

RESPONSIBILITIES OF THE TRUST AND THE AGENT

Neither the Trust, the Trustees nor the Agent shall be liable for any act or any omission to act in connection with the operation of the Reinvestment Plan including, without limitation, any claims for liability:

- (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death;

- (b) relating to the prices at which Units are purchased or sold for the Participant's account and the times such purchases or sales are made;
- (c) arising in connection with income taxes (together with any applicable interest and /or penalties) payable by Participants in connection with their participation in the Reinvestment Plan).

Participants should recognize that none of the Trust, the Trustees or the Agent can assure a profit or protect them against a loss on the Units purchased or sold under the Reinvestment Plan.

INCOME TAX CONSIDERATIONS

The following is a general summary of the principal Canadian federal income tax considerations generally applicable to Participants in the Reinvestment Plan who are resident in Canada, deal at arm's length with the Trust and hold their Units as capital property. This summary is based on the current provisions of the *Income Tax Act* (Canada) (the "**Act**") and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Act and the regulations thereunder publicly announced by the Department of Finance and the current administrative practices published by Canada Customs and Revenue Agency. This summary is of a general nature only and is not intended to be, nor should it be construed to be, advice to any particular Participant. **Participants are urged to consult their tax advisors as to their particular tax position.**

Tax on Distributions

Participants will be allocated the same amount of income tax purposes on a per Unit basis as non-participants. The additional 5% amount which Participants are entitled to receive in the form of additional Units will not be required to be included in a Participant's income. Participants will receive, after the end of each taxation year, a Canada Customs and Revenue Agency prescribed form indicating the amount of income allocated to the Participant and, where relevant, its character for income tax purposes.

Adjusted Cost Base

The net effect of participating in the Reinvestment Plan will be to increase the Participant's total cost of all of the Participant's Units by the amount reinvested by the Participant pursuant to the Reinvestment Plan. Participants will be required to determine the adjusted cost base of individual Units on an averaged basis.

Disposition of Units

A Participant who disposes of Units acquired under the Reinvestment Plan and held as capital property will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Units exceed (or are exceeded by) the adjusted cost base of the Units held by the Participant.

Cash received in lieu of a fractional Unit upon termination of participation in the Reinvestment Plan will be considered proceeds of disposition for such fractional Unit. Accordingly, the Participant will be required to recognize any resulting taxable capital gain or allowable capital loss in respect of such fractional Units at the time such cash is received.

PERSONAL LIABILITY

The obligations of the Trust hereunder are not personally binding upon any Trustee of the Trust, any registered or beneficial holder of Units or any annuitant under a plan of which a registered or beneficial holder of Units acts as trustee or carrier, and resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing (including, without limitation, their private property), for any liability whatsoever, in delict, tort, contract or otherwise, but the property of the Trust only shall be bound by such obligations. Any obligation of the Trust set out herein shall to the extent necessary to give effect to such obligation be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the Trustees of the Trust in their capacity as trustees of the Trust.

ACTS AND RIGHTS OF TRUST

For greater certainty, where any reference is made herein to an act to be performed by the Trust or to rights of the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the Trustees on behalf of the Trust or by some other person duly authorized to do so by the Trustees or pursuant to the provisions of one contract of trust made as of March 31, 1998, as amended (the "**Contract of Trust**") pursuant to which the Trust was established, or to the rights of the Trustees, in their capacity as Trustees of the Trust, as the case may be. All references to a "Trustee" or "Trustees" herein are to those persons acting from time to time in their respective capacities as Trustees pursuant to the Contract of Trust.

NOTICES

All notices required to be given under the Reinvestment Plan shall be mailed to a Participant at the address shown on the records of the Reinvestment Plan or at a more recent address as furnished by the Participant.

Notices to the Trust shall be sent to:

Cominar Real Estate Investment Trust
c/o Distribution Reinvestment Plan
455 du Marais Street
Québec, Québec
G1M 3A2

Effective Date of the Reinvestment Plan

The effective date of the Reinvestment Plan is May 21, 1998, as amended on March 27, 2001, July 11, 2005 and May 23, 2006.