



ANNUAL INFORMATION FORM

For the Year Ended December 31, 2009

Dated March 9, 2010

ANNUAL INFORMATION FORM

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PRIMARIS RETAIL REAL ESTATE INVESTMENT TRUST

The information in this Annual Information Form is current to December 31, 2009, unless otherwise noted. All dollar amounts are in Canadian dollars.

FORWARD-LOOKING STATEMENTS

Public communications of Primaris Retail REIT (the "Primaris") often include written or oral forward-looking statements. Statements of this type are included in this annual information form, and may be included in filings with Canadian securities regulators or in other communications. These forward-looking statements are related to, but not limited to, Primaris' operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Examples of such information include, but are not limited to, factors relating to the business, financial position of Primaris, operations and redevelopments including volatility of capital markets, legislative changes, consumer spending, retail leasing demand, strength of the retail sector, price volatility of construction costs, availability of construction labour and timing of regulatory and contractual approvals for developments.

Although the forward-looking statements contained in this document are based on what management of Primaris believes are reasonable assumptions, forward-looking statements involve significant risks and uncertainties. They should not be read as guarantees of future performance or results and will not necessarily be an accurate indicator of whether or not such results will be achieved. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results to differ from targets, expectations or estimates expressed in the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, economic, competitive and commercial real estate conditions, unplanned compliance-related expenses, uninsured property losses and tenant-related risks. Forward looking statements are made as at the date of this annual information form and, except as required by applicable securities legislation, Primaris assumes no obligation to update or revise them to reflect new events or circumstances.

CORPORATE STRUCTURE

Primaris is an unincorporated, open-ended real estate investment trust established on March 28, 2003 by a Declaration of Trust under, and governed by, the laws of the Province of Ontario as amended and restated. Primaris was formed to directly or indirectly own, manage, lease and develop retail properties, primarily in Canada. The head office of Primaris is located at Suite 900, 1 Adelaide Street East, Toronto, ON, M5C 2V9.

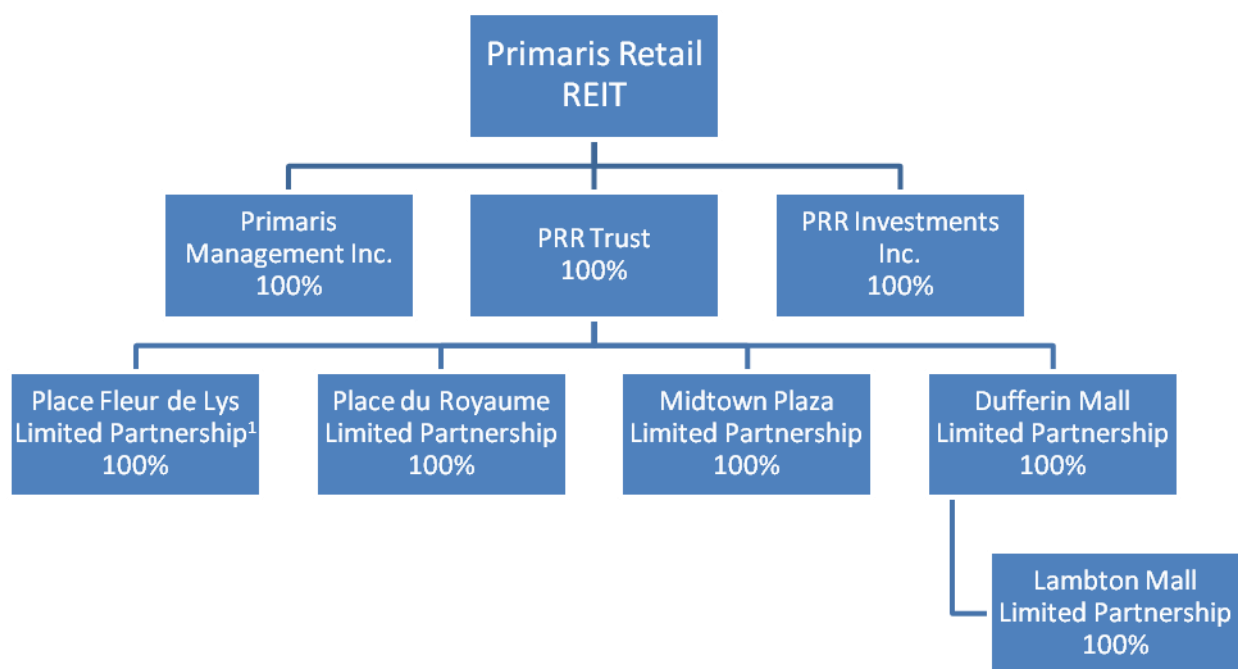
Primaris' Units and convertible debentures trade under the symbols PMZ.UN and PMZ.DB, PMZ.DB.A and PMZ.DB.B respectively.

The Board of Trustees of Primaris is responsible for the general control and direction of Primaris, including decisions regarding the acquisition and disposition of Primaris' assets. Effective January 1, 2010 Primaris has an internalized management structure led by Chief Executive Officer John R. Morrison. Until December 31, 2009, management of Primaris had largely been carried out by employees of an Asset Manager, BREMI LP, an affiliate of the Oxford Properties Group of companies which is owned by OMERS Administration Corporation.

Until December 31, 2009 property management services were provided to Primaris by OPGI Management Limited Partnership ("OPGI Management"), the general partner of which is OPGI Management GP Inc., also an affiliate of the Oxford Properties Group of companies and owned by OMERS Administration Corporation. Primaris now has full-time management and staff, most of whom were previously employed by the Asset and Property Managers. REIT employees now have responsibility for day-to-day management of Primaris' properties.. The Asset Management and Property Management Agreements expired on December 31, 2009.

INTERCORPORATE RELATIONSHIPS

The following diagram illustrates the organizational structure of Primaris and its principal subsidiaries as at December 31, 2009.



¹ Primaris considers the exchangeable units of this limited partnership to be effectively Primaris Units and not direct interests in this limited partnership.

Primaris and PRR Trust are trusts governed by Ontario law. All properties are held in PRR Trust or in subsidiaries of PRR Trust.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

On January 1, 2010, Primaris internalized its management structure. This follows on a seven year relationship with external Asset and Property Managers. The contracts for these managers expired on December 31, 2009. In mid-2009, Primaris recruited a full time CEO and now has a complete management team and over 400 employees. During 2009, Primaris implemented a large scale recruitment plan, information systems implementation and leasing of head office space in downtown Toronto. Most of the employees of Primaris were transitioned from their former employers, an affiliate of the Asset and Property Manager. The changeover to the internalized structure occurred seamlessly.

In the past three years, Primaris has added to its portfolio of properties, acquiring six principal properties and several smaller properties. The portfolio now consists of twenty-eight principal properties and several smaller properties in twenty-one markets spanning seven Canadian provinces. The portfolio's approximately 10.5 million square feet ("SF") of retail space is 97.2% occupied as of December 31, 2009.

Primaris continuously reviews its business operations, seeks to expand its asset base and reinvests in existing assets in order to position itself for sustainable future growth. Primaris has primarily invested and will continue to invest in retail properties, predominantly in Canada. These properties will, for the most part, be either mid-market retail centres in major cities, such as Vancouver, Calgary, Edmonton, Winnipeg, Hamilton, Toronto, Montreal, Ottawa-Hull and Quebec City, or will be major retail centres in secondary cities (collectively "the Target Market"). Primaris estimates that there are currently in excess of 250 such centres in Canada. Over time some of these centres may become available for purchase, providing growth opportunities for Primaris. Other retail properties that complement the financial performance of Primaris will also be considered for acquisition. Since its initial public offering in 2003, Primaris has completed twenty-two more principal acquisitions.

Retail centres that are well located in their respective markets present an attractive long-term investment opportunity given their characteristics, which include multi-year tenant relationships defined by leases, and the stable cash flow provided by such arrangements. Such retail centres typically provide growth opportunities through the lease-up of vacant space and the upward trend in rental rates through contractual escalations which can be achieved through active asset and property management. Primaris believes it can implement an investment strategy of acquiring properties with these characteristics to provide additional cash flow and further enhance long-term portfolio value. Primaris will attempt to enhance the yield on the Units by making accretive real estate investments. The investment program of Primaris should also enable Primaris to enhance its presence in Canada and continue to diversify its portfolio.

Primaris intends to generate stable distributions, enhance Unit value and where possible, increase distributions through internal and external growth strategies, while minimizing Unitholder risk. Regular reviews of Primaris' property investments are undertaken and, based on experience and local market knowledge, management assesses ongoing opportunities for the properties. Appropriate capital improvement projects, renovations and remarketing initiatives are implemented.

Primaris is committed to maximizing income from its properties and other properties it acquires through prudent financial management. Primaris seeks to optimize the leveraged returns from Primaris' portfolio of properties, while remaining within the overall debt limits set by the Declaration of Trust. Whenever possible, Primaris utilizes fixed rate debt financing with terms that are appropriate for the properties (and their underlying leases) being financed. Primaris' debt maturities are staggered to the extent possible to manage refinancing risk. Additional capital for growth typically comes from refinancing proceeds, new debt placed on acquired properties, operating and acquisition facilities and through the issuance of new securities.

Primaris' internal growth strategy focuses on increasing rental income from its properties. Primaris actively manages the merchandising mix of each property to keep each property effectively aligned with its consumer market. Primaris leases vacant space at competitive market rates at the lowest possible transaction cost, maintains good relations with retailers and works with tenants to increase their sales. Primaris uses leasing activity to periodically adjust the merchandising mix of the properties. Rental income can also be improved through judicious investments in renovations and expansions. The properties are well-located, resulting in high tenant retention and a steady demand for space from prospective tenants. Rental income from properties with currently vacant space can be increased through active strategies for the leasing of such space.

Primaris' external growth strategy is driven by acquisitions of mostly retail properties primarily in mid-market retail centres in major cities and dominant shopping malls in secondary cities. REIT employees are experienced in identifying opportunities that arise when owners choose to divest properties for strategic or other reasons.

Sequence of property acquisitions

Date of Acquisition	Property	Location
July 2003	Dufferin Mall	Toronto, ON
	Edinburgh Market Place	Guelph, ON
	Northland Village Mall	Calgary, AB
	Orchard Park Shopping Centre	Kelowna, BC
	Park Place Shopping Centre	Lethbridge, AB
	Stone Road Mall	Guelph, ON
December 2003	Aberdeen Mall	Kamloops, BC
June 2004	Cornwall Centre	Regina, SK
	Midtown Plaza Shopping Centre	Saskatoon, SK
June 2005	Tillsonburg Gateway	Tillsonburg, ON
	Northland Professional Centre	Calgary, AB
	Place du Royaume	Saguenay, QC
	Grant Park (50%)	Winnipeg, MB
July 2005	Place Fleur de Lys	Quebec City, QC
October 2005	Eglinton Square Shopping Centre	Toronto, ON
December 2005	Lambton Mall	Sarnia, ON

Date of Acquisition	Property	Location
June 2006	Alliston Mills Shopping Centre	New Tecumseth, ON
	Forest Glen Shopping Centre	Kitchener, ON
	South Cambridge Centre	Cambridge, ON
	Sugarloaf Mall	Atholville, NB
November/December 2006	Grant Park (the remaining 50%)	Winnipeg, MB
March 2007	Toronto Property	Toronto, ON
June 2007	Northland Village Shoppes	Calgary, AB
	Garden City Square	Winnipeg, MB
July 2007	Place d'Orleans	Ottawa, ON
August 2007	Westbank Shopping Centre	West Kelowna, BC
	Heritage Place Shopping Centre	Owen Sound, ON
November 2007	Heritage Place additional lands	Owen Sound, ON
February 2008	Toronto Property	Toronto, ON
October 2008	Kelowna Property	Kelowna, BC
November 2008	Toronto Property	Toronto, ON
April 2009	Toronto Property	Toronto, ON
December 2009	Sunridge Mall	Calgary, AB
	Woodgrove Centre (50%)	Nanaimo, BC

These acquisitions represent a total purchase price of \$1,909 million before transaction costs.

Primaris has successfully raised over \$987 million in public and private offerings over the past seven years. Proceeds have been used to acquire new properties, reduce debt and to fund redevelopment projects for existing properties.

Capital raised	# of Units (millions)	Gross Proceeds (\$millions)
July 2003 (IPO)	24.9	\$248.9
June 2004	9.7	⁽¹⁾ 110.2
December 2004	3.0	40.6
July 2005 ⁽²⁾	2.8	40.0
August 2005	5.8	85.4
December 2005	5.5	90.1
November/December 2006 ⁽³⁾	0.8	15.1
December 2006	5.9	110.5
August 2007	3.1	⁽⁴⁾ 160.0
October 2009	-	⁽⁵⁾ 86.3
TOTAL		\$987.1

(1) Includes \$50 million from the sale of convertible debentures.

(2) Units issued in connection with Place Fleur de Lys acquisition.

(3) Units issued in connection with Grant Park acquisition.

(4) Includes \$100 million from the sale of convertible debentures.

(5) From the sale of \$86.25 million in convertible debentures.

DESCRIPTION OF THE BUSINESS

Primaris currently owns a portfolio of twenty-eight (28) principal properties and several smaller properties that contain approximately 10.5 million SF of gross leaseable area ("GLA"). The properties are located in twenty-one (21) markets in seven provinces: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and New Brunswick.

As at December 31, 2009, the portfolio had a weighted average occupancy rate of 97.2% and was leased to more than 950 distinct tenants. In addition, no single tenant represented more than 6.5% of the aggregate annualized minimum rent of the portfolio and only 18 tenants individually represented more than 1% of such annualized minimum rent.

The specific objectives of Primaris are:

1. to generate stable and growing cash distributions;
2. to enhance the value of Primaris' assets and maximize long-term Unit value; and
3. to expand the asset base of Primaris and increase its Funds From Operations through an accretive acquisition program.

DESCRIPTION OF THE PROPERTIES

The following table highlights information regarding the properties:

As at December 31, 2009	Enclosed Centres			Occu- pancy % Dec. 31, 2009 ⁽¹⁾	CRU Sales psf ⁽²⁾
Property	Tenant / Retailer (>50,000 SF)	Date Completed / Last Renovation	Approx. GLA		
Aberdeen Mall Kamloops, BC	Sears, the Bay	Completed 1981, Renovated 1998	461,000	99.3%	\$384
Cornwall Centre Regina, SK	Sears, the Bay, Startek ⁽³⁾	Completed 1981	567,000	99.8%	\$537
Dufferin Mall Toronto, ON	Wal-Mart, No Frills	Completed over several phases 1956-1976 Renovated 1986, 1999, 2006-2007	567,000	99.3%	\$481
Eglinton Square Toronto, ON	the Bay, Metro*	Completed over several phases 1953-1983	279,000	98.3%	\$313
Grant Park Winnipeg, Manitoba	Zellers, Safeway	Completed 1962, Expanded 1968, 1989, 1996	391,000	99.0%	\$444
Heritage Place Shopping Centre Owen Sound, ON	Sears, Zellers	Completed 1987, Expanded 1989, 2000	315,000	92.5%	\$329
Lambton Mall Sarnia, Ontario	Sears, Canadian Tire	Completed 1970, Renovated 2001	618,000	84.3%	\$342
Midtown Plaza Shopping Centre Saskatoon, SK	Sears, the Bay	Completed 1970, Renovated 1990, 2007	734,000	98.4%	\$565
Northland Village Mall Calgary, Alberta ⁽⁴⁾	Wal-Mart	Completed 1971, Renovated 1988, 1999, 2001, Expanded 2005	503,000	99.6%	\$437
Orchard Park Shopping Centre Kelowna, BC	the Bay, Sears	Completed 1971, Renovated 2000, Reconfigured 2006-2007	683,000	98.8%	\$483
Park Place Shopping Centre Lethbridge, AB	Sears	Completed 1988, Expanded 1996 Renovated 2001	471,000	99.2%	\$484
Place d'Orleans Orleans, ON	Zellers, the Bay, Sport Chek, Federal Government	Completed 1979, Expanded 1983, 1990, 1999, Renovated 1990	742,000	97.4%	\$436
Place du Royaume Saguenay, QC	Wal-Mart, Canadian Tire*	Completed 1973, Renovated 2000, 2001, Reconfigured 2007-2008	594,000	97.8%	\$385
Place Fleur de Lys Québec City, QC	Zellers, the Bay, Maxi, Sears*	Completed over several phases 1963 - 1993	673,000	97.6%	\$305
Stone Road Mall Guelph, ON	Sears	Completed 1975, Expanded 2005, Renovated 1989, 2006-2007	513,000	96.6%	\$511
Sunridge Mall Calgary, AB	the Bay, Zellers	Completed 1981, Expanded 2005	809,000	100.0%	\$490
Woodgrove Centre Nanaimo, BC ⁽⁵⁾	the Bay, Wal-Mart	Completed 1981, Renovated/expanded 1994, 2000, 2003, 2005	362,000	100.0%	\$472

As at December 31, 2009	Other Properties				
Property	Tenant / Retailer (>50,000 SF)	Date Completed / Last Renovation	Approx. GLA	Occu-pancy % Dec. 31, 2009 ⁽¹⁾	CRU Sales psf ⁽²⁾
Alliston Mills New Tecumseth, ON	Zellers, Canadian Tire*, Zehrs*	Completed 1992	191,000	92.7%	
Edinburgh Market Place Guelph, ON	Metro	Completed 1996 Expanded 2006, 2008	113,000	100.0%	
Forest Glen Kitchener, ON	n/a	Completed 1979	127,000	88.5%	
Garden City Winnipeg, MB	Home Depot*	Completed over several phases 1976-2004	160,000	92.2%	
Northland Professional Centre Calgary, AB	n/a	Completed 1978	50,000	93.4%	
Northland Village Shoppes Calgary, AB ⁽⁴⁾	n/a	Completed 1974, 1999	7,000	100.0%	
South Cambridge Centre Cambridge, Ontario	Zehrs	Completed 1989	190,000	100.0%	
Sugarloaf Mall Atholville, NB	Zellers, Canadian Tire*	Completed 1973	195,000	91.5%	
Tillsonburg Gateway Centre Tillsonburg, ON	n/a	Completed 2003	47,000	100.0%	
Toronto properties Ontario	n/a	Completed 1930s, Renovated several phases	74,000	100.0%	
Westbank Shopping Centre West Kelowna, BC	Extra Foods*, Zellers*	Completed over several phases 1995-2004	74,000	98.7%	
TOTAL FOR ENCLOSED CENTRES & OTHER PROPERTIES			10,510,000	97.2% ⁽⁶⁾	\$445 ⁽⁷⁾

* Shadow Anchor

(1) Occupied and committed space as of December 31, 2009

(2) CRU All store sales per square foot ("psf")

For all reporting CRU tenants in enclosed centres for the year ended December 31, 2009.

(3) Startek – Vacant but paying rent

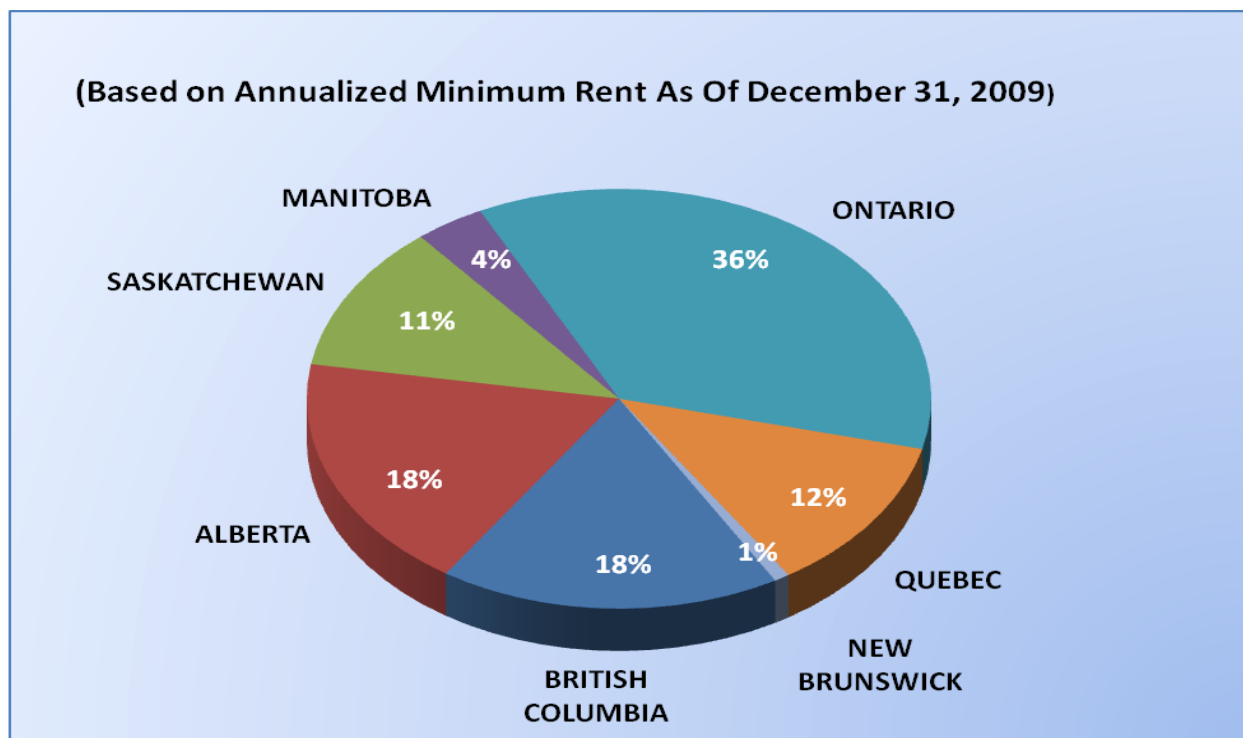
(4) Northland Village Mall and Northland Village Shoppes have been combined in the property description section. Total GLA is 510,000 SF.

(5) Woodgrove Centre GLA at 50%.

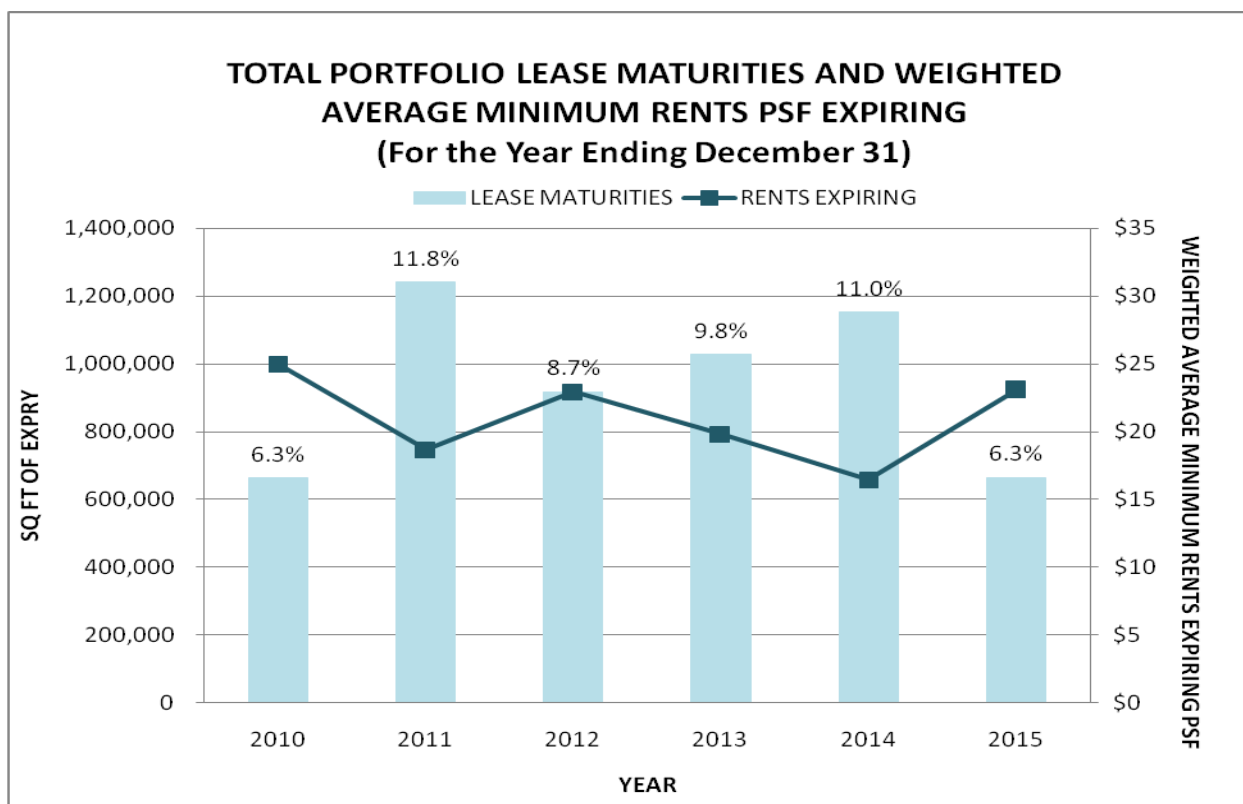
(6) Occupancy Total reflects a weighted average for all properties.

(7) CRU Sales Total reflects a weighted average for enclosed centres only.

Geographic Diversification



Lease Expiries



Lease maturities represent no greater than 11.8% of the portfolio GLA in any one year between 2010 and 2015.

Largest Tenants

The following table illustrates the 10 largest tenant groups in Primaris' portfolio of income-producing properties as measured by their percentage contribution to total annual minimum rent, as at December 31, 2009.

Tenant Group	Percentage of Total Annual Minimum Rent	Area (SF)	Weighted Average Lease Term to Maturity (years)
HBC	6.5%	2,050,087	7.4
YM	3.1%	215,024	4.7
Forzani	2.5%	357,837	4.3
Sears	2.4%	979,436	7.6
Shoppers Drug Mart	2.4%	156,425	6.4
Reitmans	2.2%	138,578	3.1
Loblaws	1.9%	323,613	5.8
Best Buy	1.7%	180,416	4.2
Canadian Tire	1.6%	220,194	10.8
Comark	1.4%	83,101	4.1
Total	25.7%		

The Properties

Aberdeen Mall

Aberdeen Mall is located at the intersection of the Trans Canada Highway and Hillside Way in southwest Kamloops, British Columbia. Kamloops has a primary trade area population of approximately 84,000 people and when combined with the large secondary trade area, the population exceeds 220,000.

Aberdeen Mall is a 461,000 SF two-level enclosed regional shopping centre and is the largest mall in the region. The centre is both highly visible and easily accessed by its consumers. It offers the only Sears and Bay stores in Kamloops. Additionally, there are three major tenants leasing more than 15,000 SF: Future Shop, Sport Chek/Coast Mountain, and Cineplex Odeon. The 2009 average CRU sales performance was \$384 psf for the year ended December 31, 2009.

The mall is situated on a 31.5 acre site and was developed in 1981, with the common areas refurbished in 1998.

Enclosed Centres

Aberdeen Mall had 99.3% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 6.4% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
the Bay	123,289	26.7%	August 2011
Sears	118,680	25.7%	September 2021
Sport Chek/Coast Mountain	28,213	6.1%	April 2011
Cineplex Odeon	26,959	5.8%	May 2019
Future Shop	<u>25,836</u>	<u>5.6%</u>	January 2012
Sub-total	322,977	69.9%	
Non-Anchor Tenants	<u>138,023</u>	<u>30.1%</u>	
Total	461,000	100.0%	

Cornwall Centre

Cornwall Centre is located on 11th Avenue in downtown Regina, Saskatchewan which has a population of approximately 201,000 people in the primary trade area, and approximately 92,000 in the secondary trade area.

Cornwall Centre is the largest enclosed shopping centre in Southern Saskatchewan with a diversified mix of national and regional tenants. This two storey regional centre is comprised of approximately 567,000 SF. It is anchored by the Bay and Sears. The site is approximately 8.1 acres and was developed in 1981. CRU sales performance was \$537 psf for the year ended December 31, 2009.

Cornwall Centre had 99.8% occupancy as of December 31, 2009. The expiry of CRU

space does not represent more than 4.4% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
the Bay	182,355	32.2%	May 2020
Sears	123,026	21.7%	August 2018
StarTek (vacant but paying rent)	62,903	11.1%	July 2013
Dollarama	<u>20,393</u>	<u>3.6%</u>	October 2022
Sub-total	388,677	68.6%	
Non-Anchor Tenants	<u>178,323</u>	<u>31.4%</u>	
Total	567,000	100.0%	

Dufferin Mall

Dufferin Mall is located on Dufferin Street just south of Bloor Street West in a high-density urban neighbourhood in central Toronto, Ontario. The City of Toronto has a population of approximately 2.5 million people and is the provincial capital. Dufferin Mall has a primary trade area of approximately 257,000 people. Dufferin Mall is a 567,000 SF enclosed shopping centre with two anchors: Wal-Mart and No Frills. Additionally, there are four major tenants over 15,000 SF: H&M, Winners, Toys 'R' Us, and Catholic Children's Aid Society.

Dufferin Mall sits on a 21.3 acre parcel of land and was originally developed over several phases between 1956 and 1976, with further renovations and expansion in 1976, 1986 and 1999. In early 2006, Primaris commenced an \$11 million interior and exterior renovation project. The overall scope of the work included landscaping, refurbished entrances, interior flooring, ceilings, lighting, and improved communications and electrical distribution. The first phase of the renovation, which was comprised of interior upgrades, was completed in November 2006. The second phase of the renovation, which concentrated on the

exterior, was completed in 2009. CRU sales performance was \$481 psf for the year ended December 31, 2009.

Dufferin Mall had 99.3% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 10.9% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Wal-Mart	143,211	25.3%	January 2014
No Frills	58,806	10.4%	June 2011
Catholic Children's Aid Society	27,521	4.9%	October 2016
Toys 'R' Us	25,439	4.5%	October 2016
Winners	21,552	3.8%	confidential
H&M	<u>16,304</u>	<u>2.9%</u>	October 2016
Sub-total	292,833	51.8%	
Non-Anchor Tenants	<u>274,167</u>	<u>48.2%</u>	
Total	567,000	100.0%	

Eglinton Square Shopping Centre

Eglinton Square Shopping Centre is located at the intersection of Eglinton Avenue and Victoria Park Avenue in the suburb of Scarborough in Toronto, Ontario. Toronto's population is approximately 2.5 million people. Eglinton Square Shopping Centre is a single-level, enclosed community shopping centre of approximately 279,000 SF and has a primary trade area population of approximately 121,000 people. The centre also includes two stand-alone buildings that contain a mix of retail and office uses. Eglinton Square Shopping Centre has a two storey anchor, the Bay. Metro supermarket (not owned) is attached to the centre and acts as a Shadow Anchor. Additionally, there is one major tenant over 15,000 SF: Shoppers Drug Mart. The shopping centre is situated on a 19.8 acre site. CRU sales performance was \$313 psf for the year ended December 31, 2009.

Eglinton Square Shopping Centre had 98.3% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 10.2% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
the Bay	115,205	41.3%	October 2018
Shoppers Drug Mart	16,181	5.8%	August 2018
Metro (Shadow Anchor)	<u>N/A</u>	<u>N/A</u>	
Total	131,386	47.1%	
Non-Anchor Tenants	<u>147,614</u>	<u>52.9%</u>	
Total	279,000	100.0%	

Grant Park Shopping Centre

Grant Park Shopping Centre is located on the south side of Grant Avenue in an area known as River Heights in Winnipeg, Manitoba. Winnipeg has a population of 639,000 people and is the capital of Manitoba. Grant Park has a primary trade area of approximately 88,000 people. Grant Park is a 391,000 SF community shopping centre with a second floor office component. The centre is anchored by Zellers and Safeway, and is complemented by four free standing buildings that are currently occupied by Petro-Canada, McDonald's, Applebee's and Pony Corral restaurant. CRU sales productivity was \$444 psf for the year ended December 31, 2009.

Grant Park Shopping Centre had 99.0% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 8.1% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Zellers	116,573	29.8%	August 2016
Safeway	57,312	14.7%	May 2014
Cineplex	32,083	8.2%	August 2010
McNally Robinson	<u>21,685</u>	<u>5.5%</u>	September 2016
Sub-total	227,653	58.2%	
Non-Anchor Tenants	<u>163,347</u>	<u>41.8%</u>	
Total	391,000	100.0%	

The 32 acre property was initially developed in 1962 and then expanded in 1968, 1989 and 1996.

Heritage Place Shopping Centre

Heritage Place Shopping Centre is located on 16th Street East in Owen Sound, Ontario which has a population of 22,000 people. The primary trade area covers a large geographic area and contains a population of 55,000 people. The centre is the largest and only enclosed shopping centre in the Grey-Bruce region. This area of Ontario is one of the premier summer destinations for tourists and cottagers. The city's population is estimated to double during peak summer season.

This enclosed community centre consists of 315,000 SF. This asset was acquired by Primaris in August 2007. In November 2007 Primaris purchased an adjacent 2.1 acres of land. The centre's Anchor and Major retailers include Sears, Zellers, Food Basic, and Sport Chek. CRU sales productivity was \$329 psf for the year ended December 31, 2009.

The centre, which was built in 1987, is situated on a combined 33.6 acres of land.

Heritage Place Shopping Centre had 92.5% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 6.5% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Sears	69,975	22.2%	October 2012
Zellers	67,138	21.3%	October 2012
Food Basics	32,721	10.4%	March 2013
Sport Chek	<u>17,457</u>	<u>5.5%</u>	confidential
Sub-total	187,291	59.4%	
Non-Anchor Tenants	<u>127,709</u>	<u>40.6%</u>	
Total	315,000	100.0%	

Lambton Mall

Lambton Mall is located at the intersection of Exmouth Street and Lambton Mall Road, directly south of Highway 402 in Sarnia, Ontario which has a population and primary trade area of approximately 76,000 people.

As the largest enclosed mall in Sarnia, Lambton Mall is a 618,000 SF, single level, regional shopping centre with two anchors: Sears and Canadian Tire. Additionally, there are two major tenants over 15,000 SF: Tepperman's and Toys 'R' Us. CRU sales performance was \$342 psf for the year ended December 31, 2009.

The 48 acre site was developed over several phases between 1970 and 2001. In 2008, Primaris commenced a redevelopment of the premises formerly occupied by Wal-mart. Phase 1 included the relocation and expansion of Canadian Tire and the construction of a common area corridor to connect the new Canadian Tire to the mall. The second phase of redevelopment contemplates the releasing and modifying of the former Canadian Tire space. Plans for this second phase are not yet

finalized; however discussions are underway with a number of prominent retailers to participate in this second phase.

Lambton Mall had occupancy of 84.3% as of December 31, 2009. The expiry of CRU space does not represent more than 5.2% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Sears	135,258	21.9%	July 2022
Canadian Tire	137,670	22.3%	March 2024
Tepperman's	31,759	5.1%	April 2013
Toys 'R' Us	<u>21,958</u>	<u>3.6%</u>	confidential
Sub-total	326,645	52.9%	
Non-Anchor Tenants	<u>291,355</u>	<u>47.1%</u>	
Total	618,000	100.0%	

Midtown Plaza Shopping Centre

Midtown Plaza Shopping Centre is the dominant shopping centre in Saskatoon, Saskatchewan which has a population and a primary trade area of approximately 218,000 people.

Midtown Plaza Shopping Centre is a 734,000 SF two-level, regional shopping centre. The property is anchored by the Bay and Sears. Toys 'R' Us, occupying 31,000 SF, is a separate retail building located adjacent to the mall. In addition, the property includes a twelve-storey, 95,000 SF office building, commonly known as the Tower at Midtown, which rises from the centre of the shopping mall. CRU sales performance was \$565 psf for the year ended December 31, 2009.

In 2007 the food court, washrooms and additional CRU premises were expanded and redeveloped. Midtown Plaza offers 1,900 fee parking stalls, 800 of which are heated, single-level underground parking.

The site consists of multiple parcels of land totalling 22.3 acres. Midtown Plaza

Shopping Centre was developed in 1970 and renovated in 1990 and 2007. Midtown Plaza Shopping Centre had 98.4% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 8.4% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
the Bay	174,306	23.7%	May 2020
Sears	166,572	22.7%	April 2019
Toys 'R' Us	31,033	4.2%	October 2022
Sport Chek	<u>19,432</u>	<u>2.6%</u>	November 2012
Sub-total	391,343	53.2%	
Non-Anchor Tenants	<u>342,657</u>	<u>46.8%</u>	
Total	734,000	100%	

Northland Village Mall and Northland Village Shoppes

Northland Village Mall is located in northwest Calgary, Alberta at the major intersection of Shaganappi and Crowchild Trails. Calgary has a population of approximately 1.1 million people and Northland Village has a primary trade of approximately 203,000 people. Northland Village is a 503,000 SF, enclosed shopping centre that is anchored by Wal-Mart. Additionally, there are seven major tenants leasing over 15,000 SF: Home Outfitters, Best Buy, Future Shop, Winners, Designer Depot, La-Z-Boy and Gold's Gym. CRU sales productivity was \$437 psf for the year ended December 31, 2009. In June 2007, Primaris purchased Northland Village Shoppes, a 7,000 SF pad adjacent to Northland Village Mall on 1.6 acres and occupied by food service operators.

The complete site sits on a 32.6 acre parcel of land. It was built in 1971 and

expanded, renovated and re-merchandised in 1988, with further re-merchandising and renovations in 1999, and 2001. Construction of a new \$8.1 million 22,000 SF expansion and a two storey car park was completed in December 2005.

Northland Village had 99.6% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 6.4% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Wal-Mart	147,461	28.9%	January 2015
Home Outfitters	40,731	8.0%	November 2016
Best Buy	37,471	7.3%	confidential
Future Shop	34,588	6.8%	confidential
Winners	32,507	6.4%	September 2013
Designer Depot	30,889	6.1%	November 2020

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
La-Z-Boy	22,538	4.4%	August 2012
	<u>22,356</u>	<u>4.4%</u>	December 2017
Gold's Gym			
Sub-total	368,541	72.3%	
Non-Anchor Tenants	<u>141,459</u>	<u>27.7%</u>	
Total⁽¹⁾	510,000	100%	

(1) Total GLA is the combined total of Northland Village Mall and Northland Village Shoppes

Orchard Park Shopping Centre

Orchard Park Shopping Centre is a regional shopping centre, located in Kelowna, British Columbia, four kilometres east of the city's downtown core and ten kilometres south of the Kelowna Airport. Kelowna has a population of approximately 114,000 people and a primary trade area population of approximately 160,000 people. The centre anchors the Harvey Avenue (Highway 97) retail strip, which consists of a number of neighbourhood and community centres servicing the retail needs of the Kelowna market.

Orchard Park is a 683,000 SF single-level enclosed regional shopping centre. The centre is anchored by the Bay, Sears, and Sears Whole Home. Additionally, there are four major tenants over 15,000 SF: Chapters, Sport Chek, Shoppers Drug Mart and Urban Planet. A \$23 million redevelopment project for the centre commenced in 2006 and was completed in 2007. The project involved a 30,000 SF addition to the building and the reconfiguration of the 103,000 SF former Wal-Mart store into CRU and large format premises. CRU sales productivity was \$483 psf for the year ended December 31, 2009.

Orchard Park Shopping Centre is situated on 51 acres. This includes a five-acre portion located on land leased until May 1, 2031, with basic rent set every ten years based on the change in the appraised

value of the land. Primaris has an option to purchase the land on April 1, 2031 at the appraised value. Primaris has an ongoing right of first refusal throughout the lease term should the landlord receive an offer to purchase the land.

Orchard Park had 98.8% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 5.8% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
the Bay	127,290	18.6%	July 2017
Sears	90,588	13.3%	August 2011
Sears Whole Home	49,826	7.3%	August 2011
Sport Chek	43,883	6.4%	February 2017
Chapters	23,277	3.4%	Confidential
Shoppers Drug Mart	17,196	2.5%	Confidential
Urban Planet	<u>15,349</u>	<u>2.2%</u>	November 2017
Sub-total	367,409	53.7%	
Non-Anchor Tenants	<u>315,591</u>	<u>46.3%</u>	
Total	683,000	100.0%	

Park Place Shopping Centre

Park Place Shopping Centre is located at the intersection of 1st Avenue South and Scenic Drive in Lethbridge, Alberta which has a population of approximately 84,000 people within a primary trade area population of approximately 92,000 people. Park Place Shopping Centre is a 471,000 SF regional shopping centre anchored by Sears. Additionally, there are six tenants with space greater than 15,000 SF: Cineplex/Galaxy, Winners, Michaels, Staples, Sport Chek and Jysk. Toys 'R' Us is located adjacent to the centre and acts as a Shadow Anchor. Park Place Shopping Centre is situated on a 38.7 acre site. The centre was built in 1988, expanded in 1996 and renovated in 2001. CRU sales productivity was \$484 psf for the year ended December 31, 2009.

Park Place Shopping Centre is located on land leased from the City of Lethbridge and the Province of Alberta for a term ending August 2, 2018, with four ten-year options to extend and one further five-year option thereafter. Park Place Shopping Centre, as tenant under the ground lease, has an ongoing right of first refusal and a right of first offer to purchase the lands throughout the lease term.

Park Place Shopping Centre had 99.2% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 6.3% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Sears	103,193	21.9%	August 2018
Cineplex/Galaxy	41,520	8.8%	October 2014
Winners	28,244	6.0%	November 2011
Michaels	25,750	5.5%	Confidential
Staples	25,125	5.3%	Confidential
Sport Chek	21,545	4.6%	November 2011
Jysk	15,249	3.2%	August 2011
Toys 'R' Us (Shadow Anchor)	N/A	N/A	
Sub-total	260,626	55.3%	
Non-Anchor Tenants	210,374	44.7%	
Total	471,000	100%	

Place d'Orleans

Place d'Orleans is located in the eastern quadrant of Ottawa, Ontario, the capital city of Canada. The greater Ottawa area is Canada's fourth largest city with a population of 864,000 people. The shopping centre is located adjacent to Highway 417 (the Queensway) at the southern intersection of Place d'Orleans Drive. The population of the primary trade area is approximately 107,000 people. Place d'Orleans is a 742,000 SF enclosed regional shopping centre. Place d'Orleans was acquired by Primaris in June 2007. It is the dominant regional shopping centre within its primary trade area. The centre is anchored by Zellers,

the Bay, Sport Chek and a government tenant.

The shopping centre is situated on 43 acres and was developed in several phases between 1979 and 1999. CRU sales performance was \$436 psf for the year ended December 31, 2009.

Place d'Orleans had 97.4% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 6.0% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Zellers	116,598	15.7%	May 2021
the Bay	115,501	15.6%	October 2020
Sport Chek	68,499	9.2%	December 2014
Federal Government	53,919	7.3%	July 2010
the Bay Home Store	44,601	6.0%	August 2015

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Goodlife Fitness	21,565	2.9%	November 2017
Sub-total	420,683	56.7%	
Non-Anchor Tenants	321,317	43.3%	
Total	742,000	100.0%	

Place du Royaume

Place du Royaume is located on Talbot Boulevard in the Chicoutimi borough of Saguenay, Quebec. Talbot Boulevard is directly linked to Highway 175 leading to Quebec City. The greater Saguenay area, with a population of approximately 150,000 people, is 250 kilometres north of Québec City. The population of the primary trade area is approximately 106,000 people. Place du Royaume is an enclosed regional mall of 594,000 SF, anchored by Wal-Mart. The Canadian Tire (not owned) is attached to the centre and acts as a Shadow Anchor. There are five major tenants with over 15,000 SF of leased space: Cinémas Odyssée, Future Shop, Sports Experts, Winners and Urban Planet. CRU sales performance was \$385 psf for the year ended December 31, 2009.

The shopping centre was originally constructed in 1973 and has had several additions and renovations since then. The site is approximately 53.5 acres and includes 7.5 acres of undeveloped land for future expansion.

In June 2007, Primaris commenced a two year, approximately \$14 million redevelopment of the premises formerly occupied by the Bay, which was completed in 2008. The project involved the reconfiguration of the former Bay space into CRU, large format premises and new

common area. This plan did not incorporate the use of the excess density on the site.

Place du Royaume had 97.8% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 8.6% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Wal-Mart	144,998	24.4%	January 2014
Cinémas Odyssée	30,742	5.2%	October 2013
Future Shop Limited	27,407	4.6%	April 2014
Sports Experts	37,403	6.3%	April 2018
Winners	28,195	4.7%	March 2018
Urban Planet	17,221	2.9%	April 2018
Canadian Tire (Shadow Anchor)	<u>N/A</u>	<u>N/A</u>	
Sub-total	285,966	48.1%	
Non-Anchor Tenants	308,034	51.9%	
Total	594,000	100.0%	

Place Fleur de Lys

Place Fleur de Lys is located directly south of the intersection of Highway 40 (the Felix-Leclerc Highway) and Highway 175 (Laurentienne) in Québec City, the capital of the Province of Québec.

Québec City has a population of approximately 532,000 people and the centre is supported by a primary trade area population of approximately 96,000 people. An easily accessible centre, Place Fleur de Lys is a 673,000 SF, single level, enclosed regional shopping centre with three anchors: Zellers, the Bay, and Maxi. Sears (not owned) is attached to the centre and acts as a Shadow Anchor. In addition, there are four major tenants over 15,000 SF: Croteau, Sports Experts, Les Ailes de la Mode, and Urban Planet. Place Fleur de Lys sits on a 53 acre parcel of land and was developed over several phases between 1963 and 1993. CRU sales productivity was \$305 psf for the year ended December 31, 2009.

Place Fleur de Lys had 97.6% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 7.1% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Zellers	115,000	17.1%	October 2020
La Baie (the Bay)	106,576	15.8%	October 2017
Maxi (Loblaw)	54,445	8.1%	May 2017
Les Ailes de la Mode	38,140	5.7%	January 2012
Croteau	29,919	4.4%	January 2011
Sports Experts	22,321	3.3%	April 2012
Urban Planet	16,740	2.5%	July 2014
Sears (Shadow Anchor)	N/A	N/A	N/A
Sub-total	383,141	56.9%	
Non-Anchor Tenants	289,859	43.1%	
Total	673,000	100.0%	

Stone Road Mall

Stone Road Mall is located in Guelph, Ontario which has a primary trade area population of 126,000. Stone Road Mall is a 513,000 SF single level enclosed regional shopping centre with one area expanded to three levels. The Centre is anchored by Sears. In addition there are four major tenants over 15,000 SF: Home Outfitters, Sport Chek, Chapters and Old Navy.

In 2006 Primaris commenced an approximately \$33 million re-development project at Stone Road Mall. The project included two phases. The first phase, which was completed in 2006, involved the re-demise of the former Zellers store into a 34,000 SF Home Outfitters and approximately fifteen CRU units, as well as

the relocation of the food court and the conversion of the cinema into Sport Chek. The second phase consisted of an interior renovation throughout the balance of the centre. This second phase was completed in spring 2008.

Stone Road Mall, situated on a 34.7 acre site in Guelph, was built in 1975, and has been both expanded and renovated since then. CRU sales productivity was \$511 psf for the year ended December 31, 2009.

Stone Road Mall had 96.6% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 6.5% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Sears	116,694	22.7%	February 2013
Home Outfitters	34,003	6.6%	October 2021
Chapters	20,442	4.0%	July 2012
Sport Chek	20,300	4.0%	January 2016

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
Old Navy	15,197	3.0%	November 2014
Sub-total	206,636	40.3%	
Non Anchor Tenants	306,364	59.7%	
Total	513,000	100.0%	

Sunridge Mall

Sunridge Mall is located in northeast Calgary, Alberta within the Sunridge Commercial area. Calgary has a population of approximately 1.1 million people and Sunridge Mall has a primary trade area of approximately 241,000 people. Sunridge Mall is an 809,000 SF. enclosed shopping centre that is anchored by the Bay and Zellers. Additionally, there are eight major tenants leasing over 15,000 SF: Alberta Health Services, Sport Chek, Future Shop, H&M, World Health Club, Petland, Shoppers Drug Mart and Urban Behaviour. CRU sales productivity was \$490 psf for the year ended December 31, 2009.

The complete site sits on a 66.8 acre parcel of land including the abutting parcel that houses Future Shop and Petland. It was built in 1981 and extensively renovated/expanded in 2005. This asset was acquired by Primaris in December 2009.

Sunridge Mall had 100% occupancy at December 31, 2009. The expiry of CRU space does not represent more than 7.5% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
the Bay	161,330	19.9%	August 2011
Zellers	144,010	17.8%	June 2013
Alberta Health Services	47,708	5.9%	December 2015
Sport Chek	43,910	5.4%	November 2012
Future Shop	34,960	4.3%	January 2017
H&M	21,078	2.6%	April 2018
World Health Club	19,561	2.4%	March 2018
Petland	16,100	2.0%	January 2017
Shoppers Drug Mart	15,012	1.9%	November 2013
Urban Behaviour	15,006	1.9%	July 2016
Sub-total	518,675	64.1%	
Non-Anchor Tenants	290,325	35.9%	
Total	809,000	100%	

Woodgrove Centre

Woodgrove Centre is located in Nanaimo, British Columbia, on the eastern coast of Vancouver Island. The Regional District of Nanaimo has a population of approximately 148,000 people and Woodgrove Centre has a primary trade area of approximately 100,000 people. Woodgrove Centre is a 723,000 SF, enclosed shopping centre that is anchored by the Bay and Wal-Mart. Additionally, there are six major tenants leasing over 15,000 SF: Save-on-Foods, Avalon Cinema, Toys 'R' Us, Winners, Sport Chek and Chapters. CRU sales productivity was \$472 psf for the year ended December 31, 2009.

The centre was built in 1981 and underwent renovations/expansions in 1994, 2000, 2003, and 2005. The total site area is approximately 66.9 acres. A non-managed undivided 50% freehold interest in Woodgrove Centre was acquired by Primaris in December 2009.

Woodgrove Centre had 100% occupancy as of December 31, 2009. The expiry of CRU space does not represent more than 7.9% of total GLA in any one of the next five years.

Profile of Tenant / Retailer with Area Greater than 15,000 SF

Anchors & Majors: Tenant / Retailer Names			
	Area (SF)	% of GLA	Lease Expiry
The Bay	146,452	20.3%	October 2020
Wal-Mart	130,782	18.1%	July 2022
Save-on-Foods	48,583	6.7%	October 2023
Avalon Cinema	38,747	5.4%	November 2024
Toys R Us	29,728	4.1%	October 2014
Winners	25,149	3.5%	August 2010
Sport Chek	20,632	2.9%	April 2015
Chapters	<u>20,020</u>	<u>2.8%</u>	Confidential
Sub-total	460,093	63.8%	
Non-Anchor Tenants	<u>262,907</u>	<u>36.2%</u>	
Total	723,000	100%	

Other Properties

Below is a list of unenclosed properties owned by Primaris.

Centre**Location**

Alliston Mills

Town of New Tecumseth, Ontario

Edinburgh Market Place

Guelph Ontario

Forest Glen Shopping Centre

Kitchener, Ontario

Garden City Square

Winnipeg, Manitoba

Northland Professional Centre

Calgary, Alberta

Northland Village Shoppes

Calgary, Alberta

South Cambridge Shopping Centre

Cambridge, Ontario

Sugarloaf Mall

Atholville, New Brunswick

Tillsonburg Gateway Centre

Tillsonburg, Ontario

Toronto Yonge Street Properties (5)

Toronto, ON

Westbank Shopping Centre Kelowna

British Columbia

DECLARATION OF TRUST AND DESCRIPTION OF UNITS

General

Primaris is an unincorporated open-ended trust created pursuant to a Declaration of Trust under, and governed by, the laws of the Province of Ontario. Although Primaris qualifies as a “mutual fund trust” as defined in the Tax Act, Primaris is not a “mutual fund” as defined by applicable securities legislation. Primaris has been established for an indefinite term. The following section and the description of the Board under “Management of Primaris” are summaries which do not purport to be complete with respect to the material attributes of the Units and certain provisions of the Declaration of Trust. Reference should be made to the Declaration of Trust for the full text of its provisions and a complete description of the Units.

Units and Special Voting Units

Primaris is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units.

Each Unit represents a Unitholder’s proportionate undivided beneficial interest in Primaris. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership in any of the assets of Primaris.

Each Unit confers the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by Primaris, whether of net income, net realized capital gains or other amounts and, in the event of termination of Primaris, in the net assets of Primaris remaining after satisfaction of all liabilities. Units will be fully paid and non-assessable when issued (unless issued on an instalment receipt basis) and are transferable. Except as set out below under “Redemption Right”, the Units have no conversion, retraction, redemption or pre-emptive rights. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval. Fractional Units, if any, will be issued on any consolidation but fractional Units will not entitle the holders thereof to vote. The Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of such Act or any other legislation. Furthermore, Primaris is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Special Voting Units may be issued in series and shall only be issued in connection with or in relation to a unit, share or other security convertible into or exchangeable for Unit(s) (“Exchangeable Units”) without the payment of additional consideration therefore, whether or not issued by Primaris. Each Special Voting Unit confers only the right to a number of votes at any meeting of Unitholders equal to the number of Units into which the Exchangeable Units to which such Special Voting Unit relates are exchangeable, exercisable or convertible. No holder of Special Voting Units has or is deemed to have any right of ownership of any asset of Primaris.

Neither the Units nor the Special Voting Units are shares in Primaris. As holders of Units or Special Voting Units in Primaris (together, the “Voting Unitholders”), the Voting Unitholders do not have statutory rights like a shareholder in a Business Corporations Act (Ontario) corporation or Canada Business Corporations Act corporation which are normally associated with the ownership of shares of a

corporation including, for example, the right to bring “oppression” or “derivative” actions.

As of December 31, 2009, 62,534,594 Units were outstanding. This number includes 2,307,261 Units which are held by a subsidiary of Primaris to be transferred upon conversion of the Exchangeable Units; these Units are not eligible to vote until exchanged. On February 8, 2010, an additional 40,000 Exchangeable Units were exchanged leaving a balance outstanding of 2,267,261 Exchangeable Units. There are currently no Special Voting Units outstanding however the outstanding exchangeable units of Place Fleur de Lys are entitled to receive Special Voting Units in July of 2010.

Meetings of Voting Unitholders

The Declaration of Trust provides that meetings of Voting Unitholders must be called and held in various circumstances, including for the election or removal of Trustees, the appointment or removal of the auditors of Primaris, the approval of amendments to the Declaration of Trust (except as described below under “Amendments to Declaration of Trust”), the sale or transfer of the assets of Primaris as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of Primaris as approved by the Trustees) and the termination of Primaris. Meetings of Voting Unitholders will be called and held annually for the election of the Trustees and the appointment of the auditors of Primaris. All meetings of Voting Unitholders shall be held in Canada. Certain amendments to the Declaration of Trust require the approval of two-thirds of the votes cast by Voting Unitholders. See “Amendments to the Declaration of Trust” below.

A meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned by Voting Unitholders holding not less than 10% of the Votes attached to the Voting Units then outstanding by a written requisition. 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 Business Corporations Act (Ontario).

Voting Unitholders may attend and vote at all meetings of the Voting Unitholders either in person or by proxy and a proxyholder need not be a Voting Unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least five percent of the votes attached to all outstanding Voting Units shall constitute a quorum for the transaction of business at all such meetings. At any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, the meeting, if convened upon the request of the Voting Unitholders, shall be dissolved, but in any other case, the meeting will stand adjourned to a day not less than seven days later and to a place and time as chosen by the chair of the meeting, and if at such adjourned meeting a quorum is not present, the Voting Unitholders present either in person or by proxy shall be deemed to constitute a quorum.

Purchases of Units

Primaris may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchase will constitute an "issuer bid" under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof. Refer to "Normal Course Issuer Bid" for details on the purchases by Primaris.

Redemption Right

Units are redeemable at any time on demand by the holders thereof upon delivery to Primaris of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Units to be redeemed. 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 form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to Primaris and to CDS. Upon receipt of the redemption notice by Primaris, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per Unit ("Redemption Price") equal to the lesser of: (i) 90% of the "market price" of the Units on the principal market on which the Units are quoted for trading during the 10 trading day period commencing immediately following the date on which the Units were surrendered for redemption (the "Redemption Date"); and (ii) 100% of the "closing market price" on the principal market on which the Units are listed for trading on the Redemption Date.

For the purposes of this calculation, "market price" will be the amount equal to the weighted average of the trading prices of the Units on the applicable market or exchange for each of the trading days on which there was a trade during the specified trading day period; and provided that if there was trading on the applicable exchange or market for fewer than five of the trading days during the specified trading day period, the "market price" will be the average of the following prices established for each of the trading days during the specified trading period: the average of the last bid and last asking prices of the Units for each day on which there was no trading and the weighted average trading prices of the Units for each day that there was trading. The "closing market price" will be an amount equal to the closing price of the Units on the applicable market or exchange if there was a trade on the specified date and the applicable exchange or market provides a closing price; an amount equal to the average of the highest and lowest prices of the Units on the applicable market or exchange if there was trading on the specified date and the exchange or other market provides only the highest and lowest prices of Units traded on a particular day; or the average of the last bid and last asking prices of the Units if there was no trading on the specified date.

If Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Units, which shall be determined by the Trustees in their sole discretion.

The aggregate Redemption Price payable by Primaris in respect of any Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment in Canadian dollars within 30 days after the end of the calendar

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: (i) the total amount payable by Primaris 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 limitation may be waived at the discretion of the Trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; (iii) the normal trading of 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 or for more than five trading days during the 10-day trading period commencing immediately after the Redemption Date.

Cash payable on redemptions will be paid pro rata to all Unitholders tendering Units for redemption in any month. To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of any of the foregoing limitations, then the balance of the Redemption Price for such Units shall, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution in specie of assets held by Primaris. In such circumstances, Series 1 Trust Notes and PRR Trust Units of a value equal to the balance of the Redemption Price will be redeemed by PRR Trust in consideration of the issuance to Primaris of Series 2 Trust Notes and Series 3 Trust Notes, respectively, with an aggregate principal amount equal to the balance of the Redemption Price. The Series 2 Trust Notes and Series 3 Trust Notes will then be distributed in satisfaction of the balance of the Redemption Price. No Series 2 Trust Notes or Series 3 Trust Notes in integral multiples of less than \$100 will be distributed and, where notes to be received by a Unitholder includes a multiple less than \$100, that number shall be rounded to the next lowest integral multiple of \$100. Primaris shall be entitled to all interest paid on the PRR Trust Notes, if any, and distributions paid on the PRR Trust Units on or before the date of the distribution in specie. Where Primaris makes a distribution in specie on the redemption of Units of a Unitholder, Primaris currently intends to allocate to that Unitholder any capital gain or income realized by Primaris on or in connection with such distribution.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Units. Series 2 Trust Notes and Series 3 Trust Notes which may be distributed to Unitholders in connection with a redemption will not be listed on any exchange, no market is expected to develop in securities of PRR Trust and such securities may be subject to an indefinite "hold period" or other resale restrictions under applicable securities laws. Series 2 Trust Notes and Series 3 Trust Notes so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid or issuer bid is made for Units within the meaning of the Securities Act (Ontario) and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who did not accept the offer either, at the election of each Unitholder, on the terms offered by the offeror or at the fair value of such Unitholder's Units determined in accordance with the procedures set out in the Declaration of Trust.

Issuance of Units and Exchangeable Units

Primaris may issue new Units from time to time. Unitholders do not have any preemptive rights whereby additional Voting Units proposed to be issued are first offered to existing Voting Unitholders. If the Trustees determine that Primaris does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. In addition, Units may be issued pursuant to the Distribution Reinvestment Plan, and any option plan or long-term incentive plan established by Primaris from time to time. New Units may be issued for cash through public offerings, through rights offerings to existing Unitholders (i.e., in which Unitholders receive rights to subscribe for new Units in proportion to their existing holdings of the Units, which rights may be exercised or sold to other investors), through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing Unitholders) or as a result of conversion rights exercised under convertible securities, including convertible debentures, warrants and subscription receipts.

In October, 2009, Primaris issued \$86.25 million principal amount of convertible unsecured subordinated debentures.

In August 2007, Primaris issued 3,134,000 Units at \$19.15 per Unit and \$100 million principal amount of convertible unsecured subordinated debentures for total gross proceeds of approximately \$160 million.

In December 2006, Primaris issued 5,940,000 Units at \$18.60 per Unit. In conjunction with the acquisition of the remaining 50% of the Grant Park asset, one of the vendors received 440,791 Units while the other vendor received 371,505 partnership units exchangeable for Units. The Units and exchangeable limited partnership units were priced at \$18.59 per limited partnership unit being the weighted average closing price of Units on the TSX for the 20 trading days beginning October 6, 2006.

In July 2005 Primaris satisfied \$40 million of the \$85 million purchase price of Place Fleur de Lys through the issuance of 2,849,008 exchangeable limited partnership units to the vendors of the property. These exchangeable limited partnership units are exchangeable into Units on a one-for-one basis and, prior to exchange, are entitled to the same distributions as made on Units. There is a mandatory exchange provision that has a 20 year term. Consequently, these exchangeable limited partnership units are treated as equity on the consolidated financial statements of

Primaris. In connection with the terms of those exchangeable securities, on July 20, 2005, 712,252 Special Voting Units were issued. In 2010, an additional 2,048,756 Special Voting Units will be issued. The exchangeable limited partnership units were priced at \$14.04 per limited partnership unit being the weighted average closing price of Units on the TSX for the 20 trading days beginning May 6, 2005 and ending June 3, 2005.

Date	Exchangeable Units Exchanged	Special Voting Units Redeemed
Jan 1 - Feb 26, 2010	40,000	0
2009	113,000	88,000
Prior to 2009	800,752	800,752

Currently the outstanding balance of Exchangeable Units is 2,307,261. Except for the exchange rights of Exchangeable Units and redemptions of Special Voting Units upon the exchange of Exchangeable Units, neither the Exchangeable Units nor the Special Voting Units have any conversion, retraction, redemption or pre-emptive rights.

The price or the value of the consideration for which Units may be issued will be determined by the Trustees, and, where the Trustees so determine, generally in consultation with investment dealers or brokers who may act as underwriters in connection with offerings of Units and subject to applicable regulatory approvals.

The Declaration of Trust also provides that immediately after any pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation.

Limitation on Non-Resident Ownership

In order for Primaris to maintain its status as a “mutual fund trust” under the Tax Act, Primaris must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, at no time may non-residents of Canada (within the meaning of the Tax Act) be the beneficial owners of more than 49% of the Units and the Trustees shall inform the transfer agent and registrar of this restriction. The Trustees or management may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees or management becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding are, or may be, non-residents or that such a situation is imminent, the Trustees or management may make a public announcement thereof and shall not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a non-resident. If, notwithstanding the foregoing, the Trustees or management determines that more than 49% of the Units are held by non-residents, the Trustees or management may send a notice to non-resident holders of Units,

chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees or management with satisfactory evidence that they are not non-residents within such period, the Trustees or management may, on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustees which is unpaid and owing to such Unitholders. The Trustees shall have no liability for the amount received provided that they act in good faith.

Information and Reports

Primaris furnishes to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation. Prior to each annual and special meeting of Unitholders, the Trustees provide the Unitholders (along with notice of such meeting) information similar to that required to be provided to shareholders of a public corporation governed by the Business Corporations Act (Ontario).

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time. Certain amendments require approval by at least two-thirds of the votes cast at a meeting of the Unitholders called for such purpose. Other amendments to the 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, among others, require the approval of two-thirds of the votes cast by all Unitholders at a meeting:

- (a) an exchange, reclassification or cancellation of all or part of the Units;
- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units;
- (c) the constraint of the issue, transfer or ownership of the Units or the change or removal of such constraint;
- (d) the sale or transfer of the assets of Primaris as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of Primaris as approved by the Trustees);
- (e) the termination of Primaris; and
- (f) except as described herein, the amendment of Investment Guidelines and Operating Policies of Primaris.

The Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over (i) the Trustees or Primaris, (ii) the status of Primaris as a "mutual fund trust" or "registered investment" under the Tax Act or (iii) the distribution of Units;
- (b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of Trustees, necessary or desirable and not prejudicial to the Unitholders;
- (d) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments in the opinion of the Trustees are necessary or desirable and not prejudicial to the Unitholders;
- (e) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation or other laws or accounting standards;
- (f) necessary or desirable to enable Primaris to issue Units for which the purchase price is payable in instalments;
- (g) to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Units entitling the holder thereof to a number of votes not exceeding the number of Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to Primaris' property or income other than a return of capital; and
- (h) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable.

CONVERTIBLE DEBENTURES

Convertible Debentures – Series 1

In June 2004, Primaris issued \$50 million principal amount of convertible unsecured subordinated debentures maturing on June 30, 2014 with a 6.75% per annum coupon, payable semi-annually on June 30 and December 31. The debentures are convertible, at the option of the holder, into Units at \$12.25 per Unit. These debentures are listed on the Toronto Stock Exchange under PMZ.DB.

Prior to June 30, 2010 the debentures may be redeemed on not more than 60 days' and not less than 40 days' prior written notice at a price equal to the principal amount plus accrued and unpaid interest provided that the current market price preceding the date upon which the notice of redemption is given is at least 125% of the Conversion Price. On or after June 30, 2010 and prior to the Maturity Date, the debentures may be redeemed by Primaris at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 40 days' prior written notice.

Convertible Debentures – Series 2

In August 2007, Primaris issued \$100 million principal amount of convertible unsecured subordinated debentures maturing on August 1, 2014 with a 5.85% coupon per annum, payable semi-annually on August 1 and February 1, commencing February 1, 2008. The debentures are convertible, at the option of the holder, into Units at \$22.55 per Unit. These debentures are listed on the Toronto Stock Exchange under PMZ.DB.A.

The Debentures may not be redeemed by Primaris on or prior to August 1, 2010. Thereafter, but prior to August 1, 2012, the Debentures may be redeemed by Primaris, 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 volume weighted-average trading price of the Units on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On or after August 1, 2012, and prior to the Maturity Date, the Debentures may be redeemed by Primaris, 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.

Convertible Debentures – Series 3

In October of 2009, Primaris issued \$86.25 million principal amount of convertible unsecured subordinated debentures maturing on September 30, 2015 with a 6.30% coupon per annum, payable semi-annually on March 31 and September 30, commencing March 31, 2010. The debentures are convertible, at the option of the holder, into Units at \$16.70 per Unit. These debentures are listed on the Toronto Stock Exchange under PMZ.DB.B.

The debentures may not be redeemed by Primaris on or prior to October 1, 2012. Thereafter, but prior to October 1, 2014, the Debentures may be redeemed by Primaris, 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 volume weighted-average trading price of the Units on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On or after October 1, 2014, and prior to the Maturity Date, the Debentures may be redeemed by Primaris, 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.

Convertible Debenture (\$millions) As at December 31, 2009	Series 1 PMZ.DB	Series 2 PMZ.DB.A	Series 3 PMZ.DB.B
Issuance	\$50.0	\$100.0	\$86.3
2009 Conversions	0.4	0.0	0.0
2009 Repurchases	0.0	6.5	0.0
2008 Conversions	0.7	0.0	n/a
2007 Conversions	2.4	0.00	n/a
2006 Conversions	12.2	n/a	n/a
2005 Conversions	28.3	n/a	n/a
2004 Conversions	0.3	n/a	n/a
Balance Outstanding	\$5.7	\$93.5	\$86.3

NORMAL COURSE ISSUER BID

On December 2, 2009, Primaris announced that the TSX had accepted its notice of intention to conduct a normal course issuer bid (NCIB) to enable it to purchase up to 3,000,000 Units, representing approximately 5% of Primaris' public float of 60,061,363 Units as of November 30, 2009, pursuant to TSX rules. Purchases may be made until the earlier of December 3, 2010, the date Primaris completes its purchases pursuant to the notice of intention to make a NCIB filed with the TSX or the date of notice by Primaris of termination of the bid. Units purchased under the bid will be cancelled.

Primaris has had three prior NCIBs for one year's duration each, ending November 27, 2009, November 29, 2008 and November 29, 2007 respectively.

Primaris purchased 15,000 units and \$6,478,000 Series 2 Debentures under its 2008/2009 bid at an average price of \$11.13 per unit and \$79.13 per Series 2 Debenture, respectively; 15,000 units under its 2008/2009 NCIB at an average price of \$11.13; and 15,000 units under its 2007/2008 NCIB at an average price of \$11.40. Primaris did not make any purchases under its 2006/2007 NCIB.

RATINGS STABILITY OF THE UNITS AND DEBT

On September 9, 2009, the Units received an unsolicited stability rating from DBRS of STA-3 (low) under its stability rating system. This is unchanged from the September 21, 2007 rating by DBRS. The stability rating is based on a rating scale developed by DBRS that provides an indication of both the stability and sustainability of an income fund's distributions per unit. Ratings categories range from STA-1 to STA-7, with STA-1 being the highest. DBRS further separates the ratings into high, middle and low to indicate where within the ratings category the fund falls. Ratings take into consideration seven main factors: (1) operating and industry characteristics, (2) asset quality, (3) financial flexibility, (4) diversification, (5) size and market position, (6) sponsorship/governance, and (7) growth. In addition, consideration is given to specific structural or contractual elements that may eliminate or mitigate risks or other potentially negative factors. Specifically, income funds rated STA-3 are considered by DBRS to have good stability and sustainability of distributions per unit, but performance may be more sensitive to economic factors, have greater cyclical tendencies, and may not be as well diversified as STA-2, resulting in some potential for distributions per unit to fluctuate.

DBRS has confirmed a debt rating of BB (high) which remains unchanged from the September 21, 2007 debt rating. Virtually all long-term credit ratings use the DBRS long-term scale with symbols ranging from AAA (highest credit quality) to C (very highly speculative). A rating of BB by DBRS is the fifth highest of ten categories and denotes obligations defined to be speculative and non-investment grade, where the degree of protection afforded interest and principal is uncertain particularly during periods of economic recession. The assignment of a "(high)" or "(low)" modifier within each rating category indicates relative standing within such category.

The ratings accorded to the Units and debentures is not a recommendation to purchase, hold or sell the Units, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. There is no assurance that the DBRS ratings will remain in effect for any given period of time or that these ratings will not be revised or withdrawn entirely by DBRS in the future if in its judgment circumstances so warrant. The ratings of the Units and debentures may not reflect the potential impact of all risks related to structure and other factors on the value of the Units and debentures. In addition, a real or anticipated change in the rating assigned to the Units and debentures may affect their market values.

INDEBTEDNESS AND OTHER OBLIGATIONS

At December 31, 2009, Primaris had \$1,090 million of mortgages payable, excluding a debt premium of \$5.1 million, bearing a weighted average interest rate of 5.7%. This rate reflects the marking-to-market of interest rates at the point of acquisition for all debts assumed in conjunction with property acquisitions. The mortgages payable have a weighted average term to maturity of 6.6 years.

Year	Mortgages	Convertible Unsecured Debentures	Ground Leases	Operating Leases	Total
	(\$millions)	(\$millions)	(\$millions)	(\$millions)	(\$millions)
2010	\$25.9	-	\$1.2	1.4	\$28.5
2011	60.0	-	1.3	1.4	62.7
2012	45.9	-	1.4	1.4	48.7
2013	236.7	-	1.4	1.4	239.5
2014	118.0	99.2	1.4	1.5	220.1
Thereafter	603.5	86.3	42.5	6.6	738.9
Total	\$1,090.0	\$185.5	\$49.2	13.7	\$1,338.4

Note: Mortgages represent Primaris' consolidated property level mortgages. Of the total mortgages balance, \$123,132 is recourse only to the underlying property.

UNITHOLDER RIGHTS PLAN

Primaris adopted a Unitholder rights plan ("Rights Plan") on March 3, 2005. The adoption was affirmed by a resolution of the Unitholders at the Annual General and Special Meeting on May 4, 2005 and again on June 18, 2008. The Rights Plan will expire on March 3, 2014, subject to confirmation every three years. A copy of the Rights Plan agreement is also available at www.sedar.com.

RISK FACTORS

There are certain risks inherent in the activities of Primaris, including the following:

Real Property Ownership

Primaris owns 28 principal properties and is expected in the future to directly or indirectly acquire interests in other real property. All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, changing demographics, supply and demand for leased premises, competition from other available premises and various other factors.

Tenant Risks

The value of real property and any improvements thereto depends on the credit and financial stability of the tenants. Primaris' Funds From Operations may be adversely affected if tenants become unable to meet their obligations under their leases or if a significant amount of available space in the properties in which Primaris has an interest becomes vacant and is not able to be leased on economically favourable lease terms. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Primaris than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting Primaris' investment may be incurred. Furthermore, at any time, a tenant of any of the properties in which

Primaris has an interest may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to Primaris. The ability to rent unleased space in the properties in which Primaris has an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to the property required by a new tenant.

Certain of the major tenants are permitted to cease operating from their leased premises at any time at their option. Other major tenants are permitted to cease operating from their leased premises or to terminate their leases if certain events occur. Some CRU tenants have a right to cease operating from their premises if certain major tenants cease operating from their premises. The exercise of such rights by a tenant may have a negative effect on a property. There can be no assurance that such rights will not be exercised in the future.

Fixed Costs

Certain significant expenditures, including property taxes, ground rent, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If Primaris is unable to meet mortgage payments or ground rent payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale or the landlord's exercise of remedies.

Asset Liquidity

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for, and the perceived desirability of, such investments. Such illiquidity may tend to limit Primaris' ability to vary its portfolio promptly in response to changing economic or investment conditions. If Primaris were to be required to liquidate its real property investments, the proceeds to Primaris might be significantly less than the aggregate carrying value of its properties.

Capital Expenditures and Distributions

Leasing capital and maintenance capital are incurred in irregular amounts and may exceed actual cash available from operations during certain periods. Primaris may be required to use part of its debt capacity or reduce distributions in order to accommodate such items. Capital for recoverable improvements may exceed recovery of amounts from tenants. Primaris is subject to provisions in its Declaration of Trust as well as to debt agreements that may impact the quantum of distributions. The sale of income-producing properties with inherent taxable gains could materially change Primaris' level of distributions.

Retail Concentration

Primaris' portfolio is primarily limited to Canadian retail properties. Consequently, the market value of the properties and the income generated from them could be negatively affected by changes in the retail environment.

Reliance on Anchor Tenants

Retail shopping centres have traditionally relied on there being a number of anchor tenants (department stores, discount department stores and grocery stores) in the centre, and therefore they are subject to the risk of such anchor tenants either

moving out of the property or going out of business. A property could be negatively affected by such a loss.

Land Leases

To the extent that the properties in which Primaris has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets that may fluctuate. This may result in significant rental rate adjustments and therefore have a potential negative effect on the cash flow of Primaris.

Environmental Matters

As an owner of interests in real property in Canada, Primaris is subject to various Canadian federal, provincial and municipal laws relating to environmental matters. Such laws provide that Primaris could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect Primaris' ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the owner by private plaintiffs.

Primaris will make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations. Although there can be no assurances, Primaris does not believe that costs relating to environmental matters will have a material adverse effect on Primaris' business, financial condition or results of operation. However, environmental laws and regulations can change and Primaris or its subsidiaries may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on Primaris' business, financial condition or results of operations and distributions.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of retail properties compete with Primaris in seeking tenants. Some of the properties of Primaris' competitors are newer or better located or less levered than the properties in which Primaris has an interest. Some of Primaris' competitors are stronger financially and hence better able to withstand an economic downturn. The existence of competing developers, managers and owners and competition for Primaris' tenants could have an adverse effect on Primaris' ability to lease space in its properties and on the rents charged or concessions granted, and could adversely affect Primaris' revenues and its ability to meet its debt obligations.

Competition for acquisitions of real properties is intense, and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that Primaris is prepared to accept. An increase in the availability of investment funds and an increase in interest in real property investments may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Financing Risks

Primaris has indebtedness outstanding of approximately \$1,283 million as at December 31, 2009. A portion of the cash flow generated by the existing properties and any future acquired properties will be devoted to servicing such debt, and there can be no assurance that Primaris will continue to generate sufficient cash flow

from operations to meet required interest and principal payments. If Primaris is unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. Primaris is subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities secured by Primaris' properties will not be able to be re-financed or that the terms of such re-financing will not be as favourable as the terms of existing indebtedness.

Primaris has stated that one of its objectives is to grow through acquisitions. While Primaris has financial resources on hand to complete some acquisitions, the longer term ability of Primaris to fund acquisitions is dependent on both equity and debt capital markets. There are risks that, from time to time, equity capital may not be available or may not be available on favourable terms.

Interest Rate Fluctuations

From time to time, Primaris' financing includes indebtedness with interest payments based on variable lending rates that will result in fluctuations in Primaris' cost of borrowing. Changes in interest rates may also affect Primaris in many other ways, due to factors including the impact on the economy, the value of real estate, the value of Primaris' units, the economics of acquisition activity and the availability of capital.

Reliance on Key Personnel

The management of Primaris depends on the services of certain key personnel. The loss of the services of any key personnel could have an adverse effect on Primaris.

Tax-Related Risks

Legislation relating to the federal income taxation of publicly listed or traded trusts (such as income trusts and real estate investment trusts) and partnerships (the "SIFT Rules") change the manner in which certain flow-through entities and the distributions from such entities are taxed. Under the SIFT Rules, certain publicly listed or traded flow-through trusts and partnerships referred to as "specified investment flow-through" or "SIFT" trusts and partnerships will be taxed in a manner similar to the taxation of corporations, and investors in SIFTs will be taxed in a manner similar to shareholders of a corporation. Proposed Amendments to the SIFT Rules were tabled by the Minister of Finance (Canada) in a Notice of Ways and Means motion on February 2, 2009 (the "Proposed Amendments").

The new taxation regime introduced by the SIFT Rules is not applicable to funds that qualify for the exception under the SIFT Rules applicable to certain real estate investment trusts (the "REIT Exception"). The stated intention of the Minister of Finance (Canada) in introducing REIT Exception is to exempt certain real estate investment trusts from taxation as SIFTs in recognition of "the unique history and role of collective real estate investment vehicles". If Primaris fails to qualify for REIT Exception, Primaris will be subject to the tax consequences as set out in "Certain Canadian Federal Income Tax Considerations".

The SIFT Rules generally do not apply to a fund that was publicly listed before November 1, 2006 (an "Existing Fund") until the 2011 taxation year of the fund, subject to acceleration in certain circumstances where the "normal growth" of the fund exceeds certain permitted limits (the "Undue Expansion Rules"). There can be no assurance that any additions to the capital or assets of Primaris will not, alone or

in combination with each other, constitute an "undue expansion" under the Undue Expansion Rules. The Undue Expansion Rules would only be relevant to Primaris if it has not at all times since October 31, 2006 qualified for REIT Exception.

To qualify for REIT Exception in a particular taxation year (i) the real estate investment trust must, at no time in the taxation year, hold "non-portfolio property" other than "qualified REIT properties", (ii) not less than 95% of the real estate investment trust's revenues for the taxation year must be derived from one or more of the following: (A) rent from "real or immovable properties"; (B) interest; (C) capital gains from dispositions of real or immovable properties; (D) dividends; and (E) royalties, (iii) not less than 75% of the real estate investment trust's revenues for the taxation year must be derived from one or more of the following: (A) rent from "real or immovable properties"; (B) interest from mortgages, or hypothecs, on real or immovable property situated in Canada; and (C) capital gains from dispositions of real or immovable properties, and (iv) at no time in the taxation year may the total fair market value of all properties held by the real estate investment trust, each of which is a real or immovable property, indebtedness of a Canadian corporation represented by bankers' acceptance, money, a deposit with a credit union, or, generally, a debt obligation of a government in Canada or certain other public bodies, be less than 75% of the equity value of the real estate investment trust at that time. The Proposed Amendments are intended to enact a number of amendments to the SIFT Rules to resolve certain technical issues.

As mentioned above, the SIFT Rules will apply to an Existing Fund (other than a real estate investment trust that qualifies for REIT Exception) commencing with taxation years ending in or after 2011 or earlier if there is "undue expansion" under the Undue Expansion Rules. Accordingly, unless REIT Exception is applicable to Primaris, the SIFT Rules could, commencing in 2011 or earlier if there is "undue expansion" under the Undue Expansion Rules, impact the level of cash distributions which would otherwise be made by Primaris and the taxation of such distributions to Unitholders.

REIT Exception is applied on an annual basis. Even with the Proposed Amendments, there remain certain issues with Primaris' ability to qualify for REIT Exception. Management of Primaris intends to review alternative measures that may be available in order to qualify for REIT Exception. These measures include certain internal restructuring of assets held by certain entities owned by Primaris and certain securities issued by such entities. Any such restructuring will be undertaken only if it is in the best interests of Primaris' Unitholders. Based on Primaris' interpretation of REIT Exception, and assuming the Proposed Amendments are enacted in the form proposed, and although not without doubt, management expects to be able to undertake restructurings so that Primaris should qualify for REIT Exception. No assurance can be given that Primaris will qualify for REIT Exception.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides certain guidelines on investments that may be made by Primaris. The assets of Primaris may be invested only with the approval of the Trustees and only in accordance with the following guidelines:

- (a) Primaris may only invest, directly or indirectly, in:
 - (i) interests (including fee ownership and leasehold interest) in income-producing real property located primarily in Canada;
 - (ii) corporations, trusts, partnerships or other persons which solely have interests (including the ownership of leasehold interests) in income-producing real property located primarily in Canada (or activities relating or ancillary thereto); and
 - (iii) such other activities as are consistent with the other investment guidelines of Primaris.
- (b) notwithstanding anything in paragraphs (a) to (k) hereof, and in the paragraphs under the heading "Investment Guidelines and Operating Policies — Operating Policies" Primaris shall not make any investment, take any action or omit to take any action that would result in Units not being units of a "mutual fund trust" within the meaning of the Tax Act, that would result in Units being disqualified for investment by Plans, that would result in Primaris being liable under the Tax Act to pay a tax as a result of holdings by Primaris of "foreign property"¹ as defined in the Tax Act, that would result in Units being foreign property for the purpose of the Tax Act for any such Plan (other than registered education savings plans) or other persons subject to tax under Part XI of the Tax Act or that would result in Primaris paying a tax under the registered investment provisions of the Tax Act for exceeding certain investment limits;

Primaris will not invest in any interest in a single real property if, after giving effect to the proposed investment, the cost of investment to Primaris (net of the amount of debt incurred or assumed in connection with such investment) will exceed 20% of the Adjusted Unitholders' Equity at the time the investment is made;
- (d) Primaris may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by Primaris; provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on transfer and the acquisition and sale of Primaris' and any joint venturer's interest in the joint venture arrangement, provisions to

¹ The federal government repealed the Foreign Property Limit in the 2005 budget.

provide liquidity to Primaris, such as buy-sell mechanisms, limit the liability of Primaris to third parties, and provide for the participation of Primaris in the management of the joint venture arrangement. For purposes of this provision, a joint venture arrangement is an arrangement between Primaris and one or more other persons ("joint ventures") pursuant to which Primaris, directly or indirectly, conducts an undertaking for one or more of the purposes set out above and in respect of which Primaris may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity (a "joint venture entity"), including without limitation a general partnership, limited partnership or limited liability company;

- (e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of Canada or of a province of Canada, short-term government debt securities, or receivables under instalment receipt agreements or money market instruments of, or guaranteed by, a Schedule 1 Canadian bank maturing prior to one year from the date of issue or except as permitted pursuant to paragraphs (a), (d), (g), (i) and (j) of these guidelines, and pursuant to subparagraph (a) under the heading "Investment Guidelines and Operating Policies – Operating Policies", Primaris may not hold securities other than securities of any issuer referred to in paragraph (a), (ii) securities of a joint venture entity or (iii) securities of an entity wholly-owned by Primaris formed and operated solely for the purpose of holding a particular real property or real properties and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary (except paragraph (b) of these guidelines), Primaris may acquire securities of other real estate investment trusts;
- (f) Primaris shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (g) Primaris will not invest, directly or indirectly:
 - (i) in operating businesses unless such investment is an indirect investment and is incidental to a transaction:
 - (A) where revenue will be derived, directly or indirectly, principally from real property; or
 - (B) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of retail real property (in each case as determined by the Trustees); or
 - (ii) in predominantly special purpose properties, such as hotels, nursing homes or resort properties;

Primaris may invest in raw land for development and ownership or for other development projects for the purpose of (i) renovating or expanding properties or facilities on adjacent properties, or (ii) developing new properties which will, upon completion, be income

producing provided that the aggregate value of the investments of Primaris in raw land, after giving effect to the proposed investment, will not exceed 5% of the Gross Book Value;

- (i) Primaris may invest in mortgages and mortgage bonds (including a participating or convertible mortgage) and similar instruments where:
 - (i) the mortgage or mortgage bond is issued by a Subsidiary; or
 - (A) the real property which is security therefore is income-producing real property which otherwise meets the other investment guidelines of Primaris;
 - (B) the amount of the mortgage loan is not in excess of 75% of the market value of the property securing the mortgage and the mortgage has at least 1.2X debt service coverage;
 - (C) the mortgage is a first ranking mortgage registered on title to the real property which is security therefore; and
 - (D) the aggregate book value of the investments of Primaris in mortgages, after giving effect to the proposed investment, will not exceed 20% of Adjusted Unitholders' Equity;
- (j) notwithstanding any of the provisions hereof (except paragraph (b) of these guidelines), Primaris may invest in any mortgage providing, directly or indirectly, financing in connection with a transaction in which Primaris is the vendor or with the intention of using such mortgage as part of a method for subsequently acquiring an interest in or control of a property or a portfolio of properties; provided that the aggregate value of the investments of Primaris in mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity and that such property or portfolio of properties are properties which Primaris would otherwise be eligible to invest its assets under this Declaration of Trust;; and

Primaris 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 Primaris) up to 15% of the Adjusted Unitholders' Equity of Primaris in investments which do not comply with one or more of paragraphs (a), (d), (e), (i) and (j) under the heading "Investment Guidelines and Operating Policies — Investment Guidelines" or paragraphs (c) and (e) under the heading "Investment Guidelines and Operating Policies — Operating Policies".

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Primaris will be deemed to be those of Primaris on a proportionate consolidation basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement.

Operating Policies

The Declaration of Trust provides that the operations and affairs of Primaris shall be conducted in accordance with the following policies:

- (a) Primaris shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" shall have the meaning ascribed thereto by National Instrument 81-102 adopted by the Canadian Securities Administrators, as amended from time to time;
- (b) (i) any written instrument creating an obligation which is or includes the granting by Primaris of a mortgage, and (ii) to the extent management determines to be practicable, any written instrument which is, in the judgment of management, a material obligation shall 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 Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of Primaris, but that only property of Primaris or a specific portion thereof shall be bound; Primaris, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by Primaris upon the acquisition of real property;
- (c) Primaris 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 value net of encumbrances in excess of 20% of Adjusted Unitholders' Equity;
- (d) the limitation contained in paragraph (c) will not apply to the renewal of a lease or sublease and 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, 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, of which any of the bonds, debentures or other evidences of indebtedness of, or guaranteed by an issuer, or any of the other securities of an issuer which have received and continue to hold, an investment grade rating from a recognized credit rating agency, in each case at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements (as determined by the Trustees in their discretion) were entered into; 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) in addition to the provisions of paragraph (h) under the heading "Investment Guidelines", Primaris may engage in construction or development of real property in order to maintain its real properties in

good repair or to enhance the income-producing potential of properties in which Primaris has an interest;

- (f) title to each real property shall be held by and registered in the name of Primaris, the Trustees or in the name of a corporation or other entity owned, directly or indirectly, by Primaris or jointly-owned, directly or indirectly, by Primaris, with joint venturers or a corporation which is a nominee of Primaris which holds registered title to such real property pursuant to a nominee agreement with Primaris;
- (g) Primaris will not incur any new indebtedness (otherwise than by the assumption of existing indebtedness) or renew or refinance any indebtedness under a mortgage on any of the real property of Primaris where (i) in the case of an individual property, the amount borrowed exceeds 75% of the market value of such individual property or (ii) in the case of more than one property or a pool or portfolio of properties, the amount borrowed exceeds 75% of the market value of such properties on an aggregate basis;
- (h) Primaris will not incur or assume any indebtedness if, after giving effect to the incurring of the indebtedness, the total indebtedness of Primaris would be more than 60% of the Gross Book Value. For the purposes of this paragraph, the term "indebtedness" means any obligation of Primaris for borrowed money (excluding any premium in respect of indebtedness assumed by Primaris for which Primaris has the benefit of an interest rate subsidy, but only to the extent an amount receivable has been excluded in the calculation of Gross Book Value with respect to such interest rate subsidy), provided that (A) an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of Primaris in accordance with GAAP, (B) indebtedness excludes trade accounts payable, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business; and (C) convertible debentures will not constitute indebtedness provided Primaris has the option to satisfy principal through the issuance of Units;
- (i) at no time will Primaris incur indebtedness aggregating more than 15% of its Gross Book Value (excluding trade account payables, accrued liabilities arising in the ordinary course of business, debt with an original maturity of one year or more falling due in the next 12 months or variable rate debt for which Primaris has entered into interest rate swap agreements to fix the interest rate for a one year period or more and distributions payable to Unitholders) at floating interest rates or having maturities of less than one year;
- (j) Primaris will not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which Primaris holds an interest, directly or indirectly, or by an entity jointly-owned by Primaris with joint venturers and operated solely for the purpose of holding a particular property or properties where such indebtedness, if granted by Primaris directly, would not cause Primaris to otherwise contravene

the guidelines set out under the heading "Investment Guidelines". Primaris is not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by Primaris pursuant to the acquisition of real property or (ii) if doing so is necessary or desirable in order to further the initiatives of Primaris permitted under the Declaration of Trust;

- (k) no acquisition may be made nor any development undertaken unless and until the officers of Primaris have prepared and presented to the Investment Committee or the Trustees a written report containing their recommendation that Primaris make the investment together with a financial analysis of the estimated cost and projected return from the investment and such supplementary information and data (including, without limitation, underlying assumptions, proposed financial arrangements, leasing and economic and market data) as is reasonably necessary to the investment decision;
- (l) Primaris shall obtain and maintain at all times insurance coverage in respect of potential liabilities of Primaris and the accidental loss of value of the assets of Primaris from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and
- (m) Primaris shall obtain a building condition report and a Phase I environmental audit of each real property to be acquired by it and, if the Phase I environmental audit report recommends a Phase II environmental audit be obtained, Primaris shall obtain a Phase II environmental audit, in each case by an independent and experienced environmental consultant; as a condition to any acquisition, such audit must be satisfactory to the Trustees.

For the purpose of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Primaris will be deemed to be those of Primaris on a proportionate consolidated basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading "Investment Guidelines" and the operating policies contained in paragraphs (b), (e), (g), (h), (i), (l) and (m) set out under the heading "Operating Policies" may be amended only with the approval of two-thirds of the votes cast by Unitholders of Primaris at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

DISTRIBUTION POLICY AND HISTORY

The following outlines the distribution policy of Primaris as contained in the Declaration of Trust. The distribution policy may be amended only with the approval of a majority of the votes cast at a meeting of Unitholders. Subject to compliance with such distribution policy, determinations as to the amounts actually distributable are in the discretion of the Trustees and shall be made by the Distribution Committee of the Board of Trustees.

General

Primaris may distribute to Unitholders on each Distribution Date such percentage of the revenue of the Trust for the calendar month then ended as the Trustees determine in their discretion.

Tax Deferral on Distributions

The adjusted cost base of Units held by a Unitholder generally will be reduced by the non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder will generally realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise be a negative amount, notwithstanding that the Unitholder has not sold any Units.

Distribution Reinvestment Plan

Primaris has a Distribution Reinvestment Plan pursuant to which Unitholders may elect to have all cash distributions of Primaris automatically reinvested in additional Units at a price per Unit calculated by reference to the weighted average of the closing price of Units on the TSX for the 20 trading days immediately preceding the relevant Distribution Date. Unitholders who so elect will receive a further distribution of Units equal in value to 3% of each distribution that was reinvested by the Unitholder.

No brokerage commissions are payable in connection with the purchase of Units under the Distribution Reinvestment Plan and all administrative costs are borne by Primaris. Cash undistributed by Primaris upon the issuance of additional Units under the Distribution Reinvestment Plan is invested in Primaris to be used for future property acquisitions, capital improvements and working capital.

Unitholders resident outside of Canada are not entitled to participate in the Distribution Reinvestment Plan. Upon ceasing to be a resident of Canada, a Unitholder must terminate the Unitholder's participation in the Distribution Reinvestment Plan.

Distribution History

Distributions paid	Monthly Distribution per Unit	Annualized Distribution per Unit
August 2003 – July 2004	\$0.0854	\$1.02
August 2004 – July 2005	\$0.090	\$1.08
August 2005 – December 2006	\$0.095	\$1.14
January 2007 – December 2007	\$0.0983	\$1.18
January 2008 – December 2008	\$0.1016	\$1.22
January 2009 - current	\$0.1016	\$1.22

Equity Incentive Plans

The Unitholders of Primaris approved an equity incentive plan at the June 18, 2008 Annual and Special Meeting. A copy of this plan may be obtained on SEDAR.

MARKET FOR SECURITIES

The Units are listed and posted for trading on the TSX under the symbol PMZ.UN. The following table sets forth the high and low reported trading prices and the trading volume of Primaris Units on the TSX for the periods indicated:

2009	Unit High (\$)	Unit Low (\$)	Unit Volume
January	11.76	9.40	2,417,971
February	10.50	8.95	2,518,466
March	9.49	8.10	3,536,110
April	11.20	8.73	1,765,908
May	13.25	10.41	2,252,698
June	13.00	11.01	2,252,759
July	13.00	11.86	1,860,216
August	14.73	12.80	2,213,846
September	15.70	13.38	2,690,214
October	15.99	14.43	5,812,965
November	16.44	14.00	2,821,520
December	16.44	15.73	2,895,496

Total trading volume for 2009 was 33,038,169* Units

*In addition to the volume of units traded on the Toronto Stock Exchange, Bloomberg reports that an additional 8,276,981 units were traded. These trades were made on private exchanges which may include AlphaToronto, Pure Trading, Chi-X Canada, Omega exchanges.

Primaris' convertible unsecured subordinated debentures are listed and posted for trading on the TSX under the symbols PMZ.DB, PMZ.DB.A and PMZ.DB.B. The following tables set forth the high and low reported trading prices and the trading volume of Primaris convertible debentures on the TSX for the periods indicated:

2009	PMZ.DB High (\$)	PMZ.DB Low (\$)	PMZ.DB Volume
January	100.00	90.00	360
February	83.40	80.00	600
March	90.00	80.00	520
April	87.03	80.00	750
May	106.45	92.01	360
June	100.22	100.00	840
July	101.43	101.29	200
August	116.86	112.85	200
September	119.85	107.04	270
October	124.00	113.11	1,200
November	132.87	120.05	660
December	132.24	126.20	4,790

Total trading volume for 2009 was 10,750

2009	PMZ.DB.A High (\$)	PMZ.DB.A Low (\$)	PMZ.DB.A Volume
January	82.00	66.00	5,700
February	78.00	70.00	5,160
March	77.00	68.00	36,650
April	83.00	74.50	16,550
May	91.00	80.00	40,130
June	90.01	85.00	11,870
July	95.00	86.00	8,720
August	96.49	94.45	7,360
September	97.00	93.00	13,790
October	97.00	93.00	17,070
November	99.00	95.55	49,510
December	100.75	98.75	26,940

Total trading volume for 2009 was 239,450

2009	PMZ.DB.B High (\$)	PMZ.DB.B Low (\$)	PMZ.DB.B Volume
October	100.74	99.49	126,950
November	103.48	100.50	80,010
December	104.00	101.86	20,270

Total trading volume for 2009 was 227,230

MANAGEMENT OF PRIMARIS

The investment policies and operations of Primaris are subject to the control and direction of the Trustees, a majority of whom must be resident Canadians and a majority of whom must be Independent Trustees except in certain limited circumstances. The role of the Trustees is similar to the role of directors of a corporation. The day-to-day activities of Primaris are directed by management.

BOARD OF TRUSTEES

The Declaration of Trust provides that the investment policies and operations of Primaris are the responsibility of the Board. The Declaration of Trust provides for a Board of between three and twelve Trustees. The number of Trustees is currently set at six. The number of Trustees may be changed by the Voting Unitholders or, by the Trustees, provided that the Trustees may not, between meetings of Voting Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the last annual meeting of Voting Unitholders. Subject to certain conditions, a vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees so long as they constitute a quorum or by Voting Unitholders at a meeting of the Voting Unitholders.

The Trustees are elected by resolution passed by a majority of the votes cast at a meeting of the Voting Unitholders. Trustees elected at an annual meeting are elected for terms expiring at the next annual meeting and are eligible for re-election. A Trustee elected to fill a vacancy is elected for the remaining term of the Trustee he or she is succeeding. Trustees may be removed with or without cause by a majority of the votes cast at a meeting of Voting Unitholders or with cause by two-thirds of the remaining Trustees.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on a director of a corporation governed by the Business Corporations Act (Ontario). Accordingly, each Trustee is required to exercise the powers and discharge the duties of his office honestly, in good faith with a view to the best interests of Primaris and the Voting Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board is an experienced group of individuals from the real estate, retail and financial communities. The Trustees have full access to legal and financial advisors for advice.

For each Trustee, the following information includes the Trustee's jurisdiction of residence; age; all positions and offices held Primaris; principal occupations or employment during the past five years; status as an independent trustee; and the number and value of Units owned by each of them.

Currently, the Trustees are as described in the following pages.



Roland Cardy
Age 58
Toronto, ON Canada
Trustee since: 2003
Independent

Since March 2003, Mr. Cardy has served as Managing Partner and a director of Gorbay Company Limited, a Toronto-based private company that owns and operates multi-family properties. From 2000 to March 2003, Mr. Cardy was a Senior Managing Director at Raymond James Ltd. Prior to that, Mr. Cardy held a number of positions at The Toronto-Dominion Bank including Vice-Chair, Investment Banking from 1996 to 2000. Mr. Cardy also served on the Executive Committee and the Board of Directors of TD Securities Inc. from 1996 to 2000. Mr. Cardy has a Bachelor of Arts (Economics and History) and Master of Business Administration from York University. He also has completed the requirements of the Institute of Corporate Directors program.

Board/Committee Membership:	2009 Attendance:		Public Board Membership During Last Five Years:	
Board of Trustees, Chair	8/8	100%	Public Storage Canadian Properties	2006 - present
Audit Committee	3/4	75%		
Management Resources Committee	3/3	100%		
Governance & Nominating Committee	3/3 ¹	100%		
Compensation Committee	1/1	100%		

Securities Held:

Year	Units	Restricted Units	Debentures	Value of Units & Debentures ²	Minimum Unit Ownership Requirement	
					Requirement	Met
2010	9,500	1,868	0	\$182,570	\$150,000 worth of units ³	<input checked="" type="checkbox"/>
2009	9,500	0	0	\$152,570	3,000 units ⁴	<input checked="" type="checkbox"/>



Kerry D. Adams
Age: 57
Aurora, ON Canada
Trustee since: 2007
Independent


Ms. Adams has been President of K. Adams & Associates Limited providing wealth management services for trusts and private corporations since 1991. Ms. Adams was a Commissioner and Director of the Ontario Securities Commission from 1996 through 2003. From 1988 to 1991 Ms. Adams was President of Widcor Limited and Widcor Financial. Between 1987 and 1988, Ms. Adams was project leader on the Bank of Nova Scotia's acquisition of McLeod, Young, Weir and prior to that was Partner with KPMG Peat Marwick. Ms. Adams is a member of the Bank of Nova Scotia's Master Trust and Pension Investment and Administration Committees and a Director and Chair of the Audit Committee of Walmart Canada Bank. A Fellow of the Institute of Chartered Accountants (Ontario), Ms. Adams also holds a Bachelor of Arts (Honours Economics) from Queens University.


Board/Committee Membership:	2009 Attendance:		Public Board Membership During Last Five Years:	
Board of Trustees	8/8	100%	Indigo Books and Music Inc.	2006 - Dec 2009
Audit Committee	4/4	100%		
Governance & Nominating Committee	5/5	100%		
Distributions Committee, Chair	2/2 ¹	100%		
Compensation Committee	1/1	100%		

Securities Held:


Year	Units	Restricted Units	Debentures	Value of Units & Debentures ²	Minimum Unit Ownership Requirement	
					Requirement	Met
2010	6,000	1,868	0	\$126,360	\$150,000 worth of units ³	N/A ⁵
2009	6,000	0	0	\$96,360	3,000 units ⁴	<input checked="" type="checkbox"/>


- (1) The Board reorganized Committee membership in November 2009 resulting in actual attendance reporting for the duration of the Trustee's time on that Committee which differs from the total number of meetings. A complete table of attendance is available in the Management Information Circular.
- (2) Units owned prior to Jan 1, 2010 are valued at the Dec 31, 2009 five day VWAP of \$16.06. Units acquired between Jan 1, 2010 and March 9, 2010 are valued at cost which is the Dec 31, 2009 five day VWAP of \$16.06.
- (3) Requirement effective January 1, 2010
- (4) Requirement up to December 31, 2009
- (5) The Trustee must have required the minimum unitholdings by the later of December 31, 2012 (which is 3 years from the implementation of the policy change for minimum Trustee unitholdings), or 3 years from the date of appointment as Trustee.

 <p>Bill Biggar Age: 57 Toronto, ON Canada Trustee since: 2003 Independent</p>	Mr. Biggar has been President and CEO of North American Palladium since 2008. Prior to that, Mr. Biggar was Managing Director of Richardson Capital Limited from 2004 to 2007, President and Chief Executive Officer of MI Developments Inc. from 2003 to 2004 and Executive Vice-President of Magna International Inc. from 2001 to 2003. From 1999-2001, Mr. Biggar was Executive Vice-President and Chief Financial Officer of Cambridge Shopping Centres Limited. Mr. Biggar has extensive experience in real estate acquisitions, development financing and management. Mr. Biggar became a Chartered Accountant while working at what is now PricewaterhouseCoopers and also holds Bachelor of Commerce and Master of Business Administration degrees from the University of Toronto.					
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:	
	Board of Trustees	8/8	100%	North American Palladium Ltd.	2008 – present	
	Audit Committee, Chair	4/4	100%	Silver Bear Resources Inc.	2007 – present	
	Governance & Nominating Committee	5/5	100%	Manitou Capital Corporation	2003 – 2008	
	Management Resources Committee	3/3	100%	ATS Automation Tooling Systems Inc.	2005 – 2007	
Distributions Committee	1/1 ¹	100%				
Securities Held:						
Year	Units	Restricted Units	Debentures	Value of Units & Debentures ²	Minimum Unit Ownership Requirement	Met
2010	11,000	1,868	0	\$206,660	\$150,000 worth of units ³	<input checked="" type="checkbox"/>
2009	11,000	0	0	\$176,660	3,000 units ⁴	<input checked="" type="checkbox"/>

 <p>Ian Collier Age: 63 Toronto, ON Canada Trustee since: 2003 Independent</p>	Mr. Collier is CEO and Partner of Perseis Partners Inc. Prior to that, in 2004 and 2005, Mr. Collier was President and CEO of Borealis Private Equity and President and CEO of OMERS Capital Partners. Between 2001 and 2004, Mr. Collier served as CEO of Borealis Capital Corporation. Mr. Collier was a director of Borealis Real Estate Management Inc. between May 2002 and February 2004 and a director of Oxford Properties Group Inc. between 2001 and 2004. Mr. Collier holds a Bachelor of Arts (Economics) from Wilfrid Laurier University.					
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:	
	Board of Trustees	8/8	100%	None		
	Governance & Nominating Committee	4/4 ¹	100%			
	Management Resources Committee	3/3	100%			
	Distributions Committee	3/3	100%			
Securities Held:						
Year	Units	Restricted Units	Debentures	Value of Units & Debentures ²	Minimum Unit Ownership Requirement	Met
2010	6,758	1,868	0	\$138,534	\$150,000 worth of units ³	N/A ⁵
2009	6,758	0	0	\$108,534	3,000 units ⁴	<input checked="" type="checkbox"/>

- (1) The Board reorganized Committee membership in November 2009 resulting in actual attendance reporting for the duration of the Trustee's time on that Committee which differs from the total number of meetings. A complete table of attendance is available in the Management Information Circular.
- (2) Units owned prior to Jan 1, 2010 are valued at the Dec 31, 2009 five day VWAP of \$16.06. Units acquired between Jan 1, 2010 and March 9, 2010 are valued at cost which is the Dec 31, 2009 five day VWAP of \$16.06.
- (3) Requirement effective January 1, 2010
- (4) Requirement up to December 31, 2009
- (5) The Trustee must have required the minimum unitholdings by the later of December 31, 2012 (which is 3 years from the implementation of the policy change for minimum Trustee unitholdings), or 3 years from the date of appointment as Trustee.

 <p>Kenneth Field Age: 66 Toronto, ON Canada Trustee since: 2005 Independent</p>	Mr. Field is a retired Investment Banker. Between 1996 and 2000, Mr. Field was Senior Vice President, Head of Real Estate Investment Banking with Midland Walwyn Inc. / Merrill Lynch Canada Inc. Mr. Field has over 35 years of experience in major real estate sales and financings across Canada. He has been a member of the Canadian Institute of Chartered Accountants since 1968, is a former member of the Board of Governors of the Toronto Stock Exchange and a former Chair of the Board of Governors of the Toronto Futures Exchange.					
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:	
	Board of Trustees	8/8	100%	None		
	Audit Committee	4/4	100%			
	Governance & Nominating Committee, Chair	5/5	100%			
	Distributions Committee	2/2 ¹	100%			
Compensation Committee	1/1	100%				
Securities Held:						
Year	Units	Restricted Units	Debentures	Value of Units & Debentures ²	Minimum Unit Ownership Requirement	Met
2010	6,000	1,868	0	\$126,360	\$150,000 worth of units ³	N/A ⁵
2009	6,000	0	0	\$96,360	3,000 units ⁴	<input checked="" type="checkbox"/>

 <p>Brent Hollister Age: 62 Toronto, ON Canada Trustee since: 2009 Independent</p>	Mr. Hollister has been actively involved in the Canadian retail industry for over 35 years. He retired from his role as Chief Executive Officer of Sears Canada Inc. in 2006. Mr. Hollister is a director for Holiday Group Holdings Inc. a private equity company, and the Boys & Girls Club Foundation of Canada. A graduate of Ryerson University, Mr. Hollister has completed the Institute of Corporate Directors (ICD) director education program.					
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:	
	Board of Trustees	4/4	100%	None		
	Governance and Nominating Committee	1/1 ¹	100%			
	Distributions Committee	1/1 ¹	100%			
	Compensation Committee	1/1	100%			
Securities Held:						
Year	Units	Restricted Units	Debentures	Value of Units & Debentures ²	Minimum Unit Ownership Requirement	Met
2010	7,500	1,868	0	\$153,049	\$150,000 worth of units ³	<input checked="" type="checkbox"/>
2009	7,500	0	0	\$121,050	3,000 units ⁴	<input checked="" type="checkbox"/>

On January 1, 2010, each Trustee was awarded 1,868 restricted units valued at \$30,000 which represents one half of their annual retainer for 2010. The other half of the retainer was paid in cash.

- (1) The Board reorganized Committee membership in November 2009 resulting in actual attendance reporting for the duration of the Trustee's time on that Committee which differs from the total number of meetings. A complete table of attendance is available in the Management Information Circular.
- (2) Units owned prior to Jan 1, 2010 are valued at the Dec 31, 2009 five day VWAP of \$16.06. Units acquired between Jan 1, 2010 and March 9, 2010 are valued at cost which is the Dec 31, 2009 five day VWAP of \$16.06.
- (3) Requirement effective January 1, 2010
- (4) Requirement up to December 31, 2009
- (5) The Trustee must have required the minimum unitholdings by the later of December 31, 2012 (which is 3 years from the implementation of the policy change for minimum Trustee unitholdings), or 3 years from the date of appointment as Trustee.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as set out below, to the best of the knowledge of management no person or company who is a proposed trustee of Primaris:

- (a) is, as at the date of this Management Information Circular or has been, within the 10 years before the date of this Management Information Circular, a director or chief executive officer or chief financial officer of any company, that:
 - (i) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an "order", for a period of more than 30 consecutive days;
 - (ii) was subject to an order that was issued after that person ceased to act in that capacity and which resulted from an event that occurred while the person was acting in that capacity; or
 - (iii) while the person was acting in that capacity or in the capacity as another executive officer, within a year of that person ceasing to act in any such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or Unitholder.

Mr. Biggar was a director of Mosaic Group Limited from October 1995 to May 2002. Mosaic Group Limited filed for protection from its creditors under the Companies' Creditor Arrangement Act ("CCAA") on December 17, 2002. Mr. Biggar was also a director of Cabletel Ltd from June 2001 to November 24, 2003. Cabletel Ltd. filed a proposal under the Bankruptcy and Insolvency Act (Canada) on June 9, 2004.

CONFLICT OF INTEREST RESTRICTIONS AND PROVISIONS

The Declaration of Trust contains "conflict of interest" provisions that serve to protect Unitholders without creating undue limitations on Primaris. As the Trustees are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the Business Corporations Act (Ontario), that require each Trustee to disclose to Primaris any interest in a material contract or transaction or proposed material contract or transaction with Primaris. 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 to his remuneration or for indemnity under the provisions of the Declaration of Trust or liability insurance.

INDEPENDENT TRUSTEE MATTERS

The following matters require the approval of a majority of the Independent Trustees to become effective:

- (1) a material change to any head lease or the interest rate subsidy agreement or any renewal, extension or termination thereof or any increase in the fees payable thereunder (including transaction fees, if any);
- (2) the entering into, waiver of or exercise of any rights or remedies under any agreement entered into by Primaris with any Trustee who is not an Independent Trustee, or any of their respective related parties;
- (3) the refinancing or renewal of any indebtedness owing to any Trustee who is not an Independent Trustee, or any of their respective related parties;
- (4) the making, directly or indirectly, of any co-investment with any Trustee who is not an Independent Trustee, or any of their respective related parties;
- (5) the grant of options or issuing of Units under any option or purchase plan provided to any Trustee, any officer and/or others;
- (6) any change in the number of Trustees of Primaris and the appointment of Trustees to fill any vacancies created by any increase in the number of Trustees;
- (7) decisions relating to compensation of Trustees; and
- (8) relating to any claim by or against any vendor or any of their respective related parties.

AUDIT COMMITTEE MANDATE

The mandate for the Audit Committee is available on SEDAR and is incorporated in this document by reference.

AUDIT FEES: AUDIT RELATED FEES, TAX FEES AND ALL OTHER FEES

Type of Work	2009	2008
Audit Fees	\$ 921,577 ⁽¹⁾	\$ 827,470
Audit Related fees: Assurance and related services	277,807 ⁽²⁾	53,209
Tax services	341,397	360,672
All other fees	-	18,655
Aggregate fees	\$ 1,540,780	\$ 1,260,006

(1) 8% of these fees are related to the conversion of IT systems associated with the internalization of management

(2) 64% of these fees are related the preparation of the prospectus and 31% of these fees are related to IFRS work

OFFICERS

The names and municipalities of residence of Primaris' executive officers and the principal occupations of each during the preceding five years are:

Name & position with Primaris	Location	Principal occupation for last five years
John Morrison President & Chief Executive Officer	Mississauga, Ontario, Canada	2009 – current, President & CEO, Primaris Retail REIT 2008 – 2009, President, Real Estate Management, OPGI Management GP Inc. 2004 – 2008, Senior Vice President, Real Estate Management, OPGI Management GP Inc.
Louis M. Forbes Executive Vice President & Chief Financial Officer	Toronto, Ontario, Canada	2009 – current, Executive Vice President and Chief Financial Officer 2009, Senior Vice President and Chief Financial Officer, Primaris Retail REIT 2004 – 2008, Senior Vice President, OPGI Management GP Inc. and Senior Vice President & Chief Financial Officer, Primaris Retail REIT
Devon Jones Vice President, Legal and Secretary	Toronto, Ontario, Canada	2010 – current, Vice President Legal and Secretary, Primaris Retail REIT 2004 – 2009, Vice President Legal, OPGI Management GP Inc.
Lesley Gibson Vice President	Toronto, Ontario, Canada	2010 – current, Vice President, Finance, Primaris Retail REIT 2004 – 2009, Vice President Corporate Reporting, OPGI Management GP Inc.
Tom Falls Vice President Real Estate Management	Toronto, Ontario, Canada	2010 – current, Vice President, Real Estate Management, Primaris Retail REIT 2004 – 2009, Vice President, Real Estate Management, OPGI Management GP Inc.
Ron Perlmutter Vice President Investments	Toronto, Ontario, Canada	2010 – current, Vice President, Investments, Primaris Retail REIT 2004 – 2009, Vice President, Investments, OPGI Management GP Inc.
Patrick Sullivan Vice President Real Estate Management	Calgary, Alberta, Canada	2010 – current, Vice President, Real Estate Management, Primaris Retail REIT 2004-2009, Director, Retail Leasing, OPGI Management GP Inc.

Officers of Primaris may be appointed and discharged, and their powers and responsibilities are determined by the Trustees.

The Trustees and Officers of Primaris collectively hold 65,465 Units which represents 0.10% of the issued and outstanding Units at December 31, 2009.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No Trustee, officer or employee of Primaris, or any associate or affiliate of any of the foregoing persons has or had a material interest in any transaction within the three most recently completed financial years or during the current financial year or has any material interest in any proposed transaction, in each case that has materially affected, or will materially affect, Primaris or any of its subsidiaries.

INTERESTS OF EXPERTS

KPMG LLP have prepared the audit report on the audited consolidated financial statements of Primaris as at December 31, 2009 and 2008 and for the years then ended. KPMG LLP does not beneficially own, directly or indirectly, any of Primaris' outstanding classes of securities.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of Primaris is CIBC Mellon Trust Company, Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to Primaris may be found on SEDAR at www.sedar.com. Additional information including trustees' and officers' remuneration and principal holders of securities is contained in Primaris' Management Information Circular for its most recent meeting of Voting Unitholders that involved the election of Trustees. Additional financial information is provided in Primaris' financial statements and MD&A for its most recently completed financial year. Primaris will provide to any person or company, upon request to the Chief Financial Officer of Primaris, an Annual Information Form, a copy of the comparative financial statements of Primaris for the years ended December 31, 2009 and 2008 together with the accompanying report of the auditors and a copy of any financial statements of Primaris subsequent to the financial statements for the year ended December 31, 2009; and the latest Management Information Circular of Primaris.

Primaris Retail Real Estate Investment Trust
Office of the Chair
Suite 900
1 Adelaide Street East
Toronto, Ontario, M5C 2V9

GLOSSARY

"Affiliate" has the meaning ascribed thereto in National Instrument 45-106 Prospectus and Registration Exemptions.

"Anchor" means a national department store with GLA > 50,000 SF.

"Asset Manager" means BREMI Limited Partnership, the former Asset Manager of Primaris.

"BREMI" means Borealis Real Estate Management Inc., the initial Asset Manager of Primaris.

"BREMI LP" means BREMI Limited Partnership, the former Asset Manager of Primaris.

"CRA" means the Canada Revenue Agency.

"CDS" means The Canadian Depository for Securities Limited and any successor corporation.

"CRU" means commercial retail units with a GLA of less than 15,000 SF.

"Declaration of Trust" means the declaration of Trust dated as of March 28, 2003, which is governed by the laws of the Province of Ontario, pursuant to which Primaris was created, as amended and restated on July 17, 2003, July 18, 2005, May 17, 2006, June 13, 2007 and as amended.

"Distributions" means, such percentage of the revenue of the Trust for the calendar month then ended as the Trustees determine in their discretion for payment to Unitholders.

"Distribution Date" means, in respect of a month, on or about the 15th day of the following month.

"Distribution Reinvestment Plan" or "DRIP" means the distribution reinvestment plan adopted by Primaris, pursuant to which Canadian resident Unitholders are entitled to elect to have cash distributions in respect of Units automatically reinvested in additional Units.

"Existing properties" means the twenty-eight principal properties and several smaller properties referred to herein which are currently owned by Primaris.

"Funds from Operations" which is not a defined term within Canadian generally accepted accounting principles, has been calculated by REIT management, using Canadian generally accepted accounting principles, in accordance with REALPac's White Paper on Funds from Operations. The White Paper defines Funds from Operations as net income adjusted for depreciation and amortization of assets purchased, including the net impact of above and below market leases, amortization of leasing costs, accretion of convertible debentures and future income taxes. Funds from Operations may not be comparable to similar measures used by other entities.

"GAAP" means Canadian generally accepted accounting principles determined with reference to The Handbook of The Canadian Institute of Chartered Accountants, as amended from time to time. Except as otherwise specified, all accounting terms used in this Annual Information Form shall be construed in accordance with GAAP.

"GLA" means gross leasable area measured in SF. GLAs for Shopping Centres are expressed in approximations.

"GPCO Trust" means GPCO Trust, a Trust formed under the laws of Ontario.

"Gross Book Value" means, at any time, the book value of the assets of Primaris and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet, plus accumulated depreciation on buildings and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by Primaris.

"Independent Trustee" means trustee as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

"Major" means a chain store with GLA between 15,000 SF and 50,000 SF.

"Note Indenture" means the trust indenture providing for the issuance of the Series 1 Trust Notes, Series 2 Trust Notes and Series 3 Trust Notes made between PRR Trust and CIBC Mellon Trust Company or its successors as trustee under the Note Indenture.

"Person" means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, land trusts, business trusts or other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof.

"Plans" means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans, each as defined in the Tax Act.

"psf" means, per square foot

"Primaris Retail REIT" or the **"REIT"** means Primaris Retail REIT" or the "REIT" means Primaris Retail Real Estate Investment Trust and, where the context requires, includes its Subsidiaries

"Primary Trade Area" means the geographical area around a shopping centre from which approximately 60-70% of its customers are drawn.

"Property Manager" means OPGI Management LP and any successor.

"PRR Trust" means PRR Trust, a Trust established on January 2, 2002 under the laws of the Province of Ontario. PRR Trust was formerly known as BRR Trust prior to March 21, 2007

"Series 1 Trust Notes" means the interest-bearing Series 1 unsecured subordinated promissory notes of PRR Trust issued to Primaris pursuant to the Note Indenture.

"Series 2 Trust Notes" means the interest-bearing Series 2 unsecured subordinated promissory notes of PRR Trust to be issued to Primaris from time to time pursuant to the Note Indenture.

"Series 3 Trust Notes" means the interest-bearing Series 3 unsecured subordinated promissory notes of PRR Trust to be issued to Primaris from time to time pursuant to the Note Indenture.

"Shadow Anchor" means an Anchor or Major retailer who occupies premises that are not owned by Primaris but are adjacent to Primaris property.

"SF" means square feet.

"Subsidiary" has the meaning ascribed thereto in National Instrument 45-106 Prospectus and Registration Exemptions.

"Tax Act" means the *Income Tax Act* (Canada), as amended.

"Trustees" means the Trustees of Primaris.

"TSX" means The Toronto Stock Exchange.

"Unitholder" means a holder of Units or a holder of Special Voting Units.

"Units" means units of Primaris.

"Voting Unitholder" means a Unitholder or a holder of Special Voting Units.

"Voting Units" means Units and Special Voting Units.