

FORM 45-106F2
OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Date: September 1, 2017



The Issuer

Name: Skyline Retail Real Estate Investment Trust
("Skyline Retail REIT")

Head office: Address: 5 Douglas Street, Suite 301
Guelph, Ontario N1H 2S8

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Currently listed or quoted? **These securities do not trade on any exchange or market.**

Reporting issuer? No

SEDAR filer? No

The Offering

Securities offered: Units (the "REIT Units")

Price per security: **\$12.50** per REIT Unit

Minimum/Maximum offering: The maximum offering (the "**Offering**") of REIT Units is \$62,500,000 (5,000,000 REIT Units). **There is no minimum. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**

Minimum subscription amount: \$50,000

Payment terms: Cheque, bank draft or wire

Proposed closing date(s): Closing of sales of REIT Units will occur in stages as REIT Units are subscribed for until December 31, 2017 or January 31, 2018.

Income tax consequences: There are important tax consequences to these securities. See Item 6 – Income Tax Consequences and RRSP Eligibility.

Selling agent? Yes. Skyline Wealth Management Inc. will act as selling agent in connection with this Offering. See Item 7 – Compensation Paid to Sellers and Finders.

Some directors and officers of Skyline Wealth Management Inc. are also Trustees of Skyline Retail REIT. These persons (as well as other shareholders of Skyline Wealth Management Inc.) are also directors, officers and shareholders of Skyline Retail Asset Management Inc. and Skyline Commercial Management Inc. Skyline Wealth Management Inc., Skyline Retail Asset Management Inc. and Skyline Commercial Management Inc. provide services to and receive fees from Skyline Retail REIT. **Under applicable securities legislation, Skyline Retail REIT may be considered to be a connected issuer of Skyline Wealth Management Inc.** See Item 2.2 – Our Business - Management of Skyline Retail REIT – The Wealth Manager.

Resale restrictions

You will be restricted from selling your securities for an indefinite period. See Item 10 – Resale Restrictions.

Purchaser's rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 – Purchasers' Rights.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 – Risk Factors.

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GLOSSARY

“Acquisition and Operating Facility” means a revolving credit facility of up to \$15,000,000 for the purpose of funding working capital and mortgage principal repayments.

“Adjusted Gross Revenues” means all gross revenues received from the operations of the Properties, not including any non-recurring items (including without limitation refinancing proceeds, sale proceeds, lease buy-outs or similar payments).

“Adjusted Unitholders’ Equity” means, at any time, the aggregate of: (i) the amount of Unitholders’ equity; and (ii) the amount of accumulated depreciation and amortization recorded on the books and records of each of Skyline Retail REIT and its Subsidiaries in respect of their properties, in each case calculated in accordance with IFRS.

“Asset Management Agreement” means an asset management agreement dated October 8, 2013 between the Asset Manager and Skyline Retail REIT

“Asset Manager” means the asset manager engaged by Skyline Retail REIT for the purpose of managing the day-to-day operations of Skyline Retail REIT pursuant to the Asset Management Agreement, which is currently Skyline Retail Asset Management Inc., a corporation governed by the laws of the Province of Ontario.

“Base Rental Income” means the base or minimum rent payable pursuant to a lease and excludes any additional rent.

“Business Day” means a day, other than a Saturday or Sunday, on which Schedule I chartered banks are open for business in Toronto, Ontario.

“Change of Control” means (i) any change, either (a) through the issue, transfer, acquisition, conversion, exchange of securities or otherwise, or (b) through amalgamation, arrangement, merger or otherwise, as a result of which a person or group of persons acting jointly or in concert, and at arm’s length to Skyline Retail REIT, either individually or together with its or their associates and affiliates, beneficially own greater than 50% of the outstanding Units of Skyline Retail REIT; and (ii) following such change, Jason Castellan and Wayne Byrd, cease to be trustees of Skyline Retail REIT, or cease to be executives provided by a Skyline entity pursuant to the relevant Agreement to Skyline Retail REIT.

“Class A LP Units” means Class A limited partnership units of Skyline Retail LP.

“Class B Exchange Agreement” means the agreement dated October 8, 2013 among Skyline Retail REIT, the General Partner, Skyline Retail LP and any person holding Class B LP Units which agreement provides for, among other things, the issuance of REIT Units in exchange for Class B LP Units.

“Class B LP Units” means Class B limited partnership units of Skyline Retail LP.

“Class C Exchange Agreement” means the agreement dated December 1, 2014 among Skyline Retail REIT, the General Partner, Skyline Retail LP and any person holding Class C LP Units which agreement provides for, among other things, the issuance of REIT Units in exchange for Class C LP Units.

“Class C LP Units” means Class C limited partnership units of Skyline Retail LP.

“Closing” means closings of sales of REIT Units pursuant to the Offering.

“Declaration of Trust” means the declaration of trust made as of October 8, 2013 and amended and restated as of June 4, 2014 and December 1, 2014, governed by the laws of the Province of Ontario and the federal

laws of Canada applicable therein, pursuant to which Skyline Retail REIT was created, as further amended, supplemented or amended and restated from time to time.

“Distributable Income” means, for any period, the taxable net income of Skyline Retail REIT, including taxable income earned from its applicable consolidated Subsidiaries for such period set out in its consolidated financial statements as determined in accordance with IFRS, subject to certain adjustments, including: (a) adding back the following items: depreciation, amortization (except for amortization of deferred financing costs, future income tax expense, losses on dispositions of assets and amortization of any net discount on long-term debt assumed from vendors of properties at rates of interest less than fair value); and (b) deducting the following items: future income tax credits, interest on convertible debentures to the extent not already deducted in computing net income, gains on dispositions of assets and amortization of any net premium on long-term debt assumed from vendors of properties at rates of interest greater than fair value and any other adjustments determined by the Trustees in their discretion.

“Distribution Date” means, with respect to a distribution by Skyline Retail REIT, a Business Day determined by the Trustees for any calendar month to be on or about the 15th day of the following month.

“EIFS” or **“Exterior Insulation and Finish System”** is a non-load bearing, exterior wall cladding system.

“Equity Under Management” means the market value of the total investor equity of Skyline Retail REIT, calculated as the product of the outstanding REIT Units multiplied by the then market value of one REIT Unit.

“Exchangeable LP Units” means Class B LP Units and Class C LP Units.

“Exchange Agreements” means the Class B Exchange Agreement and the Class C Exchange Agreement.

“Existing Properties” means the sixty-three (63) retail properties located in the Provinces of Ontario and Quebec containing an aggregate of 1,968,472 square feet of gross leasable space.

“Final Closing” means December 31, 2017 or January 31, 2018.

“Finance Committee” means the finance committee created pursuant to the Declaration of Trust.

“Focus Activity” means the acquisition, holding, maintaining, improving, leasing or managing of retail revenue producing properties and ancillary real estate ventures in Canada.

“General Partner” means Skyline Retail Real Estate GP Inc., a corporation incorporated under the laws of the Province of Ontario to be the general partner of Skyline Retail LP, or any successor general partner of Skyline Retail LP.

“Glengate” means Glengate Investments Inc., a corporation incorporated under the laws of the Province of Ontario.

“Glengate Portfolio” means the portfolio of seventeen Properties acquired from several vendors by Skyline Retail REIT on January 6, 2014.

“GoodLife Portfolio” means the portfolio of six Properties acquired from several vendors by Skyline Retail REIT on December 1, 2014.

“GP Share” has the meaning ascribed thereto in Item 2.1 – Structure – GP Share Calculation.

“Gross Book Value” means, at any time, the book value of the assets of Skyline Retail REIT, as shown on its most recent balance sheet plus the amount of accumulated depreciation and amortization thereon.

"IFRS" means International Financial Reporting Standards issued by the International Accounting Standards Board, and as adopted by the Canadian Institute of Chartered Accountants, as amended from time to time.

"Independent Trustee" means a Trustee who is independent of the Skyline group of companies.

"Initial Unit" means a unit of beneficial interest in Skyline Retail REIT issued to Skyline Retail Real Estate GP Inc. which was automatically redeemed by Skyline Retail REIT upon the issuance of the first REIT Unit.

"Investment Committee" means the investment committee created pursuant to the Declaration of Trust.

"Marketing Materials" means a written communication, other than an "OM standard term sheet" (as defined in NI 45-106), intended for prospective purchasers regarding a distribution of securities under an offering memorandum delivered under section 2.9 [Offering memorandum] of NI 45-106 that contains material facts relating to an issuer, securities or an offering, related to each distribution under the offering memorandum and delivered or made reasonably available to a prospective purchaser before the termination of the distribution.

"Monthly Limit" has the meaning ascribed thereto in Item 5.1 – Terms of Securities – Redemption of REIT Units.

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions*.

"Non-resident Beneficiary" means Persons who are non-residents of Canada for the purposes of the Tax Act.

"Offering" means the offering of a maximum of 5,000,000 REIT Units pursuant to this Offering Memorandum.

"Offering Memorandum" means this confidential offering memorandum.

"OFI" means OPTrust Fund Inc., a corporation incorporated under the laws of the Province of Ontario.

"OPTrust Debentures" means \$27,000,000 aggregate principal amount of unsecured convertible debentures of Skyline Retail REIT issued to OFI in connection with the purchase of the OPTrust Portfolio, which were converted into 2,700,000 REIT Units at a conversion price of \$10.00 per REIT Units on July 20, 2017.

"OPTrust Portfolio" means the portfolio of five Properties acquired from certain vendors related to OFI by Skyline Retail REIT on August 1, 2014.

"Person" means an individual, partnership, limited partnership, corporation, unlimited liability company, trust, unincorporated organization, association, government, or any department or agency thereof and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual, or any other entity recognized by law.

"Properties" means collectively, the Existing Properties, Recent Property Acquisition, Properties Under Due Diligence and properties that may be acquired in the future.

"Properties Under Due Diligence" means retail Properties under contract and in various stages of due diligence.

"Property Manager" means Skyline Commercial Management Inc., a corporation governed by the laws of the Province of Ontario that has the general responsibility for the overall management of the Properties.

“Property Management Agreement” means the agreement between the Property Manager and Skyline Retail REIT dated October 8, 2013, which was subsequently amended as approved by the Skyline Retail REIT Board of Trustees on November 29, 2016.

“Purchase Agreement” means an agreement of purchase and sale entered into by Skyline Retail REIT to acquire the Property Under Contract.

“Recent Property Acquisition” means the one (1) retail Property located in the Province of Ontario, consisting of 168,087 rentable square feet, acquired since May 2017.

“Redemption Price” has the meaning ascribed thereto in Item 5.1 – Terms of Securities – Redemption of REIT Units.

“REIT Unit” means a unit of beneficial interest in Skyline Retail REIT (other than a Special Voting Unit and the Initial Unit) authorized and issued under the Declaration of Trust as such and for the time being outstanding and includes a fraction of a unit and any other classes of units authorized by the Trustees as such.

“Related Party” means, with respect to any Person, a Person who is a “related party” as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, as amended from time to time (including any successor rule or policy thereto).

“Settlement Agreement” means the agreement dated March 15, 2011 between Skyline Apartment Real Estate Investment Trust, Skyline Asset Management Inc., Skyline Incorporated and staff of the Ontario Securities Commission.

“Skyline Appointees” means the Trustees that Skyline Retail Real Estate GP Inc. is entitled to appoint.

“Skyline Retail LP” means Skyline Retail Real Estate Limited Partnership, a limited partnership governed by the laws of the Province of Ontario.

“Skyline Retail LP Agreement” means the amended and restated limited partnership agreement governing Skyline Retail REIT, made as of October 8, 2013, as amended and restated on December 1, 2014, as the same may be amended, restated, replaced or superseded from time to time.

“Skyline Retail REIT” means Skyline Retail Real Estate Investment Trust.

“Special Appointees” means Andrew Alcock and any other person nominated as a Trustee pursuant to a nomination right granted in the discretion of the Trustees to any person pursuant to the Declaration of Trust.

“Special Voting Unit” means a unit of interest in Skyline Retail REIT issued only in connection with an Exchange Agreement to a holder of Class B LP Units or Class C LP Units.

“Subscriber” means a Person purchasing REIT Units pursuant to this Offering.

“Subscription Agreements” means collectively, the subscription agreements entered into between Skyline Retail REIT and one or more Subscribers setting out the contractual relationship between Skyline Retail REIT and the Subscribers of REIT Units pursuant to the Offering.

“Subsidiary” means, with respect to any Person (other than an individual), any other Person (other than an individual) the financial results of which would be required to be consolidated with those of the first Person’s in the preparation of the first Person’s consolidated financial statements if prepared in accordance with IFRS.

“Tax Act” means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c.1, as amended.

“Trust Note” means a promissory note, bond, debenture, debt security or similar evidence of indebtedness issued by Skyline Retail REIT.

“Trustees” means the trustees of Skyline Retail REIT.

“Units” means, collectively, the REIT Units and the Special Voting Units.

“Unitholder” means a holder of one or more Units.

“Wealth Manager” means Skyline Wealth Management Inc., a corporation governed by the laws of the Province of Ontario that is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Retail REIT, as described in Item 2.2 – Our Business - Management of Skyline Retail REIT – The Wealth Manager.

“Wealth Management Agreement” means the agreement dated October 8, 2013 between the Wealth Manager and Skyline Retail REIT.

“Wheels Inn World Debentures” means \$3,400,000 aggregate principal amount of unsecured convertible debentures of Skyline Retail REIT issued to Wheels Inn World Ltd. in connection with the purchase of the Wheels Inn World Portfolio.

“Wheels Inn World Portfolio” means the portfolio of two Properties acquired from several vendors by Skyline Retail REIT on June 2, 2016.

FORWARD-LOOKING STATEMENTS

Certain information contained in this Offering Memorandum constitutes “forward-looking information” within the meaning of applicable securities laws, including, among other things, statements concerning future financial position, results of operations and forecasted future cash flows, statements concerning objectives and strategies to achieve those objectives, statements with respect to management’s beliefs, plans, estimates and intentions and statements concerning anticipated future events, circumstances, expectations, results, operations or performance that are not statements of historical facts. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as “indicators”, “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “continue”, “aim”, “would”, “forecast”, “project”, “seek” or similar expressions suggesting future outcomes or events. In particular, certain statements in Item 1 – Use of Available Funds and Item 2 – Business of Skyline Retail REIT constitute forward looking information.

Actual results may vary from the forward-looking information contained in this Offering Memorandum as such information is subject to a variety of risks, uncertainties and other factors that could cause actual results to differ materially from expectations. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. The forward-looking statements in this Offering Memorandum are not guarantees of future results, operations or performance and are based on estimates and assumptions that are subject to risks and uncertainties, including those described below under “Item 8 - Risks Factors”, which could cause actual results, operations or performance to differ materially from the forward-looking statements expressed or implied in this Offering Memorandum.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, risks associated with: real property ownership; general economic conditions; local real estate markets; future property acquisitions demand for retail premises; competition for real property investments; revenue-producing properties; significant property expenditures; fluctuating liquidity in relation to demand for and the perceived desirability of investments; ability to vary portfolio promptly in response to changing economic or investment conditions; tenant terminations and financial stability; competition for tenants; ability to lease space; ability to complete future property acquisitions; access to capital; interest rates; general uninsured losses; availability of cash flow; environmental matters; Unitholder liability; dependence on key personnel; potential conflicts of interest; tax related risks; dilution; restrictions on potential growth and reliance on credit facilities; debt financing, including the risk that Skyline Retail REIT may be unable to make interest or principal payments or meet loan covenants, the risk of defaults and cross defaults, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness; cost of borrowing; and risks associated with holding units rather than shares.

The forward-looking statements in this Offering Memorandum are based on numerous assumptions regarding Skyline Retail REIT’s present and future business strategies and the environment in which Skyline Retail REIT will operate in the future, including assumptions regarding the stability of target markets, that acquisition capitalization rates remain reasonably constant, that the equity and debt markets continue to provide us with access to capital at a reasonable cost to fund our future growth and to refinance our mortgage debt as it matures and our ability to operate on a profitable basis.

Although the forward-looking statements contained in this Offering Memorandum are based on what management believes are reasonable assumptions, there can be no assurance that actual results, operations or performance will be consistent with these statements.

All forward-looking statements in this Offering Memorandum are qualified in their entirety by this forward-looking disclaimer. Without limiting the generality of the foregoing, the discussion in Item 1 – Use of Available Funds and Item 2 – Business of Skyline Retail REIT is qualified in its entirety by this forward-looking disclaimer. These statements are made as of the date of this Offering Memorandum, and,

except as required by applicable law, we undertake no obligation to update publicly or revise any such statements to reflect new information or the occurrence of future events or circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

In Alberta, New Brunswick, Nova Scotia, Ontario and Saskatchewan, any Marketing Materials related to a distribution of Units under this Offering Memorandum and section 2.9 [Offering memorandum] of NI 45-106 delivered or made reasonable available to a prospective purchaser before the termination of the distribution are specifically incorporated by reference into this Offering Memorandum.

The following section of this Offering Memorandum contains forward-looking information, particularly statements related to amounts to be raised by this Offering and the intended uses of available funds, but not limited to those statements. The discussion in this section is qualified in its entirety by the cautionary language under the heading “Forward-Looking Statements” in this Offering Memorandum.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Funds

The following table sets forth the funds available as a result of the Offering.

		Assuming min. offering	Assuming max. offering
A	Amount to be raised by this offering	\$0	\$62,500,000
B	Selling commissions and fees ⁽¹⁾	\$0	\$625,000
C	Estimated offering costs (e.g., legal, accounting, audit.)	\$0	\$25,000
D	Available funds: $D = A - (B+C)$	\$0	\$61,850,000
E	Additional sources of funding required	\$0	\$0
F	Working capital deficiency	\$0	\$0
G	Total: $G = (D+E) - F$	\$0	\$61,850,000

Note:

(1) Assumes the maximum equity fee raise equal to 1% of the gross proceeds of this Offering may be paid to the Wealth Manager. See Item 7 – Compensation Paid to Sellers and Finders.

1.2 Use of Available Funds

The following table sets forth a breakdown of how Skyline Retail REIT will use the available funds.

Description of intended use of available funds listed in order of priority	Assuming min. offering	Assuming max. offering
Repayment of Acquisition and Operating Facility ⁽¹⁾	\$0	\$9,538,500
Future accretive property acquisitions ⁽²⁾	\$0	\$52,311,500
Total:	\$0	\$61,850,000

Notes:

(1) The Acquisition and Operating Facility has facilitated acquisitions by Skyline Retail REIT by enabling it to enter into negotiations for the purchase of properties with the need for an equity financing condition. As at the date hereof, there is currently \$9,538,500 drawn under the Acquisition and Operating Facility. These funds were borrowed and secured against Existing Properties

(2) Future property acquisitions may include the Properties Under Due Diligence. See Item 2.2 – Our Business – Properties Under Due Diligence. Skyline Retail REIT has not waived the conditions to closing of the Properties Under Due Diligence. As a result, there can be no assurance that the acquisition of the Properties Under Due Diligence will be completed as currently contemplated or at all.

1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

The following section of this Offering Memorandum contains forward-looking information, particularly statements related to the management and investment strategy of Skyline Retail REIT, the objectives of Skyline Retail REIT and the achievement of those objectives, but not limited to those statements. The discussion in this section is qualified in its entirety by the cautionary language under the heading “Forward-Looking Statements” in this Offering Memorandum.

ITEM 2 BUSINESS OF SKYLINE RETAIL REIT

2.1 Structure

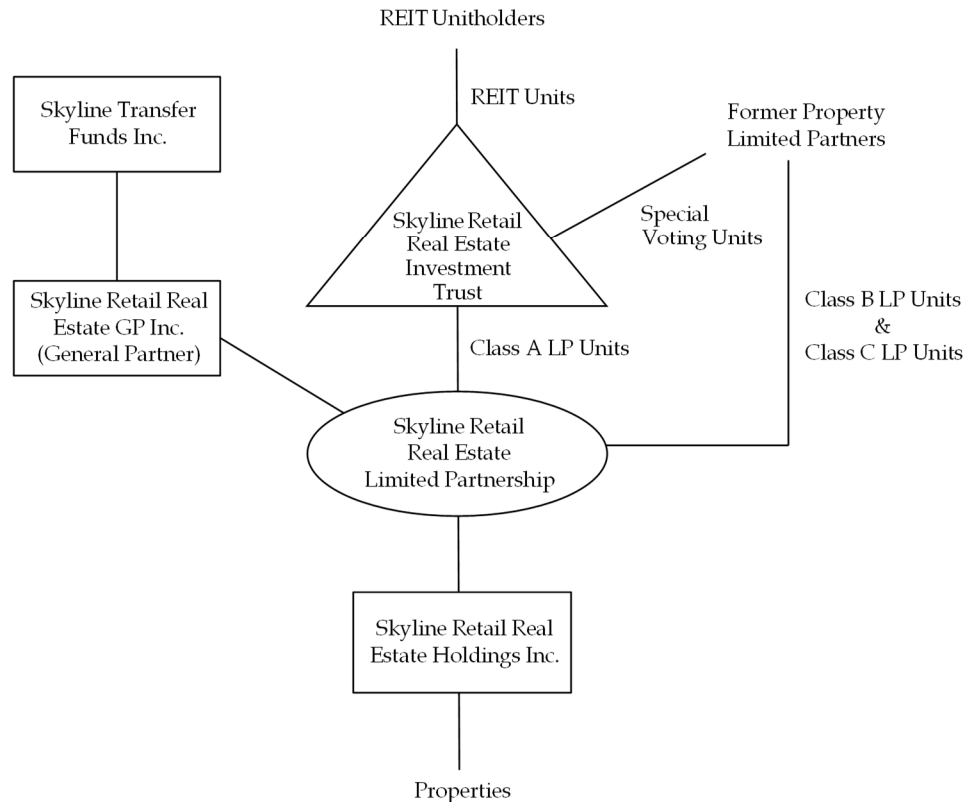
Skyline Retail Real Estate Investment Trust (“**Skyline Retail REIT**”) is an unincorporated open-end investment trust created by a declaration of trust made as of October 8, 2013, amended and restated as of June 4, 2014 and December 1, 2014 (the “**Declaration of Trust**”) and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See Item 2.7 – Material Agreements – Declaration of Trust.

The objectives of Skyline Retail REIT are: (i) to provide Unitholders with stable and growing cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from investments in a diversified portfolio of income-producing retail properties located in Ontario; (ii) to maximize REIT Unit value through the ongoing management of Skyline Retail REIT’s assets, through the future acquisition, repositioning and disposition of properties; and (iii) to maintain a REIT that satisfies the REIT exception under the Specified Investment Flow Through (“SIFT”) legislation in order to provide certainty to Unitholders with respect to taxation of distributions.

The trustees of Skyline Retail REIT (the “**Trustees**”) are responsible for the general control and direction of Skyline Retail REIT. The day-to-day management of Skyline Retail REIT is carried out by the Asset Manager, the Properties will be managed by the Property Manager under the direction of the Asset Manager and offerings of REIT Units will be conducted by the Wealth Manager.

The Existing Properties and Recent Property Acquisition currently consist of 64 properties located in 42 communities across Ontario and Quebec containing an aggregate of 2,134,266 square feet of gross leasable space. See Item 2.2 – Our Business - Properties. Future acquisitions will be subject to specific investment restrictions and the operation of Skyline Retail REIT will be subject to specific operating policies. See Item 2.7 – Material Agreements – Declaration of Trust - Investment Restrictions and Operating Policies. The head office of Skyline Retail REIT is located at: 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8.

The following sets forth the principal operating structure of Skyline Retail REIT:



Skyline Retail REIT will hold all of its interest in the Existing Properties, Recent Property Acquisition and all future property acquisitions in the name of Skyline Retail Real Estate Holdings Inc. or in the name of other nominee corporations, on behalf of Skyline Retail Real Estate Limited Partnership (“**Skyline Retail LP**”), all of the shares of which nominee corporations are owned, directly or indirectly, by Skyline Retail REIT. Skyline Retail Real Estate GP Inc. (the “**General Partner**”), an Ontario corporation, is the general partner of Skyline Retail LP. Subject to any limitation set out in the Skyline Retail LP Agreement and to the limitations provided for in the *Limited Partnerships Act* (Ontario), the General Partner has full power and exclusive authority to administer, manage, control and operate the operations, affairs and business of Skyline Retail LP.

Skyline Retail REIT owns all of the Class A LP Units of Skyline Retail LP. As a result of the acquisition of the Glengate Portfolio in January 2014, Class B LP Units of Skyline Retail LP and a corresponding number of Special Voting Units of Skyline Retail REIT were issued to certain vendors in partial payment of the purchase price. As a result of the acquisition of the GoodLife Portfolio in December 2014, Class C LP Units of Skyline Retail LP and a corresponding number of Special Voting Units of Skyline Retail REIT were issued to certain vendors in partial payment of the purchase price. As a result of the acquisition of Wheels Inn World Portfolio in June 2016, Class B LP Units of Skyline Retail LP and a corresponding number of Special Voting Units of Skyline Retail REIT were issued to certain vendors in partial payment of the purchase price. See Item 2.2 – Our Business – Properties – Existing Properties and Recent Property Acquisition. Class B LP Units and Class C LP Units (the “**Exchangeable LP Units**”) shall be exchangeable for REIT Units pursuant to the respective Exchange Agreement, on the terms and subject to the Declaration of Trust, the respective Exchange Agreement and the Skyline Retail LP Agreement. As

Exchangeable LP Units are surrendered for REIT Units in accordance with the respective Exchange Agreement, the corresponding Special Voting Units, if any, shall automatically be cancelled for no consideration and shall no longer be outstanding.

Pursuant to the Skyline Retail LP Agreement, in the event that a holder of Exchangeable LP Units wishes to exchange its Exchangeable LP Units and immediately redeem all but not less than all of the REIT Units received on exchange of such units (a “**Redeeming Unitholder**”), such Redeeming Unitholder shall provide not less than 30 days’ notice to Skyline Retail REIT of such intended exchange and redemption (an “**Advance Redemption Notice**”). Skyline Retail REIT shall be entitled within 10 days from the receipt of such Advance Redemption Notice to send a notice to the Redeeming Unitholder that Skyline Retail REIT cannot complete the intended redemption of some or all of the Exchangeable LP Units identified in the Advance Redemption Notice due to the restrictions on redemption contained in the Declaration of Trust (a “**Redemption Restriction Notice**”) which notice shall also identify the number of Exchangeable LP Units which cannot be redeemed. If no Redemption Restriction Notice is sent by Skyline Retail REIT, Skyline Retail REIT shall be deemed to have confirmed that there is no restriction on the redemption of the Exchangeable LP Units identified in the Redemption Restriction Notice. If Skyline Retail REIT sends a Redemption Restriction Notice, the Redeeming Unitholder shall be entitled to direct the General Partner to sell or dispose of one or more of the properties held by Skyline Retail LP necessary to generate the required funds to complete the proposed redemption specified in the Advance Redemption Notice. The General Partner shall be obliged to select at its sole discretion a Property for sale, and upon completion of such sale, apply the net proceeds to the redemption of the Exchangeable LP Units held by the Redeeming Unitholder. The redemption price for each such Exchangeable LP Unit shall be equal to the Liquidation Amount. “**Liquidation Amount**” means an amount per Exchangeable LP Unit equal to the then fair value of the REIT Units to which such holder is entitled to acquire upon exchange of such Exchangeable LP Unit pursuant to the respective Exchange Agreement.

Skyline Retail REIT generally provides guarantees of indebtedness of subsidiary entities. The guarantee is intended to ensure that lenders are treated equally in the event of significant default by various subsidiary entities.

GP Share Calculation

Pursuant to the Skyline Retail LP Agreement, the General Partner is entitled to share in the income from each Property based on the financial performance of such Property (the “**GP Share**”). The GP Share is paid in respect of each Property when cumulative net income attributable to that Property meets or exceeds the investors’ equity (defined below) in such Property (the “**Payback Date**”). Following the Payback Date, any future cash flows are shared as to 20% to the General Partner and 80% to the REIT Unitholders (indirectly through Skyline Retail LP). In addition, on any disposition of the Property, the General Partner is entitled to 20% of the equity growth of the Property net of any outstanding equity amounts which have not yet been distributed to investors. The GP Share calculation is prepared on a per Property basis in order to incent the General Partner and its management companies to ensure that each Property is performing optimally.

For the purposes of calculating the GP Share “**investors’ equity**” is calculated to include (i) the cash component required to close the acquisition of a Property as evidenced by a statement of adjustments and trust ledger and funds summary (if applicable); (ii) capital expenditures on the Property; and (iii) an allocation of Skyline Retail REIT overheads. The allocation of overheads is made *pro rata* based on the Gross Book Value of the Properties, and adjusted for Properties that were acquired or disposed of during the year. “**Net Income**” for each Property is calculated to include: (i) cumulative net income of the Property (before amortization) from the date of acquisition; and (ii) refinancing proceeds in excess of the original mortgage principal balance (not adjusted for principal payments).

On a trailing quarter basis, the GP Share calculation is applied to each Property to determine if any the GP Share is payable. For each Property where the Payback Date has been reached, the Property is further reviewed internally to ensure that major capital expenditure initiatives are not forthcoming or have

been delayed. If it is determined that capital expenditures are forthcoming or were postponed for operational reasons, the GP Share payment will be deferred and the GP Share calculations will be reviewed on a monthly basis thereafter until the capital expenditures are completed and recouped through net income. Further, capital expenditures have the effect of delaying or suspending payment of the GP Share until the Property achieves additional net income in the amount of the capital expenditures.

On disposition of a Property, the GP Share calculation is completed upon finalization of the statement of adjustments, funds summary and/or trust ledger relating to the disposition. The General Partner is entitled to 20% of the equity growth in the Property less any “investors’ equity” still owing to investors under the GP Share calculation described above.

The GP Share calculation is subject to audit and adjustment upon completion of year end external audit by the REIT’s auditors. Fourth quarter calculations are not processed for payment until the external audit is complete and any required reconciliation of the GP Share calculation and/or payments have been completed.

2.2 Our Business

Properties

Existing Properties

From inception through April 2017, Skyline Retail REIT acquired sixty-three (63) retail properties (the “**Existing Properties**”) of which fifty-six (56) properties comprising 1,818,828 square feet of leasable space are located in the Province of Ontario, with the remaining seven (7) properties making up 149,644 square feet of leasable space in the Province of Quebec. Seventeen (17) of the Existing Properties comprise the Glengate Portfolio, five (5) of the Existing Properties comprise the OPTrust Portfolio and six (6) of the Existing Properties comprise the GoodLife Portfolio, each as more particularly described below

The Glengate Portfolio was developed by Glengate Investments Inc. (“**Glengate**”), a family owned investment company managed and directed by James Bullock. Donald Biback, through an investment company, partners with Glengate in private equity real estate investments. James Bullock and Donald Biback were vendors of the Glengate Portfolio and were both also Trustees of Skyline Retail REIT. On closing of the Glengate Portfolio, James Bullock and Donald Biback acquired (in partial payment of the purchase price for the Glengate Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class B LP Units which together will be economically equivalent to acquiring 954,389.6 and 509,163.6 REIT Units, respectively. As at August 31, 2017, James Bullock and Donald Biback collectively held less than 10% of the issued and outstanding Units of Skyline Retail REIT and, effective June 6, 2017, James Bullock is no longer a trustee.

The OPTrust Portfolio was purchased in August 2014 from certain vendors related to OPTrust Fund Inc. (“**OFI**”) for an aggregate purchase price of approximately \$64,250,000. On closing of the OPTrust Portfolio, Skyline Retail REIT issued to OFI (in partial payment of the purchase price for the OPTrust Portfolio), 500,000 REIT Units issued at a price of \$10.00 per REIT Unit and \$27,000,000 aggregate principal amount of unsecured convertible debentures (the “**OPTrust Debentures**”), which were convertible into REIT Units at a conversion price of \$10.00 per REIT Unit (subject to adjustment) commencing on August 1, 2017. On July 20, 2017, Skyline Retail REIT accepted the early conversion of the entire \$27,000,000 principal amount of OPTrust Debentures into 2,700,000 REIT Units at a conversion price of \$10.00 per REIT Unit. On closing, Skyline Retail REIT also received a vendor take back mortgage (“**VTB**”) in the amount of \$2,250,000 from OPTrust Realty Inc., an affiliate of OFI, which has since been repaid.

The GoodLife Portfolio was purchased in December 2014 from certain vendors for an aggregate purchase price of approximately \$28,000,000. On closing of the GoodLife Portfolio, the vendors acquired (in partial payment of the purchase price for the GoodLife Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class C LP Units which together will be economically equivalent to acquiring 848,371.2 REIT Units.

The Wheels Inn World Portfolio was purchased in June 2016 from certain vendors for an aggregate purchase price of approximately 29,847,575. On closing of the Wheels Inn World Portfolio, Skyline Retail REIT issued to Wheels Inn World Ltd. (in partial payment of the purchase price for the Wheels Inn World Portfolio), 910,148 REIT Units issued at a price of \$11.50 per REIT Unit and \$3,400,000 aggregate principal amount of unsecured convertible debentures (the “**Wheels Inn World Debentures**”), which are convertible into REIT Units at a conversion price of \$11.50 per REIT Unit (subject to adjustment) commencing on June 2, 2017.

Recent Property Acquisition

Since May 2017, Skyline Retail REIT acquired one (1) retail property (the “**Recent Property Acquisition**”) in the Province of Ontario, consisting of 168,087 square feet of leasable space.

Properties Under Due Diligence

Skyline Retail REIT currently has eight retail properties under contract in Quebec (two single assets, and a six-property portfolio), as well as sixteen retail properties under contract in Ontario (two single assets, and a larger fourteen-property portfolio), in various stages of due diligence (the “**Properties Under Due Diligence**”). The majority of retail properties currently under contract represent single-tenant retail properties, with strong national covenants. While these transactions are under control of the Asset Manager, all transactions are subject to standard due diligence, including financial, physical, environmental and legal review.

Skyline Retail REIT has not waived its due diligence conditions for the Properties Under Due Diligence. As a result, there can be no assurance that the acquisition of the Properties Under Due Diligence will be completed as currently contemplated or at all.

The Properties represent a source of stable and secure cash flow and may provide opportunities for capital appreciation. The Properties represent a portfolio of retail properties located in strategic locations that meet the investment strategy. The Properties are currently well-maintained, with a market level of tenant leases. The in-place rents are believed to be at or near current market levels.

The following table summarizes certain aspects of the Existing Properties and the Recent Property Acquisition:

Property	Date Built (*Renovation date)	Office Area (Square Feet)	Retail Area (Square Feet)	Total GLA (Square Feet)	Occupancy (%)
Existing Properties (As at April 11, 2017)					
14721-14729 Yonge Street Aurora, ON	*2008	-	19,009	19,009	100.0%
42 Commerce Park Drive Barrie, ON	*1996	-	27,122	27,122	100.0%
71 Main Street South Bayfield, ON	2014	-	20,008	20,008	100.0%
330 Notre Dame Belle River, ON	2001	-	25,356	25,356	100.0%
90-98 Lafleche Blvd. Casselman, ON	2005	-	20,136	20,136	100.0%
455-485 Grand Avenue West Chatham, ON	2009	14,477	20,282	34,759	100.0%

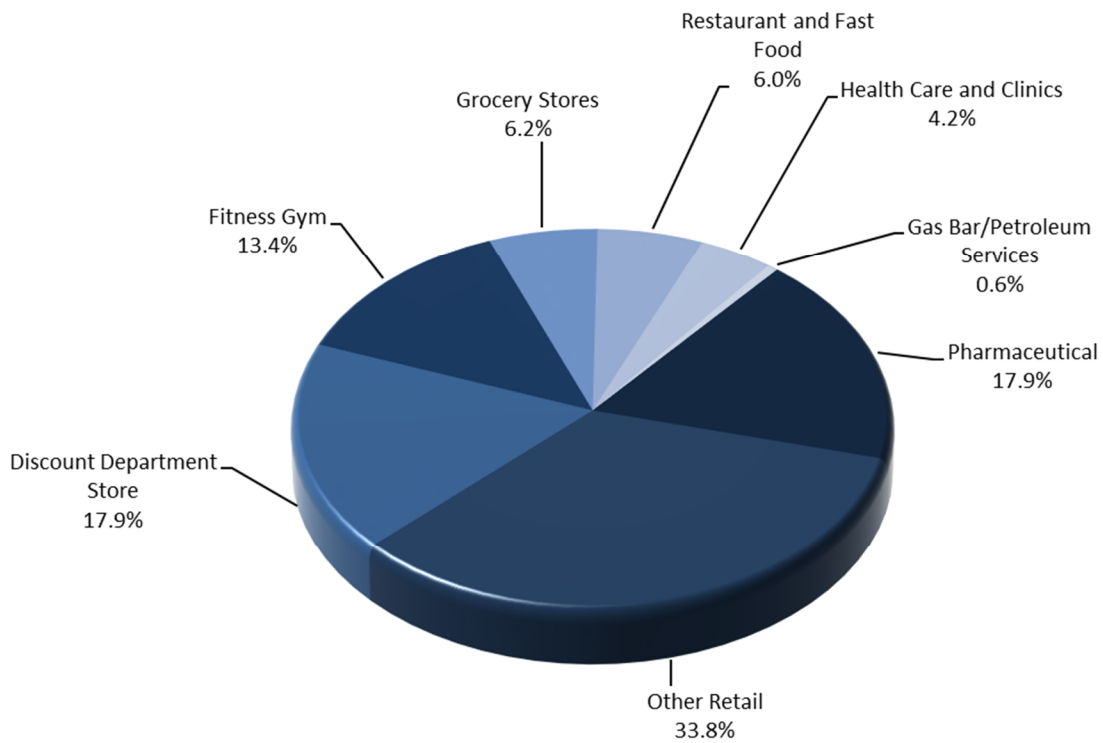
Property	Date Built (*Renovation date)	Office Area (Square Feet)	Retail Area (Square Feet)	Total GLA (Square Feet)	Occupancy (%)
Existing Properties (As at April 11, 2017)					
515-653 Grand Avenue West Chatham, ON	1965	-	177,367	177,367	99.2%
76-80 Keil Drive South Chatham, ON	*2003	-	35,976	35,976	100.0%
132-140 Richmond Street Chatham, ON	*2006	-	23,425	23,425	34.9%
150 Richmond Street Chatham, ON	*2014	-	14,459	14,459	100.0%
500 Division Street Cobourg, ON	1995	-	62,425	62,425	100.0%
24 Amanda Street Coniston, ON	*1978, 1990 & 2000	-	24,678	24,678	100.0%
620 Government Street Dryden, ON	2001	-	85,493	85,493	100.0%
315 Arthur Street South Elmira, ON	2014	-	51,472	51,472	100.0%
9-11 Industrial Drive Grimsby, ON	*2004	-	25,167	25,167	100.0%
2425 Barton Street East Hamilton, ON	*1970	-	18,972	18,972	100.0%
825-855 10th Street Hanover, ON	2005	-	5,240	5,240	100.0%
893-895 10th Street Hanover, ON	*2009	-	25,058	25,058	100.0%
175 Hanes Road Huntsville, ON	2005	-	5,533	5,533	100.0%
51, 55 & 57 King William St. Huntsville, ON	*2008	-	15,951	15,951	100.0%
417 The Queensway South Keswick, ON	*2010	8,945	31,143	40,088	100.0%
792 Broadway Street Kincardine, ON	*1980, 1995 & 2012	-	16,428	16,428	100.0%
210 Wallace Avenue North Listowel, ON	2009	-	13,514	13,514	100.0%
1551-1553 Dundas Street East London, ON	1987	-	51,450	51,450	94.6%
295 King Street Midland, ON	*2007	3,964	12,314	16,278	100.0%
395 King Street Midland, ON	*2010	-	2,880	2,880	100.0%
618 Main Street North Mt. Forest, ON	2006	-	1,740	1,740	100.0%
97-129 Young Street (Alliston Market Village) New Tecumseth, ON	*2011	-	54,240	54,240	78.8%
477 Main Street East North Bay, ON	*2010	-	21,432	21,432	100.0%
25 Broadway Orangeville, ON	*2011	-	18,622	18,622	100.0%

Property	Date Built (*Renovation date)	Office Area (Square Feet)	Retail Area (Square Feet)	Total GLA (Square Feet)	Occupancy (%)
Existing Properties (As at April 11, 2017)					
40-46 Broadway Orangeville, ON	*2001-2 & 2011		27,202	27,202	93.7%
224 Centennial Road (Westside Business Centre) Orangeville, ON	*2009	-	50,519	50,519	77.5%
225 Centennial Road (Westside Market Village) Orangeville, ON	*2008	-	105,915	105,915	89.9%
2655 Queensview Drive Ottawa, ON	*1975	-	30,123	30,123	100.0%
1171-1183 16th Street East Owen Sound, ON	*2000 & 2002	-	32,099	32,099	86.0%
1077 10th Street West Owen Sound, ON	1972	-	25,000	25,000	80.3%
1199 Goderich Street (Port Elgin Mews) Port Elgin, ON	*2007	-	25,179	25,179	96.1%
260 Goderich Street Port Elgin, ON	*1976, 2014, 2015	-	14,601	14,601	100.0%
107 Dundas Street East Quinte West (formerly Trenton), ON	2006	-	12,858	12,858	100.0%
273-281 Dundas Street Quinte West (formerly Trenton), ON	2005	-	1,780	1,780	100.0%
1366-1866 Exmouth Street Sarnia, ON	2002	-	21,802	21,802	100.0%
589 Second Line East Sault Ste. Marie, ON	*1978	-	28,516	28,516	100.0%
84 Wellington Street (Stonetown Mall) St. Mary's, ON	*1967	-	34,877	34,877	97.0%
70 Carroll Street East Strathroy, ON	2007	-	19,734	19,734	93.9%
5118 Highway 69 North Sudbury, ON	2006	-	21,820	21,820	100.0%
1380 Lasalle Boulevard Sudbury, ON	*1975, 1989	-	25,060	25,060	88.0%
414 Algonquin Blvd. East Timmins, ON	*1950, 1986 & 2001	-	19,282	19,282	100.0%
77 Waterloo Road Timmins, ON	*2007	-	74,079	74,079	100.0%
1600 Bruce Road 4 Walkerton, ON	*2004	-	19,015	19,015	100.0%
820-832 Dufferin Ave. Wallaceburg, ON	2012	-	15,577	15,577	100.0%
255 Weber Street North Waterloo, ON	*2012	-	5,580	5,580	100.0%
270 Weber Street North Waterloo, ON	*2003, 2008 & 2010	-	61,170	61,170	100.0%
500 Tecumseh Road East Windsor, ON	1998	-	20,870	20,870	100.0%
4115 Walker Road Windsor, ON	*2007	-	111,712	111,712	100.0%
4140-4150 Walker Road Windsor, ON	2007	-	21,916	21,916	100.0%

Property	Date Built (*Renovation date)	Office Area (Square Feet)	Retail Area (Square Feet)	Total GLA (Square Feet)	Occupancy (%)
Existing Properties (As at April 11, 2017)					
33 & 55 Josephine Street Wingham, ON	*1978, 1999, 2012	-	38,264	38,264	100.0%
2310 Saint-Louis Street Gatineau, Quebec	1975	-	42,966	42,966	95.9%
405 Grand Blvd L'Ile-Perrot, Quebec	2001	-	15,614	15,614	83.6%
4916-4930 Saint-Jean Blvd Montreal, Quebec	1986	-	20,076	20,076	83.0%
5510-5520 de la Cote-des-Neiges Road Montreal, Quebec	1992	-	14,907	14,907	100.0%
8995 & 9021-9041 Saint-Michel Blvd Montreal, Quebec	*1959, 2002	-	18,945	18,945	86.8%
6455-6461 Christophe-Colomb Ave Montreal, Quebec	*1934, 1958	-	20,395	20,395	96.1%
2722 Royal Blvd Shawinigan, Quebec	2003	-	16,741	16,741	100.0%
Total (Existing Properties)		27,386	1,941,086	1,968,472	96.1%
Property	Date Built (*Renovation date)	Office Area (Square Feet)	Retail Area (Square Feet)	Total GLA (Square Feet)	Occupancy (%)
Recent Property Acquisitions (As at April 11, 2017)					
399 Main Street Thunder Bay, ON	2004	0	168,087	168,087	96.5%
Total (Recent Property Acquisitions)		0	168,087	168,087	96.5%
Total Properties		27,386.00	2,109,173	2,136,559	96.1%

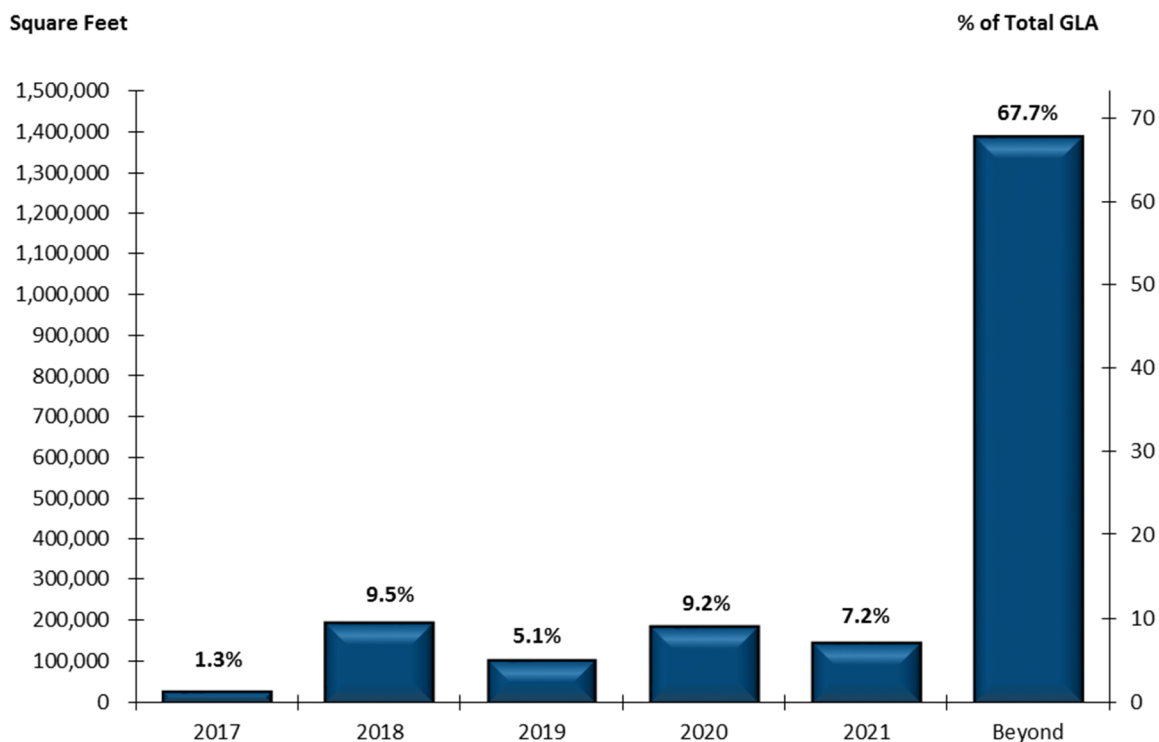
Leasing and Tenant Profile

The Retail REIT's tenant profile consists of a diversified base of quality tenants. At June 30, 2017; with 293 tenants, risk exposure to any single tenant was 16.5%. The following chart shows the tenant mix for the properties on the basis of percentage of gross leasable area.



Schedule of Lease Maturities

96.1% of the space in the Properties is leased. The following bar graph indicates the total occupied square footage of the Properties subject to lease maturities as at June 30, 2017 (assuming tenants do not exercise renewal options) and the percentage of the total Gross Leasable Area ("GLA") relating to the Properties represented by such maturities.



Notes:

- (1) The above lease maturity schedule does not include area that is not currently under lease. In addition to the leased area there currently is 86,974 square feet which is vacant and represents the 3.9% of the Gross Leasable Area.
- (2) 39 tenants, consisting of 606,137 square feet, have leases that are expiring in 2027 to 2036. This represents 29.6% of the Gross Leasable Area. The average lease term is 7.53 years.

Description of the Existing Properties

The following is a detailed description of the Existing Properties:

Aurora, Ontario

14721-14729 Yonge Street, Aurora, Ontario

14721-14729 Yonge Street is a multi-tenant retail plaza comprised of two tenants, Shoppers Drug Mart, and Canadian Tire (retail fuel outlet). The property is located on the South end of Aurora, on the North-East corner of Yonge Street & Edward Street. The area is a retail node, with surrounding neighborhoods. The two-storey property was redeveloped circa 2008, and was constructed of steel framing with a brick and glass curtain wall exterior. It is comprised of 19,009 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	18,009	95
Canadian Tire	Gas Station	1,000	5

Barrie, Ontario

42 Commerce Park Drive, Barrie, Ontario

42 Commerce Park Drive is a single retail building comprised of one tenant, GoodLife Fitness. The property is located in south Barrie, just west of Highway 400. The two-storey property was developed circa 1996 on 2 acres of land and was constructed of steel framing and concrete, with a pre-cast concrete panel exterior. It is comprised of 27,122 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centres	Fitness Gym	27,122	100

Bayfield, Ontario

71 Main Street South, Bayfield, Ontario

71 Main Street South is a multi-tenant retail plaza comprised of two tenants, Foodland (Sobeys), and LCBO. The property is located on the east end of Bayfield, near the intersection of highway 21 (which turns into Main Street) and Highway 3, and is the main entry into Bayfield from southern and eastern Ontario. The building was constructed in 2014, and was constructed of steel framing with a combination of metal siding, composite board siding, architectural block masonry and aluminum panels. The total gross rentable area is 20,008 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Foodland	Grocery Store	14,961	75
LCBO	Beer & Alcohol	5,047	25

Belle River, Ontario

330 Notre Dame Street, Belle River, Ontario

330 Notre Dame Street is a multi-tenant retail building comprised of four tenants. The property is located on the south-west corner of Notre Dame Street and 11th Street. The area is a main retail service node of Belle River. This double story property was developed circa 2001, and was constructed of steel framing with a brick, and EIFS veneer exterior. The total gross rentable area is 25,356 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	17,704	70
Dr. Jezdic Medical Clinic	Medical Clinic	1,541	6
Dr. Jezdic Dental Office	Dental Clinic	1,700	7
Victorian Order of Nurses	Healthcare	4,411	17

Casselman, Ontario

90-98 Lafleche Blvd., Casselman, Ontario

90-98 Lafleche Blvd. is a multi-tenant retail plaza comprised of five tenants, National Bank, Dollarama, The Source, Subway and Pet Valu. The property is located on the North side of Lafleche Blvd., which is located immediately on the North side of Highway 417, the major 400 series highway between Ottawa and Montreal. The area is the major retail service node of Casselman, but also serves as highway commercial node for commuters. This two building, single story property was developed circa 2005, and was constructed of steel framing with a brick, steel and stucco exterior. It is comprised of 20,136 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Dollarama	Discount Department Store	8,307	41
National Bank	Bank	4,100	21
Pet Valu	Pet Food & Supplies	2,466	12
The Source	Electronics	2,293	11
Subway	Fast Food Restaurant	1,583	8

Chatham, Ontario

455-485 Grand Avenue West, Chatham, Ontario

455-485 Grand Avenue West is a multi-tenant retail plaza comprised of three tenants, with Shoppers Drug Mart anchoring (54% GLA) and supplemented with a land lease agreement with A&W. The property is located in central Chatham, east of the Canadian Tire on Grand Avenue, at the North-West corner of Grand Avenue West and Courthouse Lane. The property was redeveloped circa 2009, and was constructed of steel framing with a stucco and brick/stone exterior. It is comprised of 34,759 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	18,542	53
Thamesview Family Health Team	Medical Clinic	14,477	42
A&W Food Services of Canada Inc.	Fast Food Restaurant	1,740	5

515-653 Grand Avenue West, Chatham, Ontario

515-653 Grand Avenue West is a multi-tenant retail plaza comprised of twelve tenants, and is anchored by Canadian Tire and Sport Chek. The property is located near the corner of Keil Drive North and Grand Avenue West. This three building, single story property was developed circa 1965, and was constructed of steel framing with a brick, a combination of concrete block masonry, brick veneer, exterior insulation and finishing system, and metal siding. The total gross rentable area is 177,366 square feet and the property is 99% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Canadian Tire	Department Store	82,861	47
Giant Tiger	Discount Department Store	26,237	15
Sport Chek	Sporting Goods	25,065	14
Dollarama	Discount Department Store	8,625	5
Carters/Oshkosh	Clothing	5,675	3
Reitmans	Clothing	6,000	3
Penningtons	Clothing	5,120	3
Cash Money	Short-term Money Lender	3,665	2
Moores	Clothing	4,061	2
Scotiabank	Bank	3,000	2
Pet Valu	Pet Food & Supplies	3,233	2
The Shoe Place	Footwear	2,325	2

76-80 Keil Drive South, Chatham, Ontario

76-80 Keil Drive South is a multi-tenant retail plaza comprised of three tenants, Value Village, Competitive Edge Fitness, and Canadian Tire (retail fuel outlet) including a land lease agreement. The property is located in the West-end of Chatham. The property was redeveloped circa 2003, and was constructed of steel framing with a metal/ brick exterior, and a portion of the building exterior has been renovated with a newer stucco exterior. It is comprised of 35,976 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Value Village	Discount Department Store	25,846	72
Competitive Edge Fitness Club	Fitness Gym	9,130	25
Canadian Tire	Gas Station	1,000	3

132-140 Richmond Street, Chatham, Ontario

132-140 Richmond Street is a three building retail plaza comprised of two tenants, Brewers Retail, and Tim Hortons and 14,850 square feet available for lease. The property is located immediately adjacent to 150 Richmond Street. The property was redeveloped circa 2006, with each building constructed differently. The three buildings have generally been constructed of the same materials, being steel framing with brick and stucco exteriors. It is comprised of 23,425 square feet of GLA and the property is 36% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
The Beer Store	Beer	5,425	23
Tim Hortons	Fast Food Restaurant	3,150	13

150 Richmond Street, Chatham, Ontario

150 Richmond Street is a multi-tenant retail plaza comprised of two tenants, Tokyo Sushi and Chatham Kent Community Health Centres. The property is located in central Chatham, on the South-East corner of Lacroix Street & Richmond Street. The property is constructed of steel framing with a combination of stucco and brick exterior. It is comprised of 14,459 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Chatham Kent Community Health Centres	Health Care	11,586	80
Tokyo Sushi	Restaurant	2,873	20

Cobourg, Ontario

500 Division Street, Cobourg, Ontario

500 Division Street is a multi-tenant retail plaza comprised of nine tenants, and is anchored by No Frills. The property is located on the north-east corner of Division Street and Munroe Street. This four building, single story property was developed circa 1995 (the retail fuel outlet), and circa 2012 (the remaining buildings), and was constructed of steel framing with a brick, and aluminum cladding exterior. The total gross rentable area is 62,424 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
No Frills	Grocery Store	32,810	52
York Super Pharmacy	Pharmaceutical	9,753	15
Anytime Fitness	Fitness Gym	6,029	10
Pet Valu	Pet Food & Supplies	3,651	6

500 Division Street, Cobourg, Ontario [continued]

Key Tenants [continued]	Nature of Business	Area Leased (Square Feet)	% of GLA
Parkland Industries	Retail Fuel Outlet	3,515	6
The Dollar Store Plus	Discount Department Store	2,371	4
Little Caesars	Fast Food Restaurant	1,220	2
Five Star Chinese Restaurant	Restaurant	1,198	2

Coniston, Ontario

24 Amanda Street, Coniston, Ontario

24 Amanda Street is a highway service retail plaza comprised of six tenants and anchored by Loblaws, Brewers Retail and the LCBO. The property is located on the north end of Coniston, just south of the Trans-Canada Highway. The property was developed in 1978 and renovated in 1990 and 2000 on 6.7 acres of land and was constructed of concrete block, stucco and glass. It is comprised of 24,678 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Loblaws	Grocery	10,016	41
Coniston Pharmacy	Pharmaceutical	4,132	17
Caisse Populaire	Bank	3,600	15
LCBO	Beer & Alcohol	2,993	12
The Beer Store	Beer	2,800	11

Dryden, Ontario

620 Government Street, Dryden, Ontario

620 Government Street is a retail building leased to Wal-Mart Canada Corporation. The property is located in the east-end of Dryden, directly adjacent to a Red River Co-op gas station, and across the road from an Extra Foods Grocery Store. The property was constructed circa 2001, with an addition added to the east side of the building circa 1994, and was constructed of metal framing with a combination of brick, concrete block and exterior insulation and finishing systems exterior. The total gross rentable area is 85,493 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Wal-Mart Canada Corp.	Department Store	85,493	100

Elmira, Ontario

315 Arthur Street South, Elmira, Ontario

315 Arthur Street South is a multi-tenant retail plaza comprised of seven tenants, and is anchored by Foodland (Sobeys). The property is located on the south-end of Elmira, near the intersection of Arthur Street South and S Field Drive. This two building, single story property was developed circa 2014, and was constructed of steel framing with poured concrete, and a combination of exterior insulating finishing system and corrugated metal siding. The total gross rentable area is 51,472 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Foodland	Grocery Store	33,032	64
Dollarama	Discount Department Store	9,202	18
Pet Valu	Pet Food & Supplies	2,433	5
Harvey's	Fast Food Restaurant	3,084	6
Dr. M. Parry	Medical Clinic	1,354	3
Pita Pit	Fast food Restaurant	1,212	2
Gino's Pizza	Fast Food Restaurant	1,155	2

Grimsby, Ontario

9-11 Industrial Drive, Grimsby, Ontario

9-11 Industrial Drive is a single retail building comprised of one tenant, GoodLife Fitness. The property is located in central-west Grimsby, just south of the QEW Highway. The two-storey property was developed circa 2004 on 3.13 acres of land and was constructed of steel framing and concrete, with a concrete block exterior. It is comprised of 25,167 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centres	Fitness Gym	25,167	100

Hamilton, Ontario

2425 Barton Street East, Hamilton, Ontario

2425 Barton Street East is a single retail building comprised of one tenant, Fit4Less (a GoodLife Company). The property is located in the east end of Hamilton, in close proximity to the Red Hill Valley Expressway and the QEW Highway. The two-storey property was developed circa 1970 on 1.45 acres of land and was constructed of steel framing and concrete, with a painted concrete block exterior. It is comprised of 18,972 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Fit4Less (GoodLife)	Fitness Gym	18,972	100

Hanover, Ontario

825-855 10th Street, Hanover, Ontario

825-855 10th Street is a two building retail plaza comprised of two tenants, an A&W and Wightman Telecom. The property is located on the North-East end of Hanover, adjacent to a retail fuel outlet, and across the street from an independent grocery store. The single-storey property was developed circa 2005, and was constructed of metal framing with a stucco exterior on one building, and a brick exterior with a pitch roof on the other. It is comprised of 5,240 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Wightman Telecom Ltd.	Telecom	3,500	67
A&W Food Services of Canada Inc.	Fast Food Restaurant	1,740	33

893-895 10th Street, Hanover, Ontario

893-895 10th Street is a retail plaza comprised of two tenants and anchored by Shoppers Drug Mart and the LCBO. The property is located on the east end of Hanover. The property was developed in 2009 on 3.3 acres of land and was constructed of concrete block, stucco and glass. It is comprised of 25,058 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	17,922	72
LCBO	Beer & Alcohol	7,136	28

Huntsville, Ontario

175 Hanes Road, Huntsville, Ontario

175 Hanes Road is a multi-tenant retail plaza comprised of two tenants, a Mac's convenience store & retail fuel outlet, and A&W. The property is located at the North-East corner of West Road & Hanes Road. The property was redeveloped circa 2005, and was constructed of steel framing with a stucco and brick/stone exterior. It is comprised of 5,533 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Mac's Convenience Stores Inc.	Convenience Store	3,753	68
A&W Food Services of Canada Inc.	Fast Food Restaurant	1,780	32

51, 55 & 57 King William Street, Huntsville, Ontario

51, 55 & 57 King William Street is a single-tenant retail building occupied by Shoppers Drug Mart. The property is located in the east-central portion of Huntsville, near the South-West corner of King William Street and Scott Street. The property was newly constructed in 2008, and was constructed of steel framing with concrete block. It is comprised of 15,951 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	15,951	100

Keswick, Ontario

417 The Queensway South, Keswick, Ontario

417 The Queensway South is a multi-tenant retail plaza comprised of seven tenants, with Shoppers Drug Mart & PartSource anchoring (approximately 47% and 9% GLA). The property is located in central Keswick, on the South-East corner of The Queensway & Doverdale Drive. The property was redeveloped circa 2010, and was constructed of steel framing with a stucco and brick exterior, with the original two-storey building having a full brick exterior. It is comprised of 40,088 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	18,531	47
Dr. Der	Medical Clinic	4,745	12
Medical Clinic	Medical Clinic	4,200	11
PartSource	Automotive Parts	3,843	9

417 The Queensway South, Keswick, Ontario [continued]

Key Tenants [continued]	Nature of Business	Area Leased (Square Feet)	% of GLA
Jonestown Inc.	Martial Arts	3,500	8
Paint Source	Paint Supplies	3,230	8
Glenwoods Rehabilitation Clinic	Health Care	2,039	5

Kincardine, Ontario

792 Broadway Street, Kincardine, Ontario

792 Broadway Street is a retail plaza comprised of three tenants, McDonalds Restaurants, a Canadian Tire Gas Bar, and a General Motors car dealership. The property is located on the north-east end of Kincardine. The property was developed in 1980 and renovated/expanded in 1995 and 2012 on 2.8 acres of land and was constructed of concrete block, metal frame and wood frame. It is comprised of 16,428 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Lakeside Chevrolet, Buick, GMC	Automotive	7,600	46
McDonalds Restaurant	Fast Food Restaurant	4,770	29
Canadian Tire Gas Bar	Automotive	4,058	25

Listowel, Ontario

210 Wallace Avenue North, Listowel, Ontario

210 Wallace Avenue North is a single-tenant retail building occupied by Shoppers Drug Mart. The property is located on the east side of Wallace Avenue North, at the intersection of Main Street. The property was newly constructed in 2009, and was constructed of steel framing with concrete block. The total gross rentable area is 13,514 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	13,514	100

London, Ontario

1551-1553 Dundas Street East, London, Ontario

1551-1553 Dundas Street East is a three-building retail plaza comprised of six tenants, including Value Village and Rexall. The property is located in the East London area, along the south side of Dundas Street East, at a signalized intersection. The property was developed circa 1987, with the Rexall building added circa 2008, and was constructed of steel framing, concrete block masonry and EIFS. The total gross rentable area is 51,450 square feet and the property is 95% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Value Village	Discount Department Store	28,260	55
Rexall	Pharmaceutical	11,021	22
St. Joseph's Health Care	Community Health Care	4,732	9
Dynacare Labs	Medical Laboratory	1,888	4
Cool Tech Nails	Beauty	1,530	3
Little Caesars	Fast Food Restaurant	1,229	2

Midland, Ontario

295 King Street, Midland, Ontario

295 King Street is a multi-tenant retail building occupied by five existing tenants including TD Canada Trust and TD Waterhouse as the anchor tenants. The property is located in central downtown Midland, just north of Elizabeth Street. The property was redeveloped circa 2007, and was constructed of a mixture of brick over concrete block, with a stucco finish and aluminum cladding. It is comprised of 14,104 square feet of GLA and the property is 87% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
TD Canada Trust	Bank	8,140	58
TD Waterhouse	Bank	2,000	14
Home Cooked Website Solutions Inc.	General Office	904	6
Rick's Driving School	General Office	798	6
Waterside Management	General Office	472	3

395 King Street, Midland, Ontario

395 King Street is a stand-alone retail site occupied by Pizza Pizza. The property is located in central Midland, on the South-East corner of King Street & Yonge Street. The property was redeveloped circa 2010, and was constructed of metal framing with a combination stone and siding exterior. It is comprised of 2,880 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Pizza Pizza	Restaurant	2,880	100

Mount Forest, Ontario

618 Main Street North, Mount Forest, Ontario

618 Main Street North is a stand-alone retail pad site occupied by A&W. The property is located in the North-end of Mount Forest, immediately South of the OPP regional office. The property was redeveloped circa 2006, and was constructed of metal framing with a stucco exterior. It is comprised of 1,740 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
A&W Food Services of Canada Inc.	Fast Food Restaurant	1,740	100

New Tecumseth (Alliston), Ontario

97-129 Young Street (Alliston Market Village), New Tecumseth, Ontario

Alliston Market Village is a five building retail power centre comprised of eleven tenants, a Canadian Tire gas bar and anchored by GoofLife, Bulk Barn Foods, TD Bank, Shoeless Joe's and Harvey's Restaurant. The property is located on Young Street, along Highway 89 and is west of King Street South and north of Industrial Parkway. The property was developed circa 2011 on 4.7 acres of land and was constructed of structural steel frame and concrete block with a brick and stone veneer exterior. It is comprised of 54,240 square feet of GLA and the property is 86% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centre	Fitness Centre	11,408	21
Bulk Barn Foods	Bulk Foods Grocer	5,002	9
Pace Medical	Healthcare	4,500	8
TD Bank	Bank	4,483	8
Shoeless Joe's	Restaurant	4,097	8

97-129 Young Street (Alliston Market Village), New Tecumseth, Ontario [continued]

Key Tenants [continued]	Nature of Business	Area Leased (Square Feet)	% of GLA
Sunset Grill Restaurants	Restaurant	2,205	4
Harvey's	Fast Food Restaurant	1,753	3
Dr J Kim Dental Corporation	Healthcare	1,540	3
Pro Oil Change	Automotive Service	1,493	3
Little Caesar's Pizza	Restaurant	1,475	3
Richard Anthony Del Zotto	Butcher	1,455	3
Oasis Nail Spa	Aesthetic Services	1,356	2
UPS Store	Business Services	1,200	2
The Pita Pit	Fast Food Restaurant	1,165	2
All in 1 Supplements and Nutrition Inc.	Health Care	920	2

North Bay, Ontario

477 Main Street East, North Bay, Ontario

477 Main Street is a single retail building comprised of one tenant, GoodLife Fitness. The property is located just south of downtown North Bay, between Regina and Fisher streets. The two-storey property was developed circa 2010 on 0.88 acres of land and was constructed of steel framing and concrete, with a concrete block and metal siding exterior. It is comprised of 21,432 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centres	Fitness Gym	21,432	100

Orangeville, Ontario

25 Broadway, Orangeville, Ontario

25 Broadway is a single-tenant retail building occupied by Shoppers Drug Mart. The property is located in central Orangeville, near the North-East corner of Townline & Broadway. The property was built circa 2011, and was constructed of steel framing with a stucco and stone exterior. It is comprised of 18,622 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	18,622	100

40-46 Broadway, Orangeville, Ontario

40-46 Broadway is a multi-tenant retail plaza comprised of six tenants, with LCBO, and Bulk Barn anchoring (42% and 20% GLA). The property is located in central Orangeville, near the South-West corner of Townline & Broadway. The property was redeveloped circa 2011, and was generally constructed of steel framing with a stucco and brick/stone exterior. It is comprised of 27,202 square feet of GLA and the property is 94% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
LCBO	Beer & Alcohol	11,540	42
Bulk Barn Foods Limited	Bulk Foods Grocer	5,502	20
Tim Hortons	Fast Food Restaurant	3,030	11
Mark Anthony Northcott & David Bartos Dentistry	Dental Clinic	2,090	8
A&W Food Services Of Canada Inc.	Fast Food Restaurant	1,740	6
Pita Pit	Fast Food Restaurant	1,581	6

224 Centennial Road (Westside Business Centre), Orangeville, Ontario

Westside Business Centre is a six building retail power centre comprised of eleven tenants and anchored by Anytime Fitness, Sears Canada, Fabricland, The Bank of Nova Scotia and Tim Hortons. The property is located on the southern portion of Centennial Road, just north of Riddell Road. The property was developed in circa 2009 on 8.5 acres of land and was constructed of structural steel frame/poured concrete with a precast concrete panel/brick exterior. It is comprised of 50,519 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Anytime Fitness	Fitness Gym	7,752	15
Sears Canada	Department Store	6,034	12
Fabricland	Discount Department Store	5,430	11
The Bank of Nova Scotia	Bank	4,750	9
Tim Hortons	Restaurant	3,281	6
Erin Oak Centre	Rehabilitation Centre	7,860	16

225 Centennial Road (Westside Market Village), Orangeville, Ontario

Westside Market Village is a seven building retail power centre comprised of twenty four tenants and anchored by The Brick, Pharma Plus, Dollarama and LCBO. The property is located on the southern portion of Centennial Road, just north of Riddell Road. The property was developed in circa 2008 on 11.2 acres of land and was constructed of structural steel frame/poured concrete with a precast concrete panel/brick exterior. It is comprised of 105,915 square feet of GLA and the property is 90% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
The Brick	Furniture Store	19,984	19
Pharma Plus	Pharmaceutical	10,498	10
Dollarama	Discount Department Store	9,112	9
LCBO	Beer & Alcohol	8,118	8
Shoeless Joe's	Restaurant	5,403	5
Sleep Country	Furniture Store	5,055	5

Ottawa, Ontario

2655 Queensview Drive, Ottawa, Ontario

2655 Queensview Drive is a single retail building comprised of one tenant, GoodLife Fitness. The one-storey property was developed circa 1975 on 2.26 acres of land and was constructed of steel framing and concrete, with a brick veneer exterior. It is comprised of 30,123 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centres	Fitness Gym	30,123	100

Owen Sound, Ontario

1171-1183 16th Street East, Owen Sound, Ontario

1171-1183 16th Street is a multi-tenant retail plaza comprised of four tenants, with Shoppers Drug Mart anchoring (approximately 53% GLA). The property is located on the East side of Owen Sound, just beside a medium density residential area, with a Zehrs grocery store directly across the street, and the only indoor mall in all of Grey & Bruce Counties, the Heritage Place Shopping Centre, immediately East. The single-storey property was developed circa 1998 and renovated in 2000 and 2002 with a recent addition of Shoppers Drug Mart, and was constructed of steel framing with a stucco and brick/stone exterior. It is comprised of 32,099 square feet of GLA and the property is 86% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	17,143	53
Bulk Barn Foods Limited	Bulk Foods Grocer	6,001	19
D.C. Taylor Jewellers	Jeweller	4,455	14

1077 10th Street West, Owen Sound, Ontario

1077 10th Street West is a two tenant retail building occupied by Staples. The property is located on the West side of Owen Sound, on a main arterial road, with a McDonald's adjacent. The single-storey property was developed circa 1972, and was constructed of steel framing with a painted brick exterior. It is comprised of 25,000 square feet of GLA and the property is 80% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Staples Canada Inc.	Office Supplies	20,000	80

Port Elgin, Ontario

1199 Goderich Street (Port Elgin Mews), Port Elgin, Ontario

Port Elgin Mews is a single building retail plaza comprised of three tenants and anchored by Shoppers Drug Mart. The property is located at the north end of Port Elgin, at 1199 Goderich Street (Highway 21), which is a main arterial road in Port Elgin. The property was developed circa 2007 on 2.43 acres of land and was constructed of structural steel frame/poured concrete with a precast concrete panel exterior. It is comprised of 25,179 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	17,034	68
Bulk Barn Foods	Discount Grocery	4,987	20

260 Goderich Street, Port Elgin, Ontario

260 Goderich Street is a 2 building, multi-tenant retail plaza comprised of three tenants, Harveys/Swiss Chalet, Dollar Tree Stores, and The Monkey Barrel Indoor Play. The property is located on the south end of Port Elgin. The area is a retail node, with Canadian Tire and a Walmart Supercentre immediately south. The first building was constructed circa 1976, with alterations in 2014/2015, and was constructed of steel framing with a combination of Exterior Insulation and Finishing Systems, stone veneer and painted brick veneer. The second building, was constructed in circa 2014/2015 for the Harvey's/Swiss Chalet, and was constructed of steel framing with a brick veneer and preformed metal siding. The total gross rentable area is 14,601 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Dollar Tree Stores Canada	Discount Department Store	9,180	62
Cara Operations (Harvey/Swiss Chalet)	Fast Food Restaurant	2,895	20
The Monkey Barrel Indoor Play	Children's Play Centre	2,526	18

**Quinte West, Ontario
(formerly Trenton)**

107 Dundas Street East, Quinte West, Ontario

107 Dundas Street East is a single building retail plaza comprised of one tenant, Rexall, who is sub-leasing space to Papa John's. The property is located on Dundas Street East, the main street in Trenton that runs through the downtown core, and is surrounded by convenience retailers such as KFC, Little Caesars, Beer Store, Ultramar and Pioneer. The property was developed circa 2006, and was constructed of steel framing, concrete block masonry and EIFS. The total gross rentable area is 12,858 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Rexall	Pharmaceutical	11,053	91
Papa Johns	Fast Food Restaurant	1,805	9

273-281 Dundas Street, Quinte West, Ontario

273-281 Dundas Street is a stand-alone retail pad occupied by A&W, located on the South-East end of Trenton, on the corner of Dundas Street East & Bay Street, on a main arterial road, with several fast-food restaurants in the vicinity. The single-storey property was developed circa 2005, and was constructed of metal framing with a stucco exterior. It is comprised of 1,780 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
A&W Food Services of Canada Inc.	Fast Food Restaurant	1,780	100

Sarnia, Ontario

1366-1866 Exmouth Street, Sarnia, Ontario

1366-1866 Exmouth Street is a 2 building, multi-tenant retail plaza comprised of two tenants, Best Buy and A&W. The property is located near the intersection of Exmouth Street and Lambton Mall Road, and is surrounded by national retailers such as No Frills, Dollarama, BMO, Walmart, Home Depot and Canadian Tire. Both buildings were constructed in 2002, and were constructed of steel framing with the Best Buy having exterior concrete masonry exterior walls, and the A&W covered with exterior insulating and finishing systems. The total gross rentable area is 21,802 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Best Buy	Electronics Department Store	20,042	92
A&W	Fast Food Restaurant	1,760	8

Sault Ste. Marie, Ontario

589 Second Line East, Sault Ste. Marie, Ontario

589 Second Line East is a single retail building comprised of one tenant, GoodLife Fitness. The property is located just north of downtown Sault Ste. Marie, on Second Line, a major arterial road connecting the Trans-Canada Highway to the U.S. Border. The two-storey property was developed circa 1978 on 4.1 acres of land and was constructed of steel framing and concrete, with a concrete block masonry and metal siding exterior. It is comprised of 28,516 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centres	Fitness Gym	28,516	100

St. Mary's, Ontario

84 Wellington Street (Stonetown Mall), St. Mary's, Ontario

Stonetown Mall is a single building retail plaza comprised of three tenants and anchored by Canadian Tire and Sobeys. The property is located in downtown St. Mary's on Wellington Street, just south of Queen Street East. The property was developed in circa 1967 on 1.9 acres of land and was constructed of structural steel frame/poured concrete with a precast concrete panel exterior. It is comprised of 34,877 square feet of GLA and the property is 97% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Canadian Tire	Department Store	18,448	53
Sobeys	Grocery Store	15,175	44

Strathroy, Ontario

70 Carroll Street East, Strathroy, Ontario

70 Carroll Street is a multi-tenant retail building comprised of four tenants. The property is located mid-block along the southern section of Carroll Street East, approximately 100 meters east from the Caradoc Street South and Carroll Street East intersection. The property is shadow anchored by a Walmart and a Canadian Tire. This single story property was developed circa 2006, and was constructed of steel framing with a brick, and EIFS veneer exterior. The total gross rentable area is 19,734 square feet and the property is 89% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Dollarama	Discount Department Store	9,000	46
LCBO	Beer & Alcohol	4,926	25
Ardene Holdings	Clothing	2,618	13
TSC-Insta Rent	Short-Term Money Lender	1,007	5
Vacant		2,183	11

Sudbury, Ontario

5118 Highway 69 North, Sudbury, Ontario

5118 Highway 69 North is a two tenant, single-storey building retail plaza comprised McDonalds and Shoppers Drug Mart. The property is located in the north-end of Greater Sudbury, on the north-west corner of Old Highway 69 and Deschene Road, and is surrounded by national retailers such as Tim Hortons, Food Basics, Your Independent Grocer (Loblaws) and Canadian Tire. The property was developed circa 2006 and was constructed of a combination of concrete block masonry and exterior insulation finishing systems. The total gross rentable area is 21,820 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	17,104	78
McDonalds	Fast Food Restaurant	4,716	22

1380 Lasalle Boulevard, Sudbury, Ontario

1380 Lasalle Boulevard is a two single-storey building retail plaza comprised of six tenants and anchored by a Caisse Populaire and a Bulk Barn. The property is located in Sudbury, near the corner of Lasalle Boulevard and Barry Down Road, in a strong retail node. Directly across the road from the property is the New Sudbury Centre. The property was developed circa 1975 and 1989 on 1.82 acres of land and was constructed of concrete slab-on-grade. It is comprised of 25,060 square feet of GLA and the property is 88% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Caisse Populaire Voyageurs	Bank	7,650	31
Bulk Barn	Bulk Foods Grocer	5,755	23
Warehouse One	Clothing	3,775	15
A&W	Fast Food Restaurant	2,413	9

Timmins, Ontario

414 Algonquin Boulevard East, Timmins, Ontario

414 Algonquin Boulevard East is a two building retail plaza comprised of four tenants and anchored by the Bargain Shop and Tim Hortons. The property is a highway service plaza located at the east end of Timmins. The property was developed circa 1950 and renovated circa 1986 & 2001 on 1.79 acres of land and was constructed of concrete block/poured concrete with a stucco and glass exterior. It is comprised of 19,282 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
The Bargain Shop	Discount Department Store	8,210	43
OPSEU	Office	4,101	21
Tim Hortons	Fast Food Restaurant	2,810	14
Pizza Pizza	Fast Food Restaurant	2,280	12
Subway	Fast Food Restaurant	1,881	10

77 Waterloo Road, Timmins, Ontario

77 Waterloo Road is a multi-tenant retail plaza comprised of four tenants, GoodLife Fitness & Value Village anchoring (approximately 39% and 35% GLA). The property is located in central Timmins, between Waterloo Road and Rea Street North. The two-storey property was developed in 1990 and re-developed in 2007, and was constructed of steel framing with a brick and metal sheeting exterior. It is comprised of 74,079 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centres	Fitness Gym	28,470	39
Value Village	Discount Department Store	26,000	35
Fabricland Distributors Inc.	Fabric Distributor	10,674	14
Motion Specialties Inc.	Health Care	8,935	12

Walkerton, Ontario

1600 Bruce Road 4, Walkerton, Ontario

1600 Bruce Road 4 is a single retail building comprised of one tenant, TSC. The property is located at the east end of Walkerton on Bruce Road 4. The single-storey property was developed circa 2004 on 2.8 acres of land and was constructed of steel framing and concrete, with a concrete block masonry exterior. It is comprised of 19,015 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
TSC	Hardware Store	19,015	100

Wallaceburg, Ontario

820-832 Dufferin Avenue, Wallaceburg, Ontario

820-832 Dufferin Avenue is a two building retail plaza comprised of two tenants, Chatham-Kent Community Health Centre and Pizza Pizza (currently sublet to The Cash Store, the Wallaceburg Denture Clinic and Canadian Hearing Institute). The property is located in central Wallaceburg on Ontario Highway 40, which links Chatham and Sarnia, and connects to Highway 401 south of Chatham. The property was re-developed circa 2012 and was constructed of steel framing, brick and stucco exterior. It is comprised of 15,577 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Chatham-Kent Community Health Centre	Health Care	13,000	83
Ted G. Dalios Denturist Professional Corp.	Health Care	1,500	10
Money Mart	Short-Term Money Lender	1,077	7

Waterloo, Ontario

255 Weber Street North, Waterloo, Ontario

255 Weber Street North is a stand-alone retail pad site occupied by Speedy. The property is located in central Waterloo, between Columbia Street & University Ave. The property was redeveloped circa 2012, and was constructed of metal framing with a brick and metal exterior. It is comprised of 5,580 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Speedy Corporation	Automotive Maintenance	5,580	100

270 Weber Street North, Waterloo, Ontario

270 Weber Street North is a two building retail plaza comprised of two tenants, GoodLife Fitness and PartSource and supplemented with a land lease agreement with PartSource. The property is located in central Waterloo, between Columbia Street East & University Ave. East. The single-storey property was redeveloped circa 2003, 2008 and 2010, and was constructed of steel framing with metal exterior sheeting on the smaller building and a stucco exterior on the larger building. It is comprised of 61,170 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
GoodLife Fitness Centres	Fitness Gym	53,945	88
PartSource	Automotive Parts	7,225	12

Windsor, Ontario

500 Tecumseh Road East, Windsor, Ontario

500 Tecumseh Road East is a stand-alone retail building occupied by Shoppers Drug Mart. The property is located at the north-east corner of Howard Avenue and Tecumseh Road East, and is surrounded by medical office space. The property is also located 1.9km from Windsor Regional Hospital – Metropolitan Campus, and 2.8km from Windsor Regional Hospital – Ouellette Campus. The property was developed circa 1998, renovated/expanded circa 2011, and was constructed of steel framing, concrete block, and exterior insulating finishing system. The total gross rentable area is 20,870 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Shoppers Drug Mart	Pharmaceutical	20,870	100

4115 Walker Road, Windsor, Ontario

4115 Walker Road is a three single-storey building retail plaza comprised of twelve tenants and anchored by IKEA and Winners and shadow anchored by Home Depot. The property is strategically located on the west side of Walker Road which is Windsor's main retail corridor, located close to Highway 401 and the U.S. Border. The property was developed circa 2007 on 10.1 acres of land and was constructed of steel framing, brick and stucco exterior. It is comprised of 111,712 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
IKEA	Home Furnishings	30,624	27
Winners Apparel	Clothing	30,499	27
Party Packagers	Party Goods	10,300	9
Dollarama	Discount Department Store	10,000	9
Bouclair	Home Décor	8,459	8
TD Bank	Bank	5,500	5
Kelseys	Restaurant	5,290	5
Allstate Insurance	General Office	2,913	3
New Balance	Clothing	2,866	2
TELUS	Telecom	1,978	2

4115 Walker Road, Windsor, Ontario [continued]

Key Tenants [continued]	Nature of Business	Area Leased (Square Feet)	% of GLA
Nail Salon	Beauty	1,751	2
H&R Block	General Office	1,532	1

4140-4150 Walker Road, Windsor, Ontario

4140-4150 Walker Road is a multi-tenant retail plaza occupied by seven tenants. The property is strategically located on the east side of Walker Road which is Windsor's main retail corridor, located close to Highway 401 and the U.S. Border. The property was redeveloped circa 2007, and was constructed of a mixture of brick over concrete block, with a stucco finish and aluminum cladding. The total gross rentable area is 21,916 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Dollar Tree Stores Canada	Discount Department Store	8,000	37
Lone Star	Restaurant	6,268	29
Asian Express	Fast Food Restaurant	2,400	11
A&W Food Services of Canada Inc.	Fast Food Restaurant	1,860	8
Pita Pit	Fast Food Restaurant	1,323	6
My Insurance Broker	Insurance Broker	1,085	5
GNC	Health Store	980	4

Wingham, Ontario

33 & 55 Josephine Street, Wingham, Ontario

33 & 55 Josephine Street is a two building multi-tenant retail plaza comprised of five tenants and anchored by a Loblaws grocery store and a Rexall Pharma Plus. The property is located on the edge of Wingham, on the south-east corner of London Road and Highway 86. The property was developed circa 1978 and 1999 and renovated/expanded circa 2012, and was constructed of steel framing and concrete block and brick. It is comprised of 38,264 square feet of GLA and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Loblaws (National Grocers)	Grocery Store	20,150	53
Rexall Pharma Plus	Pharmaceutical	10,244	27
Tim Hortons	Fast Food Restaurant	3,030	8
BMO	Bank	2,738	7
KFC	Fast Food Restaurant	2,000	5

Gatineau, Quebec

2310 Saint-Louis Street, Gatineau, Quebec

2310 Saint-Louis Street is a single building retail plaza comprised of eight tenants, including Jean Coutu and Royal Bank of Canada. The property is located on the south-east corner of Saint-Louis Street and Pont Avenue, a signalized intersection. The property was developed circa 1975, with subsequent additions 1995 and 2003, and was constructed of steel framing, metal siding, brick veneer and EIFS. The total gross rentable area is 42,966 square feet and the property is 96% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Jean Coutu	Pharmaceutical	18,521	43
Jean Coutu	Medical Office	5,906	14
Royal Bank of Canada	Bank	5,568	13
Patio Vidal	Restaurant	4,480	10

2310 Saint-Louis Street, Gatineau, Quebec [continued]

Key Tenants [continued]	Nature of Business	Area Leased (Square Feet)	% of GLA
RE/MAX Direct Inc.	Office	3,298	8
Nettoyeur St – Louis (Jonetco Inc.)	Dry Cleaning & Laundromat	2,000	5
Fuji Sushi	Restaurant	800	2
Studio Coiffure Emeraude (Georges Boulos)	Fast Food Restaurant	641	1

L'Île-Perrot, Quebec

405 Grand Boulevard, L'Île-Perrot, Quebec

405 Grand Boulevard is a single building retail plaza comprised of two tenants, including Jean Coutu. The property occupies a mid-block position along the south side of Grand Boulevard, slightly east from Don-Quichotte Boulevard. The property was developed circa 2001, and was constructed of steel framing and concrete block. The total gross rentable area is 15,614 square feet and the property is 84% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Jean Coutu	Pharmaceutical	10,544	68
Jean Coutu	Medical Office	2,508	16

Montreal, Quebec

4916-4930 Saint-Jean Boulevard, Montreal, Quebec

4916-4930 Saint-Jean Boulevard is a single building retail plaza comprised of five tenants, including Jean Coutu. The property is located at the southwestern corner of Saint-Jean Boulevard & Pierrefond Boulevard, a signalized intersection. Saint-Jean Boulevard is a major roadway running north-south, which intersects both highway 20 and highway 40. The property was developed circa 1986, and was constructed of steel framing, concrete block, brick veneer and EIFS. The total gross rentable area is 20,076 square feet and the property is 83% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Jean Coutu	Pharmaceutical	10,251	51
Jean Coutu	Medical Office	2,520	13
Place Tevere Inc.	Restaurant	1,451	7
Les Nettoyeurs Daoust	Dry Cleaning & Laundromat	1,365	7
Sushi Shop	Restaurant	1,022	5

5510-5520 de la Cote-des-Neiges Road, Montreal, Quebec

5510-5520 de la Cote-des-Neiges Road is a single building retail plaza comprised of six tenants, including Jean Coutu. The property is located at the southwest corner of Cote-des-Neiges Road and Edouard-Montpetit Boulevard, a signalized intersection. The property was developed circa 1992 and was constructed of concrete framing, concrete block, brick veneer and metal siding. The total gross rentable area is 14,907 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Jean Coutu	Pharmaceutical	6,786	46
Jean Coutu	Medical Office	1,645	11
Restaurants Pacini Inc.	Restaurant	2,000	13
Clinique D'orthodontie Daher Inc.	Medical Office	1,893	13
Clinique Dentaire Dialogue Inc.	Dental Office	1,310	9
Docteure Lydia Pater	Medical Office	1,273	8

8995 & 9021-9041 Saint-Michel Boulevard, Montreal, Quebec

8995 & 9021-9041 Saint-Michel Boulevard is a two-building retail plaza comprised of two tenants, including Jean Coutu, and National Bank of Canada. The property is located at the northeastern corner of Saint-Michel Boulevard and Legendre Street East, a signalized intersection. The property was developed circa 1959, with the National Bank of Canada building added circa 2002, and was constructed of steel and wood framing, brick veneer, metal siding, parging cement and EIFS. The total gross rentable area is 18,945 square feet and the property is 87% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Jean Coutu	Pharmaceutical	12,169	64
National Bank of Canada	Bank	4,276	23

6455-6461 Christophe-Colomb Avenue, Montreal, Quebec

6455-6461 Christophe-Colomb Avenue is single building retail plaza comprised of ten tenants, including Jean Coutu. The property is located at the northwest corner of Christophe-Colomb Avenue and Beaubien Street East, a signalized intersection. The property was developed circa 1934, with renovations in 1958, and was constructed of wood framing, concrete panels, brick veneer, parging cement and metal siding. The total gross rentable area is 20,395 square feet and the property is 96% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Jean Coutu	Pharmaceutical	10,000	49
Jean Coutu	Medical Office	912	4
Association Legit – Quebec	General Office	2,339	12
Clinique Dentaire Marc Valiquette Inc.	Dental Office	1,116	6
Dr. My Lang Nguyen	Medical Office	911	4
Les Empoteuses Inc.	Fast Food Restaurant	650	3
Gestion – Pro Molige	Financial Services	881	4
Clinique D’Acupuncture Manon Soucy	Medical Office	421	2
Relais Sante Chiropractique Inc.	Medical Office	1,365	7
Guy & Muzzo Inc.	Law Office	1,000	5

Shawinigan, Quebec

2722 Royal Boulevard, Shawinigan, Quebec

2722 Royal Boulevard is a single building retail plaza comprised of three tenants, including Jean Coutu and Subway. The property is located on the southwest corner of Royal Boulevard and St. Sacrement Boulevard, a signalized intersection. The property was developed circa 2003, and was constructed of steel framing, metal panels, brick veneer and EIFS. The total gross rentable area is 16,741 square feet and the property is 100% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Jean Coutu	Pharmaceutical	11,165	67
Jean Coutu	Medical Office	3,776	22
Subway	Fast Food Restaurant	1,800	11

Description of Recent Property Acquisition

The following is a detailed description of Recent Property Acquisition:

Thunder Bay, Ontario

399 Main Street, Thunder Bay, Ontario

399 Main Street is a 7-building, multi-tenant retail plaza comprised of twenty-one tenants, including Home Outfitters, Michaels, LCBO, and Dollarama. The property is located along the primary arterial in Thunder Bay, located at the southeast corner of Main Street and Fort William Road, and is adjacent to the Intercity Shopping Centre, Thunder Bay's dominant enclosed mall. The property was developed circa 2004-2007, and was constructed of steel framing with architectural block, and exterior insulation finishing systems. It is comprised of 168,087 square feet of GLA and the property is 99% leased.

Key Tenants	Nature of Business	Area Leased (Square Feet)	% of GLA
Home Outfitters	Furniture Store	31,568	19
Michaels	Art Supply Store	21,885	13
Mark's Work Wearhouse	Clothing	14,626	9
LCBO	Beer & Alcohol	8,335	5
Old Navy	Clothing	14,913	9
Dollarama	Discount Department Store	12,021	7
Pier 1 Imports	Furniture Store	9,494	6
Moore's The Suit People	Clothing	5,744	3
Ardene	Clothing	6,320	4
Investors Group Financial Services	Financial Services	5,105	3
Carter's Oshkosh	Clothing	4,874	3
The Shoe Company	Footwear	5,066	3
Easy Home	Financial Services	5,020	3
Roots	Clothing	3,921	2
Addition-Elle	Clothing	5,400	3

399 Main Street, Thunder Bay, Ontario [continued]

Key Tenants [continued]	Nature of Business	Area Leased (Square Feet)	% of GLA
Chatters Salon	Beauty	3,056	2
Starbucks	Fast Food Restaurant	1,670	1
EB Games	Electronics	1,514	1
Running Room	Clothing	1,490	1
Subway	Fast Food Restaurant	1,129	1
TBayTel	Telecom	2,460	1

Financing

Prior to any mortgage maturities scheduled to take place during the remainder of 2017, the weighted average interest rate on outstanding indebtedness will be 3.63%. The following table summarizes certain aspects of debt maturities of such indebtedness (in thousands).

Debt Maturities	Total Mortgages (in thousands of dollars)	Percentage of Total Mortgages	Weighted Average Interest Rate
2017	21,064	6.65%	3.55%
2018	10,969	3.46%	4.26%
2019	57,696	18.20%	3.57%
2020	15,087	4.76%	3.45%
2021	23,934	7.55%	3.95%
Thereafter	188,220	59.38%	3.62%
Total	316,970	100.00%	3.63%
Estimated Weighted Average Interest Rate	3.63%		
Estimated Weighted Average Years to Maturity	5.31		

Acquisition and Operating Facility

Skyline Retail REIT has arranged an Acquisition and Operating Facility (the “**Acquisition and Operating Facility**”) to fund working capital and mortgage principal repayments in an amount of up to \$15,000,000. The Acquisition and Operating Facility is a revolving credit facility and amounts drawn thereunder will not, after giving effect to the incurring of such indebtedness, cause the total amount of indebtedness of Skyline Retail REIT and the amount then advanced under the Acquisition and Operating Facility, to exceed 70% of the Gross Book Value, unless a majority of the Trustees, in their discretion, determine that the maximum amount of indebtedness will be based on the appraised value of the real properties of Skyline Retail REIT. Skyline Retail REIT intends to use the net proceeds of the Offering to pay down the Acquisition and Operating Facility. See Item 2.5 – Short Term Objectives and How We Intend

to Achieve Them. The Acquisition and Operating Facility facilitates acquisitions by Skyline Retail REIT by enabling it to enter into negotiations for the purchase of properties without the need for an equity financing condition. As at the date hereof, there is currently \$9,578,856 outstanding under the Acquisition and Operating Facility.

The following table summarizes the Acquisition and Operating Facility (in thousands).

Property	Secured Operating Facility	LOC Rate
97-129 Young Street (Alliston Village Market) Tecumseth, ON	\$5,646	4.70%
414 Algonquin Blvd. Timmins, ON	\$1,770	4.70%
23 Amanda Street Coniston, ON	\$2,208	4.70%
618 Main Street North Mount Forest, ON	\$834	4.70%
273 & 281 Dundas Street East Trenton, ON	\$882	4.70%
132 to 140 Richmond Street Chatham, ON	\$365	4.70%
150 Richmond Street Chatham, ON	\$1,926	4.70%
255 Weber Street North Waterloo, ON	\$990	4.70%
\$14,621		4.70%

Retail Real Estate Market

Skyline Retail REIT's focus will be on retail assets in stable and growing markets across Canada.

The Existing Properties and Recent Property Acquisition consist of properties which are utilized primarily for retail and ancillary office uses and are located in 40 communities across Ontario and Quebec. Skyline Retail REIT intends to focus on owning and acquiring income producing community-based retail properties with strong tenant covenants, stable yields, low vacancy levels and strong growth potential. Skyline Retail REIT's objective is to achieve with its investment focus a geographically diversified portfolio of properties in cities across Canada with stable and growing cash flows.

Skyline Retail REIT believes that the income-producing retail property market segment represents a reasonable long-term risk/return investment environment with fewer national competitors than other segments of the commercial property market. By concentrating on the community-based segment, Skyline Retail REIT believes it will be afforded greater opportunities to make accretive acquisitions that will contribute to achieving attractive yields for REIT Unitholders. Skyline Retail REIT believes that the geographic diversity of its properties, as well as their diverse tenant mix, decreases the likelihood that a single regional economic downturn will have a material adverse impact on the REIT's distributions.

Management of Skyline Retail REIT

Trustees

The investment policies and operations of Skyline Retail REIT 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. The Declaration of Trust provides for a minimum of three (3) and a maximum of nine (9) Trustees. The General Partner is entitled to appoint up to four (4) Trustees, provided that following such appointment a majority of the trustees are Independent Trustees. The Trustees have the power, in their absolute discretion, to grant to any other person the right to appoint one or more Trustees to serve on the board upon such terms and conditions as the Trustees may determine, provided always that a majority of Trustees are Independent Trustees. In connection with the acquisition of the OPTrust Portfolio, Andrew Alcock has been appointed as a Trustee under such a nomination right granted by the Trustees to OFI, as more particularly set out in Item 2.7 – Material Agreements – Declaration of Trust. Certain decisions respecting the affairs of Skyline Retail REIT must be made by the Trustees (whether or not Independent Trustees) who have no interest in the subject matter of the approval. The Declaration of Trust provides for the appointment by the Trustees of a finance committee (the “**Finance Committee**”) and an investment committee (the “**Investment Committee**”); the majority of the members of each committee must be Independent Trustees. See Item 2.7 – Material Agreements – Declaration of Trust and Item 3.2 – Management Experience.

The Asset Manager

Skyline Retail Asset Management Inc. (the “**Asset Manager**”) is a corporation governed by the laws of the Province of Ontario. The Asset Manager is responsible for managing Skyline Retail REIT and providing advice with respect to Skyline Retail REIT’s real property investment portfolio, subject to the control and direction of the Trustees. Senior management of the Asset Manager includes individuals who collectively have over thirty-five years of experience in all aspects of the real estate industry.

The Asset Manager manages the day-to-day operations of Skyline Retail REIT (other than property management) and receives fees pursuant to the Asset Management Agreement for an initial term, expiring in September 2018. The Asset Management Agreement will automatically renew for successive five year terms unless terminated by Skyline Retail REIT or the Asset Manager. Among other duties, the Asset Manager is responsible for: (i) identifying retail property investment opportunities that meet the investment criteria of Skyline Retail REIT, within the restrictions set out in the Declaration of Trust; (ii) providing the Trustees with information and advice relating to proposed acquisitions, dispositions and financings; (iii) establishing, at least on an annual basis, investment and operating plans for the ensuing period; (iv) supervising the due diligence required in connection with proposed acquisitions and supervising the completion of any resulting transactions; (v) maintaining the books and financial records of Skyline Retail REIT; (vi) advising as to designations, elections and determinations to be made for tax and accounting purposes; and (vii) providing office space and equipment and the necessary clerical and secretarial personnel for the administration of the day-to-day affairs of Skyline Retail REIT. See Item 2.7 – Material Agreements – Asset Management Agreement.

Management of the Properties

Skyline Commercial Management Inc. (the “**Property Manager**”) is a corporation governed by the laws of the Province of Ontario. The Property Manager manages the Properties, or supervises third-party property managers where the Asset Manager believes it is in the best interest of Skyline Retail REIT to retain property managers other than the Property Manager with respect to certain of the Properties, and receives fees pursuant to the Property Management Agreement for an initial term, expiring in September 2018. The Property Management Agreement will automatically renew for successive five year terms unless terminated by Skyline Retail REIT or the Property Manager. See Item 2.7 – Material Agreements – Property Management Agreement.

Additional properties which may be acquired from time to time by Skyline Retail REIT may, at Skyline Retail REIT’s option, be managed by the Property Manager or by such other manager as Skyline Retail REIT, in its discretion, may determine.

The Wealth Manager

Skyline Wealth Management Inc. (the “**Wealth Manager**”) is a corporation governed by the laws of the Province of Ontario. Pursuant to the Wealth Management Agreement, the Wealth Manager is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Retail REIT, and receives fees pursuant to the Wealth Management Agreement for an initial term expiring in September 2018. The Wealth Management Agreement will automatically renew for successive five year terms unless terminated by Skyline Retail REIT or the Wealth Manager. All of the directors and senior officers of the Wealth Manager have been involved in a broad range of real estate activities over the past ten years. See Item 2.7 – Material Agreements – Wealth Management Agreement.

Among other duties, the Wealth Manager is responsible for: (subject to the provisions of the Wealth Management Agreement), (i) acting as exempt market dealer in each of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer on each equity raise undertaken by Skyline Retail REIT, and in connection therewith, coordinating, managing and documenting (other than preparation of an offering memorandum) all aspects of each equity raise, including managing third-party service providers retained by the Wealth Manager in connection therewith; (ii) assuming responsibility for the distribution of REIT Units on behalf of Skyline Retail REIT in each of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer; (iii) assisting Skyline Retail REIT in processing distributions to Unitholders; (iv) maintaining all books and financial records with respect to equity under management; (v) calculating equity under management from time to time; (vi) preparing such reports and other disclosure documents for Trustees and Unitholders as required by Skyline Retail REIT from time to time; (vii) providing advice and assistance in connection with Skyline Retail REIT’s raising of capital and issuance of securities, including representing Skyline Retail REIT in its dealings with banks and other lenders, investment dealers, brokers, underwriters, institutions and investors; (viii) managing Skyline Retail REIT’s investor relations activities including, without limitation, managing communications with Unitholders; (ix) assisting Skyline Retail REIT in making all required filings under applicable law; and (x) managing all aspects of any employee purchase plans with respect to REIT Units.

Some directors and officers of the Wealth Manager are also Trustees of Skyline Retail REIT. These persons (as well as other shareholders of the Wealth Manager) are also directors, officers and/or shareholders of the Asset Manager, the Property Manager and the General Partner. The Wealth Manager, the Asset Manager and the Property Manager provide services to and receive fees from Skyline Retail REIT. The General Partner receives the GP Share in respect of Skyline Retail REIT’s Properties. Under applicable securities legislation, Skyline Retail REIT may be considered to be a connected issuer of the Wealth Manager.

The decision of Skyline Retail REIT to distribute the REIT Units and the determination of the terms of the Offering were made independently of the Wealth Manager, the Asset Manager, the Property Manager and the General Partner. The Asset Manager, the Property Manager and the General Partner will not receive any benefit in connection with the Offering. The Wealth Manager will not receive any benefit in connection with this Offering other than the fees payable to the Wealth Manager under the Wealth Management Agreement by Skyline Retail REIT. See Item 2.7 – Material Agreements – Wealth Management Agreement – Wealth Manager’s Fees.

Management and Investment Strategy

The personnel of the Asset Manager have significant experience in all aspects of the retail leasing and management business, including acquisitions and dispositions, finance and administration, property management, construction and renovation, and marketing and sales. These skills will permit Skyline Retail REIT to capitalize upon many retail real estate opportunities which may be unavailable to other real estate investors who lack the requisite diversity of real estate experience.

The Asset Manager maintains and enhances the value of Skyline Retail REIT’s properties through a variety of strategies, including: a commitment to customer satisfaction; maintenance and repair programs; strategic debt management; energy reduction programs; enhancement of Skyline Retail REIT’s

portfolio; and timely communications and disclosure. The Asset Manager focuses its acquisitions on good quality retail properties in strong secondary and tertiary markets across Canada, and will use the strength of its extensive market relationships to obtain more competitive financing, property maintenance, construction and services. The Asset Manager's goal is to build a strong and stable retail portfolio, enhancing overall portfolio incomes and by diversifying the tenant base and geographic diversity.

The Asset Manager believes that retail properties offer an attractive investment opportunity with both stability of yield and growth potential. The ability to acquire good quality, well located retail assets, with a focus on longer term leases, stronger credit quality national tenants, will allow the REIT to enhance the underlying portfolio cash flow and investor returns. The REIT will also look to acquire Properties in markets where the Asset Manager and the Property Manager have existing platforms to build off existing market relationships and capitalize on local economies of scale. Through future acquisitions of properties, in compliance with its investment guidelines, Skyline Retail REIT intends to geographically diversify its portfolio by purchasing properties in strong secondary and tertiary markets. As well, as Skyline Retail REIT grows through the acquisition of new properties and the issuance of additional REIT Units, Skyline Retail REIT will increase the stability of its income stream and provide Unitholders with increased liquidity.

Given current market conditions, the Asset Manager will continue to concentrate on communities that have low vacancy levels, strong tenant demand, good access to major highways and roadways, and overall good economic growth and drivers. See "Retail Real Estate Market". The Asset Manager intends to create mass for Skyline Retail REIT's portfolio through acquisitions in Canadian markets where the opportunity for value added properties exist.

2.3 Development of Business

Since being created on October 8, 2013, Skyline Retail REIT has acquired sixty-four (64) Properties which consist of an aggregate 1,966,298 square feet of retail space. The Properties represent a source of stable and secure cash flow to Skyline Retail REIT and may provide opportunities for capital appreciation. The Properties are located in strategic geographic locations that meet the investment strategy of Skyline Retail REIT. These Properties represent a significant base from which to launch the platform and to build upon the Asset Manager's knowledge base. In addition, the relative purchase prices attributable to each of the Properties are lower than its respective replacement cost. Skyline Retail REIT will hold all of its interests in the Properties in the name of Skyline Retail LP or in the name of nominee corporations, on behalf of Skyline Retail LP, all of the shares of which nominee corporations are owned, directly or indirectly, by Skyline Retail LP.

2.4 Long Term Objectives

The goals and objectives of Skyline Retail REIT are: (i) to provide REIT Unitholders with stable and growing cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from investments in a diversified portfolio of income-producing retail properties located in Canada; and (ii) to maximize REIT Unit value through the ongoing management of Skyline Retail REIT's assets and through the acquisition of additional properties. The costs associated with achieving Skyline Retail REIT's long term objectives include customary costs incurred in connection with the acquisition, financing and management of real property such as the short term costs set out below and fees payable to the Asset Manager, the Property Manager and the Wealth Manager. See Item 2.7 - Material Agreements - Asset Management Agreement, Property Management Agreement and Wealth Management Agreement.

Skyline Retail REIT cannot guarantee that its long term objectives will be met. Results will vary and are subject to numerous risks. A Unitholder may experience a complete loss of its investment. See Item 8 - Risk Factors.

2.5 Short Term Objectives and How We Intend to Achieve Them

The following outlines Skyline Retail REIT's short-term objectives for the next 12 months and the methods and costs associated with the achievement of those objectives.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Repayment of Acquisition and Operating Facility – with proceeds of this Offering.	\$9,578,856 to be repaid by the completion of the Offering	\$9,578,856
Acquisition of additional properties, as available funds from mortgage and other financing, as required.	As properties and funding are available	Purchase price plus customary due diligence, legal and accounting costs

2.6 Insufficient Funds

The funds available as a result of this Offering may not be sufficient to accomplish all of the proposed objectives of Skyline Retail REIT and there is no assurance that alternative financing will be available.

2.7 Material Agreements

The following is a list of all material contracts to which Skyline Retail REIT is currently a party or with a related party, which have been entered into by Skyline Retail REIT.

Declaration of Trust

General

Skyline Retail REIT is an unincorporated open-end investment trust created by a declaration of trust made as of October 8, 2013, amended and restated as of June 4, 2014 and December 1, 2014 (the “**Declaration of Trust**”) and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Trustees

The Declaration of Trust provides that the assets and operations of Skyline Retail REIT will be subject to the control and authority of a minimum of three (3) and maximum of nine (9) Trustees. The number of Trustees may only be changed by the Unitholders or, if authorized by the Unitholders, by the Trustees, provided that the Trustees may not, between meetings of the Unitholders, unless otherwise approved by a majority of the Independent Trustees, 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 Unitholders. The General Partner is entitled to appoint up to four Trustees (each, a “**Skyline Appointee**”), provided that following such appointment a majority of the Trustees are Independent Trustees. A vacancy occurring among the Trustees (other than a vacancy resulting from the resignation or removal of a Skyline Appointee) may be filled by resolution of the remaining Trustees so long as they constitute a quorum or by the Unitholders at a meeting of the Unitholders. A vacancy occurring among the Trustees resulting from the resignation or removal of a Skyline Appointee may be filled by an appointment by the General Partner. The Declaration of Trust also provides that each of James Bullock and Donald Biback shall be Trustees provided that they continue to

hold, collectively, not less than 10% of the issued and outstanding Units of Skyline Retail REIT. As at August 31, 2017, James Bullock and Donald Biback collectively held less than 10% of the issued and outstanding Units of Skyline Retail REIT and, effective June 6, 2017, James Bullock is no longer a trustee. The Trustees shall also have the power, in their absolute discretion, to grant to any other person the right to appoint one or more Trustees to serve on the board upon such terms and conditions as the Trustees may determine, provided always that a majority of Trustees are Independent Trustees. For the purposes of the Declaration of Trust, each person nominated pursuant to a nomination right granted pursuant to the foregoing provisions shall be known as a “**Special Appointee**”. In connection with the acquisition of the OPTrust Portfolio, the Trustees granted to OFI a special appointee nomination right, which right shall terminate (and the term of any Special Appointee appointed pursuant to such right shall automatically expire) upon OFI or any of its affiliates ceasing to hold in the aggregate, and assuming the full exercise of any securities convertible or exchangeable for Units, not less than 10% of the total number of Units outstanding (including any Special Voting Units outstanding and any Units issuable upon the conversion or exchange of any securities convertible into or exchangeable for Units). OFI has appointed Andrew Alcock as a Special Appointee in accordance with the foregoing nomination right. There are currently six (6) Trustees, four (4) of whom are Independent Trustees.

The Declaration of Trust contains additional provisions for the following with respect to Trustees:

- a majority of the Trustees must be Independent Trustees; and
- a Trustee, other than a Skyline Appointee or a Special Appointee, may be removed at any time with or without cause by a majority of the votes cast at a meeting of Unitholders or by written consent of Unitholders holding in the aggregate not less than a majority of the outstanding Units entitled to vote or with cause by a resolution passed by an affirmative vote of not less than two-thirds of the other Trustees.

Pursuant to the Declaration of Trust, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith with a view to the best interests of Skyline Retail REIT and the Unitholders and, in connection therewith, to exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions that serve to protect Unitholders without creating undue limitation on Skyline Retail REIT. Given that the Trustees and senior officers of Skyline Retail REIT are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions that require each Trustee or officer to disclose to the Trustees: (i) any interest in a material contract or transaction (a “**Material Transaction**”) or proposed Material Transaction with Skyline Retail REIT or any of its Subsidiaries; or (ii) if he or she is a director, trustee or officer of, or otherwise has a material interest in, any Person or in any affiliate, Related Party or Subsidiary of any Person who is party to a Material Transaction or proposed Material Transaction with Skyline Retail REIT or its Subsidiaries. Such disclosure is required to be made at the meeting of Trustees at which a proposed Material Transaction is first considered or, in the event that a Trustee was not then interested in a proposed Material Transaction or becomes interested after a Material Transaction is entered into, forthwith after the Trustee becomes so interested. A Trustee who has made the aforementioned disclosure is not entitled to vote on any resolution to approve the Material Transaction unless the Material Transaction is: (i) one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of Skyline Retail REIT; or (ii) one for indemnity under the provisions of the Declaration of Trust or the purchase of liability insurance.

Additional Approval Matters

In addition to any other approvals, the following matters require the approval of the Trustees (whether or not Independent Trustees) who have no interest in the subject matter of the approval:

- to enter into any agreement, other than the Asset Management Agreement, the Wealth Management Agreement, the Property Management Agreement, the Exchange Agreements and the Development Agreement, or transaction in which any Related Party has a material interest or make a material change to any such agreement or transaction;
- relating to a claim by or against any Related Party;
- relating to a claim in which the interests of a Related Party differ from the interests of Skyline Retail REIT;
- to permit Skyline Retail LP to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party;
- to approve or enforce any agreement entered into by Skyline Retail REIT or its Subsidiaries with a Related Party or an associate thereof, or any amendment to such agreement;
- granting REIT Units under any unit incentive or unit compensation plan approved by the Trustees, and, if required, by the Unitholders or awarding any right to acquire or other right or interest in the REIT Units or securities convertible into or exchangeable for REIT Units under any plan approved by the Trustees and, if required, by the Unitholders;
- recommending to the Unitholders to increase the number of Trustees serving on the board of Trustees or authorizing the Trustees to change the number of Trustees from time to time; and
- determining the compensation of any officer or employee of Skyline Retail REIT.

In addition, Skyline Retail REIT shall not permit Skyline Retail LP to effect a transaction with a Related Party unless the transaction is determined to be on commercially reasonable terms by, and is approved by, the Trustees who have no interest in such transaction in accordance with the foregoing. The Trustees shall obtain a valuation in respect of any real property that Skyline Retail LP intends to purchase from or sell to a Related Party prepared by a valuator engaged by, and prepared under the supervision of, a committee of the Trustees holding office at such time who have no interest in such transaction.

Finance Committee

The Declaration of Trust requires the creation of a Finance Committee, consisting of at least two (2) Independent Trustees, to review Skyline Retail REIT's procedures for internal control, to review and recommend to the Trustees for their approval the financial statements of Skyline Retail REIT, to review the engagement of Skyline Retail REIT's accountants, to assess Skyline Retail REIT's financial and accounting personnel and to review any significant transactions outside Skyline Retail REIT's ordinary activities and all pending litigation involving Skyline Retail REIT. The Trustees have appointed a Finance Committee consisting of four (4) Independent Trustees.

Investment Committee

The Declaration of Trust provides that the Trustees may, in their discretion, appoint from among their number an Investment Committee. If constituted, the Investment Committee will consider whether to approve or reject proposed transactions, including proposed acquisitions, dispositions, financing and refinancing for and on behalf of Skyline Retail REIT. Currently, the Investment Committee consists of all of the Trustees of Skyline Retail REIT.

Investment Guidelines

The Declaration of Trust provides for certain investment guidelines which may be made by Skyline Retail REIT. Notwithstanding anything contained herein to the contrary, the assets of Skyline Retail REIT may be invested only, and Skyline Retail REIT shall not permit the assets of any Subsidiary to be invested otherwise than, in accordance with the following investment guidelines:

- (a) Skyline Retail REIT shall focus its activities primarily on the acquisition, holding, maintaining, improving, leasing or managing of retail commercial, revenue producing properties and ancillary real estate ventures ("**Focus Activities**") in Canada;
- (b) notwithstanding anything herein contained to the contrary, no investment shall be made that would result in:
 - (i) Units of Skyline Retail REIT being disqualified for investment by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit-sharing plans, registered disability savings plans, or tax-free savings accounts at any time after the date on which Skyline Retail REIT has over 150 Unitholders; or
 - (ii) Skyline Retail REIT ceasing to qualify as a "mutual fund trust" or a "registered investment" for purposes of the Tax Act;
- (c) from and after the date on which the Trust has a Gross Book Value of at least one hundred million dollars (\$100,000,000), no single asset (other than Class A LP Units) shall be acquired if the cost of such acquisition (net of the amount of debt secured by such asset) will exceed 20% of Gross Book Value, provided that where such asset is the securities of or an interest in an entity, the foregoing tests shall be applied individually to each asset of such entity;
- (d) investments may be made in a joint venture arrangement only if:
 - (i) the arrangement is in connection with a Focus Activity;
 - (ii) the arrangement is with others ("**joint venturers**") either directly or through the ownership of securities of or an interest in an entity ("**joint venture entity**");
 - (iii) Skyline Retail REIT has the ability to provide input in the management decisions of the joint venture entity; and
 - (iv) without limitation, any joint venture arrangement with a Related Party for the purposes of the related party provisions of the Declaration of Trust has been entered into in accordance with such provisions;
- (e) unless otherwise permitted in this section and except for (i) temporary investments held in cash, (ii) deposits with a Canadian or U.S. chartered bank or trust company registered under the laws of a province of Canada, (iii) short-term government debt securities or money market instruments of, or guaranteed by, a Schedule I Canadian chartered bank maturing prior to one year from the date of issue, Skyline Retail REIT, directly or indirectly, may not hold securities other than (i) currency or interest rate futures contracts for hedging purposes to the extent that such hedging activity complies with National Instrument 81-102 *Investment Funds* or any successor instrument or rule; (ii) securities of a joint venture entity, or any entity formed and operated solely for the purpose of carrying on ancillary activities to any real estate owned, directly or indirectly, by Skyline Retail REIT, or an entity wholly-owned, directly or indirectly, by Skyline Retail REIT formed and operated solely for the purpose of holding a particular real property or real properties; and (iii)

securities of another issuer provided either (A) such securities derive their value, directly or indirectly, principally from real property, or (B) the principal business of the issuer of the securities is the ownership or operation, directly or indirectly, of real property, and provided in either case the entity whose securities are being acquired are engaged in a Focus Activity;

- (f) no investment will be made, directly or indirectly, in operating businesses unless such investment is incidental to a transaction:
 - (i) where revenue will be derived, directly or indirectly, principally from a Focus Activity; or
 - (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property;
- (g) notwithstanding any other provisions of this section, the securities of a reporting issuer in Canada may be acquired provided that the activities of the issuer are focused on focus activities;
- (h) no investments will be made in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (i) no investments will be made in a mortgage, mortgage bonds, notes or debentures ("**Debt Instruments**") (including participating or convertible) unless:
 - (i) the real property which is security therefor is real property which otherwise meets the provisions of this section;
 - (ii) the security therefore includes a first mortgage registered on title to the real property which is security therefor; and
 - (iii) the aggregate value of the investments of Skyline Retail REIT in Debt Instruments, after giving effect to the proposed investment, will not exceed 15% of the Adjusted Unitholders' Equity of Skyline Retail REIT,

provided that, notwithstanding the foregoing, an investment may be made in a Debt Instrument if (i) the sole intention is to use such investment as a method of acquiring control of a revenue producing real property which would otherwise be a permitted investment pursuant to this section and provided that the aggregate value of the investments in such Debt Instruments will not exceed 15% of Adjusted Unitholders' Equity of Skyline Retail REIT or (ii) the sole intention of such investment is to provide financing to assist in the development of a property which upon completion of development will be a revenue producing real property which would otherwise be a permitted investment pursuant to this section;

- (j) no investment shall be made in raw land (except for the acquisition of properties adjacent to Existing Properties of Skyline Retail REIT for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 10% of Gross Book Value); and
- (k) notwithstanding any other provisions hereof, investments may be made which do not comply with the provisions of this section provided (i) the aggregate cost thereof (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 in connection with the acquisition and secured by a mortgage on such property) does not exceed 20% of the Adjusted Unitholders'

Equity of Skyline Retail REIT and (ii) the making of such investment would not contravene subsection (b) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a Person wholly or partially owned by Skyline Retail LP will be deemed to be those of Skyline Retail LP on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Operating Policies

The operations and affairs of Skyline Retail REIT shall be conducted in accordance with the following operating policies and Skyline Retail REIT shall not permit any Subsidiary to conduct its operations and affairs other than in accordance with the following policies:

- (a) the construction or development of real property may be engaged in order to maintain its real properties in good repair or to enhance the revenue-producing potential of real properties in which it has an interest;
- (b) title to each real property shall be held by and registered in the name of (i) a corporation or other entity wholly-owned by Skyline Retail LP, (ii) the General Partner, or (iii) a corporation or other entity wholly-owned indirectly by Skyline Retail REIT or jointly owned indirectly by Skyline Retail REIT with joint venturers;
- (c) no indebtedness shall be incurred or assumed if, after giving effect to the incurring or assumption thereof of the indebtedness, the total indebtedness including amounts drawn under an acquisition and operating facility as a percentage of Gross Book Value, would be more than 70%;
- (d) Skyline Retail REIT will not directly or indirectly guarantee any indebtedness or liabilities of any Person unless such guarantee is given in connection with or incidental to an investment that is otherwise permitted under the foregoing investment guidelines or these operating policies, or in circumstances where the guarantee would result in Skyline Retail REIT ceasing to qualify as a mutual fund trust pursuant to the Tax Act;
- (e) at all times insurance coverage will be obtained and maintained in respect of potential liabilities of Skyline Retail REIT and the accidental loss of value of the assets of Skyline Retail REIT from risks, in amounts and with such insurers, in each case as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties and, for clarity, Skyline Retail REIT is not required to title insure; and
- (f) a Phase I environmental audit shall be conducted or obtained for each real property to be acquired and, if the Phase I environmental audit report recommends that further environmental audits be conducted or obtained, such further environmental audits shall be conducted or obtained, in each case by or from an independent and experienced environmental consultant.

Amendments to Investment Guidelines and Operating Policies

Subject to the Declaration of Trust, any of the investment guidelines set forth above may be amended only by the vote of a two-thirds majority of the votes cast at a meeting of the Unitholders called for that purpose and the operating policies set forth above may be amended by the vote of a majority of the votes cast at a meeting of the Unitholders called for that purpose.

Notwithstanding the foregoing, the Trustees may amend, or, with respect to any one transaction override, any of the investment guidelines set forth above (other than those set out in subsections (a), (b)

and (h), provided that they unanimously agree that to do so is in the best interests of Skyline Retail REIT, and provided that the Trustees forthwith notify all Unitholders of the amendment(s).

Amendments to Declaration of Trust

A majority of all Trustees including a majority of the Independent Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust. In no event may the Trustees amend the Declaration of Trust if such amendment would: (i) amend the amending provisions of the Declaration of Trust; (ii) amend the Unitholders' voting rights; or (iii) cause Skyline Retail REIT to fail or cease to qualify as a "mutual fund trust", or "registered investment" under the Tax Act or be subject to tax under Part XII.2 of the Tax Act.

Subject to certain exceptions in the Declaration of Trust, the Declaration of Trust may be amended only by the vote of at least a two-thirds majority of the votes cast at a meeting of the Unitholders called for that purpose. Without limiting the generality of the foregoing, the following amendments will require the approval of at least two-thirds of the votes cast by all Unitholders at said 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, including, without limiting the generality of the foregoing,
 - (i) the removal or change of rights to distributions; or
 - (ii) the addition or removal of or change to conversion privileges, redemption privileges, voting, transfer or pre-emptive rights;
- (c) the creation of new rights or privileges attaching to the Units; and
- (d) any change to the existing constraints on the issue, transfer or ownership of the Units.

Term of Skyline Retail REIT

Unless Skyline Retail REIT is sooner terminated as otherwise provided by the Declaration of Trust, Skyline Retail REIT shall continue in full force and effect so long as any property of Skyline Retail REIT is held by the Trustees, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by the Declaration of Trust. Notwithstanding the foregoing, Skyline Retail REIT will terminate on the date which is 21 years after the date of the death of the last survivor of the issue alive at the date of the Declaration of Trust of her Majesty Queen Elizabeth II. Skyline Retail REIT may be terminated by the vote of at least two-thirds of the votes cast at a meeting of the Unitholders called for that purpose.

Upon the termination of Skyline Retail REIT, the liabilities of Skyline Retail REIT shall be discharged with due speed, the net assets of Skyline Retail REIT shall be liquidated and the proceeds distributed to the REIT Unitholders in accordance with their entitlements as provided in the Declaration of Trust. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

Asset Management Agreement

The Asset Management Agreement was entered into between the Asset Manager and Skyline Retail REIT on October 8, 2013. Pursuant to the Asset Management Agreement, the Asset Manager has been engaged by Skyline Retail REIT for the purpose of managing the day-to-day operations of Skyline Retail REIT. See Item 2.2 – Our Business – Management of Skyline Retail REIT – The Asset Manager. The main provisions of the Asset Management Agreement are summarized below.

Pursuant to the Asset Management Agreement, the Asset Manager will manage the day-to-day operations of Skyline Retail REIT for a term of five (5) years, expiring in September 2018. The Asset Management Agreement will automatically renew for a further five-year term unless terminated by Skyline Retail REIT or the Asset Manager. The Asset Management Agreement may be terminated at any time by Skyline Retail REIT (by a decision of a majority of the Independent Trustees) in the event of a material breach by the Asset Manager of its obligations under the Asset Management Agreement, the commission by the Asset Manager or any of its agents or employees of any act constituting fraud, misconduct, breach of fiduciary duty, gross negligence or a wilful breach of applicable laws, an event of insolvency occurring with respect to the Asset Manager or a Change of Control. The Asset Management Agreement may be terminated by the Asset Manager on 60 days' notice to Skyline Retail REIT as a result of a material breach by Skyline Retail REIT of its obligations under the Asset Management Agreement or an event of insolvency with respect to Skyline Retail REIT.

All of the directors and senior officers of the Asset Manager have been involved in a broad range of real estate activities over the past ten years. The name and municipality of residence, office held with the Asset Manager and principal occupation of each director and senior officer of the Asset Manager are as follows:

Name and Municipality of Residence	Office	Principal Occupation
Jason Castellan – Centre Wellington	President, Chief Executive Officer and Director	Chief Executive Officer of the Asset Manager, the Property Manager and the Wealth Manager
Martin Castellan – Township of Eramosa	Secretary, Chief Administrative Officer and Director	Chief Administrative Officer of the Asset Manager, the Property Manager and the Wealth Manager
Roy (Jason) Ashdown – Centre Wellington	Vice President, Chief Operating Officer and Director	Chief Operating Officer of the Asset Manager, the Property Manager and the Wealth Manager
Wayne Byrd – Centre Wellington	Treasurer, Chief Financial Officer and Director	Chief Financial Officer of the Asset Manager, the Property Manager and the Wealth Manager
Gordon Driedger – Halton Hills	President	President of the Asset Manager
Michael Bonneveld – Centre Wellington	Vice President	Vice President of the Asset Manager

Asset Manager's Duties

Among other duties, the Asset Manager is responsible for: identifying retail property investment opportunities that meet the investment restrictions set out in the Declaration of Trust; providing the Trustees and the Investment Committee with information and advice relating to proposed acquisitions, dispositions and financings; establishing, at least on an annual basis, investment and operating plans for the ensuing period; supervising the due diligence required in connection with proposed acquisitions and supervising the completion of any resulting transactions; maintaining the books and financial records of Skyline Retail REIT; advising as to designations, elections and determinations to be made in connection with the income and capital gains of Skyline Retail REIT for tax and accounting purposes; preparing reports and other information required to be sent to Unitholders and other disclosure documents; calculating and determining all allocations, communicating with Unitholders and other persons,

including investment dealers, lenders, and professionals; providing office space and equipment and the necessary clerical and secretarial personnel for the administration of the day-to-day affairs of Skyline Retail REIT; and administering or supervising the administration on behalf of Skyline Retail REIT of the payment of Distributable Income and other distributions by Skyline Retail REIT.

Asset Manager's Fees

In consideration for the services to be provided by the Asset Manager to Skyline Retail REIT, the Asset Manager will be entitled to an asset management fee, equal to 2% of the Adjusted Gross Revenues (the “**Fee**”). The Fee will be calculated and paid monthly no later than the fifteenth (15th) Business Day of each month with respect to the prior monthly period.

If and to the extent that the Asset Manager or any person affiliated with the Asset Manager renders services to Skyline Retail REIT in addition to those specifically required to be rendered under the Asset Management Agreement, such services will be compensated separately as agreed to by the Independent Trustees on the basis of fees which are at least as favourable to Skyline Retail REIT as those then generally charged for comparable services and activities.

Under the Asset Management Agreement, the Asset Manager is responsible for employment expenses of its personnel, rent and other office expenses of the Asset Manager, and the expenses of the non-Independent Trustees and officers of Skyline Retail REIT who are directors, officers or employees of the Asset Manager or of an affiliate of the Asset Manager (except expenses incurred in attending meetings of the Trustees).

In addition to the fees and expenses to be paid to the Asset Manager, Skyline Retail REIT is responsible for all of Skyline Retail REIT's expenses (other than expenses assumed by the Asset Manager), including the following:

- interest and other costs of borrowed money;
- fees and expenses of lawyers, accountants, auditors, brokers, appraisers and other agents or consultants employed by or on behalf of Skyline Retail REIT;
- fees and expenses of the Independent Trustees of Skyline Retail REIT;
- fees and expenses of the Property Manager;
- fees and expenses connected with the acquisition, disposition, financing and ownership of real property interests or mortgage loans or other property;
- insurance as considered necessary by the Trustees of Skyline Retail REIT, including directors' and officers' liability insurance;
- expenses in connection with any employees or independent contractors employed or retained by Skyline Retail REIT, including all compensation costs, benefits and severance costs;
- expenses of changing or terminating Skyline Retail REIT;

- all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of REIT Units and other required government filings; and
- all costs and expenses in connection with the incorporation, organization and maintenance of any corporation or partnership formed to hold real property or other property of Skyline Retail REIT.

Property Management Agreement

The Property Management Agreement was entered into between the Property Manager and Skyline Retail REIT on October 8, 2013 and subsequently amended on November 29, 2016 as approved by the Skyline Retail REIT Board of Trustees. Pursuant to the Property Management Agreement, the Property Manager will have general responsibility for the overall management and operation of the Properties. See Item 2.2 – Our Business – Management of Skyline Retail REIT – Management of the Properties. The main provisions of the Property Management Agreement are summarized below.

The term of the Property Management Agreement is for an initial term of five years, expiring in September 2018. Renewals for additional five-year terms are automatic unless the Property Management Agreement is terminated. The Property Management Agreement may be terminated by Skyline Retail REIT in the event of a material breach by the Property Manager of its obligations under the Property Management Agreement, the commission by the Property Manager or any of its agents or employees of any act constituting fraud, misconduct, breach of fiduciary duty, gross negligence or a willful breach of applicable laws, upon any event of insolvency occurring with respect to the Property Manager or a Change of Control. The Property Management Agreement may be terminated by the Property Manager upon 60 days' prior notice to Skyline Retail REIT in the event of a material breach by Skyline Retail REIT of its obligations or in an event of insolvency occurring with respect to Skyline Retail REIT.

The Property Management Agreement provides for the payment of a monthly property management fee to the Property Manager equal to three and a half (3.5%) percent of Base Rental Income for all buildings. The property management fee will be calculated and paid monthly on or about the 18th day of each month with respect to the prior month. If the Property Manager is to provide any services in addition to those referred to in the Property Management Agreement, then before the provision of any such services, the Applicable Owner and the Property Manager shall negotiate and agree upon the scope of any such services and the fees for any such services.

Pursuant to the Property Management Agreement, the Property Manager will be responsible for and pay all of its own employment expenses of its personnel, rent and other office expenses, and miscellaneous administrative expenses relating to its functions under the Property Management Agreement.

Wealth Management Agreement

The Wealth Management Agreement was entered into between the Wealth Manager and Skyline Retail REIT on October 8, 2013. Pursuant to the Wealth Management Agreement, the Wealth Manager is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Retail REIT, as described below. See Item 2.2 – Our Business – Management of Skyline Retail REIT – The Wealth Manager. The main provisions of the Wealth Management Agreement are summarized below.

The Wealth Management Agreement has a term of five (5) years. The Wealth Management Agreement will automatically renew for a further five-year term unless terminated by Skyline Retail REIT or the Wealth Manager. The Wealth Management Agreement may be terminated at any time by Skyline Retail REIT (by a decision of a majority of the Independent Trustees) in the event of a material breach by the Wealth Manager of its obligations under the Wealth Management Agreement, including if the Wealth Manager ceases to be a registered dealer in good standing with any applicable securities commission, a

breach of the representations of the Wealth Manager, the commission by the Wealth Manager or any of its agents or employees of any act constituting fraud, misconduct, breach of fiduciary duty, gross negligence or a wilful breach of applicable laws, or an event of insolvency occurring with respect to the Wealth Manager. The Wealth Management Agreement may be terminated by the Wealth Manager on 60 days' notice to Skyline Retail REIT as a result of a material breach by Skyline Retail REIT of its obligations under the Wealth Management Agreement, a breach of the representations of Skyline Retail REIT or an event of insolvency with respect to Skyline Retail REIT.

All of the directors and senior officers of the Wealth Manager have been involved in a broad range of real estate activities over the past ten years. The name and municipality of residence, office held with the Wealth Manager and principal occupation of each director and senior officer of the Wealth Manager are as follows:

Name and Municipality of Residence	Office	Principal Occupation
Jason Castellan – Centre Wellington	President, Chief Executive Officer and Director	Chief Executive Officer of the Asset Manager and the Wealth Manager
Martin Castellan – Township of Eramosa	Secretary, Chief Administrative Officer and Director	Chief Administrative Officer of the Asset Manager and the Wealth Manager
Roy (Jason) Ashdown – Centre Wellington	Vice President, Chief Operating Officer and Director	Chief Operating Officer of the Asset Manager and the Wealth Manager
Wayne Byrd – Centre Wellington	Treasurer, Chief Financial Officer and Director	Chief Financial Officer of the Asset Manager and the Wealth Manager
Adam Batstone – Town of Oakville	Executive Vice President	Executive Vice President of the Wealth Manager
Vivian Salonga– Town of Milton	Chief Compliance Officer	Chief Compliance Officer of the Wealth Manager

Wealth Manager's Duties

Among other duties, the Wealth Manager will be responsible for: (subject to the provisions of the Wealth Management Agreement), acting as exempt market dealer in each of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer on each equity raise undertaken by the Skyline Retail REIT, and in connection therewith, coordinating, managing and documenting (other than preparation of an offering memorandum) all aspects of each equity raise, including managing third-party service providers retained by the Wealth Manager in connection therewith; assuming responsibility for the distribution of REIT Units on behalf of Skyline Retail REIT in each of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer; ensuring compliance with all regulatory authorities; anti-money laundering compliance; anti-terrorism verifications; assisting Skyline Retail REIT in processing distributions to Unitholders; maintaining all books and financial records with respect to equity under management; calculating equity under management from time to time; preparing such reports and other disclosure documents for Trustees and Unitholders as required by Skyline Retail REIT from time to time; providing advice and assistance in connection with Skyline Retail REIT's raising of capital and issuance of securities, including representing Skyline Retail REIT in its dealings with banks and other lenders, investment dealers, brokers, underwriters, institutions and investors; managing Skyline Retail REIT's investor relations activities including, without limitation, managing communications with Unitholders; assisting Skyline Retail REIT in making all required filings under applicable law; and managing all aspects of any employee purchase plans with respect to REIT Units.

Wealth Manager's Fees

In consideration for the services to be provided by the Wealth Manager to Skyline Retail REIT, the Wealth Manager will be entitled to a wealth management fee, payable monthly, equal to 1/12 of 0.3% of Skyline Retail REIT's Equity Under Management (calculated as the product of the outstanding REIT Units multiplied by the then market value of one REIT Unit). The Wealth Manager will also be entitled to an equity raise fee equal to a maximum of 1.0% on the capital raised in offerings of REIT Units, subject to adjustment.

Under the Wealth Management Agreement, the Wealth Manager is responsible for employment expenses of its personnel, rent and other office expenses of the Wealth Manager in connection with providing services to Skyline Retail REIT under the Wealth Management Agreement.

ITEM 3 INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out specified information about each Trustee, officer and promoter of Skyline Retail REIT and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of Skyline Retail REIT. A person who is employed by and receives salary from Skyline Retail REIT, its Subsidiaries, the Asset Manager, the Property Manager or the Wealth Manager will not receive any remuneration from Skyline Retail REIT for serving as a Trustee or senior officer.

Name and municipality of principal residence	Positions held (e.g., trustee, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of max. offering
Jason Scott Castellan Centre Wellington	Chief Executive Officer and Trustee ⁽²⁾ (October 8, 2013)	\$230,000/\$230,000 ⁽⁴⁾	5,400 REIT Units (0.03% of REIT Units)
Wayne Brian Byrd Centre Wellington	Chief Financial Officer (October 8, 2013) and Trustee ⁽²⁾ (March 26, 2014)	\$230,000/\$230,000 ⁽⁴⁾	10,427.8 REIT Units (0.06% of REIT Units)
Roy (Jason) Ashdown Centre Wellington	Chief Operating Officer (October 8, 2013)	\$230,000/\$230,000 ⁽⁴⁾	103,500.8 REIT Units (0.56% of REIT Units)
Martin Julian Castellan Township of Eramosa	Chief Administrative Officer (October 8, 2013)	\$230,000/\$230,000 ⁽⁴⁾	26,051.3 REIT Units (0.14% of REIT Units)
Donald Martin Biback Thornhill, Ontario	Trustee ⁽¹⁾⁽²⁾⁽³⁾ (October 8, 2013)	\$36,500/\$36,500	479,915.5 Special Voting Units ⁽⁵⁾ (9.78% of Special Voting Units) 30,000 REIT Units (0.16% of REIT Units)

Name and municipality of principal residence	Positions held (e.g., trustee, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of max. offering
George S. Schott Toronto, Ontario	Trustee ⁽¹⁾⁽²⁾⁽³⁾ (March 26, 2014)	\$35,500/\$35,500	0 Units
Andrew Alcock Toronto, Ontario	Trustee ⁽¹⁾⁽²⁾⁽³⁾ (November 5, 2014)	\$0/\$0	0 Units
Perry Katz Toronto, Ontario	Trustee ⁽¹⁾⁽²⁾⁽³⁾ (June 6, 2017)	\$0/\$0	0 Units
James Ross Bullock Burlington, ON	Principal holder of Special Voting Units (October 8, 2013)	\$36,500/\$36,500 ⁽⁶⁾	872,119.3 Special Voting Units ⁽⁷⁾ (17.78% of Special Voting Units)
OPTrust Fund Inc. Toronto, Ontario	Principal holder of REIT Units (August 1, 2014)	\$34,000/\$35,500 ⁽⁸⁾	3,200,000 REIT Units ⁽⁹⁾ (17.29% of REIT Units)
Club Corporation of Canada	Principal holder of Special Voting Units (December 1, 2014)	\$0/\$0	848,371.2 Special Voting Units ⁽¹⁰⁾ (17.29% of Special Voting Units)
Wheels Inn World Ltd.	Principal holder of Special Voting Units (June 2, 2016)	\$0/\$0	910,148 Special Voting Units ⁽¹¹⁾⁽¹²⁾ (18.55% of Special Voting Units)

Notes:

- (1) Member of Finance Committee
- (2) Member of Investment Committee
- (3) Independent Trustee
- (4) The compensation paid to the Officers of Skyline Retail REIT are not paid by Skyline Retail REIT. The compensation is paid by the management companies external to Skyline Retail REIT.
- (5) On closing of the Glengate Portfolio, Mr. Biback acquired (in partial payment of the purchase price for the Glengate Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class B LP Units which together will be economically equivalent to acquiring 479,915.5 REIT Units.
- (6) Represents the amount of trustee compensation in respect of Mr. Bullock acting as trustee of Skyline Retail REIT. Mr. Bullock ceased to be a trustee on June 6, 2017.
- (7) On closing of the Glengate Portfolio, Mr. Bullock acquired (in partial payment of the purchase price for the Glengate Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class B LP Units which together will be economically equivalent to acquiring 892,119.3 REIT Units.
- (8) Represents the amount of trustee compensation in respect of Mr. Alcock acting as trustee of Skyline Retail REIT. Mr. Alcock is the Director, Real Estate Investments of OPSEU Pension Trust, an affiliate of OFI.
- (9) On closing of the OPTrust Portfolio, OPTrust Fund Inc. acquired (in partial payment of the purchase price for the OPTrust Portfolio) 500,000 REIT Units and \$27,000,000 aggregate principal amount of unsecured convertible debentures, which were convertible into REIT Units at a conversion price of \$10.00 per REIT Unit (subject to adjustment) commencing on August 1, 2017. On July 20, 2017, Skyline Retail REIT accepted the

- early conversion of the entire \$27,000,000 principal amount of OPTrust Debentures into 2,700,000 REIT Units at a conversion price of \$10.00 per REIT Unit.
- (10) On closing of the GoodLife Portfolio, Club Corporation of Canada acquired (in partial payment of the purchase price for the GoodLife Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class C LP Units which together will be economically equivalent to acquiring 848,371.2 REIT Units.
- (11) On closing of Wheels Inn World Portfolio, Wheels Inn World Ltd. acquired (in partial payment of the purchase price for the Wheels Inn World Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class B LP Units which together will be economically equivalent to acquiring 910,148 REIT Units
- (12) In connection with the acquisition of the Wheels Inn World Portfolio, Skyline Retail REIT issued to Wheels Inn World Ltd. \$3,400,000 aggregate principal amount of unsecured convertible debentures, which are convertible into REIT Units at a conversion price of \$11.50 per REIT Unit (subject to adjustment) commencing on June 2, 2017. See Item 3.4 – Loans.

3.2 Management Experience

The following table sets forth the principal occupations of the Trustees and executive officers of Skyline Retail REIT during the past five years and the nature and extent of their related real estate experience.

Name	Principal occupation and related experience
Jason Castellan	Chief Executive Officer of the Asset Manager and the Property Manager ⁽¹⁾
Wayne Byrd	Chief Financial Officer of the Asset Manager and the Property Manager ⁽²⁾
Roy (Jason) Ashdown	Chief Operating Officer of the Asset Manager and the Property Manager ⁽³⁾
Martin Castellan	Chief Administrative Officer of the Asset Manager and the Property Manager ⁽⁴⁾
Donald Biback	Real Estate Executive and Partner of Glengate Holdings Inc. ⁽⁵⁾
George Schott	Real Estate Executive, President & COO of Morguard Investment Limited ⁽⁶⁾
Andrew Alcock	Real Estate Executive and Director, Real Estate Investments of OPSEU Pension Trust ⁽⁷⁾
Perry Katz	Senior Partner, Miller Thomson LLP ⁽⁸⁾

Notes:

(1) Jason Castellan is co-founder and Chief Executive Officer of the Skyline Group of Companies. Since 1991, Mr. Castellan has been an owner and manager of investment real estate, starting out with a student rental portfolio and gradually moving to larger apartment buildings. Since 1999, Mr. Castellan has been an officer and director of 15 corporations which owned properties managed by Skyline Incorporated. He is active in the acquisition and finance portion of the portfolio. Mr. Castellan holds degrees from both the University of Guelph and York University.

(2) Wayne Byrd has been involved in the accounting and finance field since 1995 and has been Chief Financial Officer of the Skyline Group of Companies since 2005. From 1998 to 2005, Mr. Byrd held the position of Controller of All Treat Farms Limited where he was responsible for financial planning, accounting, reporting and management of organizational investment, expansion and acquisition decisions. Mr. Byrd is a Certified Management Accountant and graduated from Brock University with a Bachelor of Accounting Degree (Honours).

(3) Roy (Jason) Ashdown is co-founder and Chief Operating Officer of the Skyline Group of Companies. Mr. Ashdown has in depth experience in construction and building systems. Since 1996, Mr. Ashdown has been an owner and manager of residential and commercial real estate. Since 1999, Mr. Ashdown has been devoted to managing Skyline and properties managed by Skyline. He is a member of the asset management team and conducts due diligence on

purchases, assesses current holdings and works closely with Skyline Retail REIT to enhance the quality and profitability of the Properties. Mr. Ashdown has a Bachelor of Arts degree from the University of Waterloo.

(4) Martin Castellan is co-founder and Chief Administrative Officer of the Skyline Group of Companies. Martin has been investing and working in real estate for over 20 years. He holds an honours Bachelor of Commerce degree from the University of Guelph, majoring in Management Economics in Industry and Finance. With the significant growth of Skyline since its inception, to now over 400 employees, Martin focuses on the commitment toward Skyline's guiding principles and instilling the grassroots culture that has been a part of Skyline from its beginning. He currently oversees Human Resources; Information Systems; and the Corporate Office while fostering an environment of team work, customer service, and respect.

(5) Donald Biback has more than 35 years' experience in the real estate sector. Mr. Biback worked at Cadillac Fairview Corporation in a variety of executive positions over a period of more than 18 years, including Executive V.P. Development and Chief Operating Officer. In 1997, he was appointed President of First Professional Management Inc., and he co-founded Beacon Group Real Estate Services, a development and asset management consulting firm in 1998 and Slate Properties Inc., a private equity real estate investment firm in 2005. He currently partners with Glengate in private equity real estate investment and development. Mr. Biback holds a Master's degree in Environmental Studies (Urban Planning) from York University, as well as a Bachelor of Arts degree. He has sat on numerous Boards and Committees, including Cadillac Fairview, International Council of Shopping Centres (ICSC) and the Disciplinary Committee of the Ontario Planning Association, and was founding President of Williams Landing Cottage Association. He was until recently a Trustee, Director and Chair of the Board of KEYreit (formerly Scotts).

(6) George Schott has more than 35 years' experience in the Real Estate sector most recently as President and COO of Morguard Investment Limited. In years prior he was the former founder, Chairman and CEO of Osmington Inc and former President and CEO of Redcliff Realty. In years prior to Osmington Mr. Schott held a variety of senior management position with Bramalea, Oxford and Markborough. Mr. Schott has been a director of EllisDon since 2003 and he was a former director of Key REIT, a former advisor to 20 Vic Management and the former Chairman of the investment committee of Aurion

(7) Andrew Alcock has more than 21 years' experience in the real estate sector, most recently as the Director, Real Estate Investments for OPSEU Pension Trust ("OPTrust"). OPTrust invests and manages one of Canada's largest pension plans. Prior to joining OPTrust, Mr. Alcock worked at Oxford Properties Group ("Oxford") for 15 years in a variety of positions, most recently as Director of Asset Management overseeing Oxford's retail portfolio. Prior to joining Oxford, Mr. Alcock spent 2 years at KPMG. Mr. Alcock holds an Honours Business Administration degree from Wilfrid Laurier University and is a Chartered Professional Accountant.

(8) Perry Katz has almost 25 years of experience practicing law in the real estate sector in Canada. He is presently a senior partner at Miller Thomson LLP, and is involved in high-profile transactions focusing on the acquisition, disposition, development, leasing, and financing of commercial real estate. He has also acted for a number of REITs and income funds. He is called to the bar in Ontario, Quebec, New York and Massachusetts, and is ranked in The Best Lawyers in Canada as a leading expert in Commercial Leasing and Real Estate Law. Mr. Katz's clients include some of Canada's leading retailers, investors and developers.

3.3 Penalties, Sanctions and Bankruptcy

In March 2011, an order of the Ontario Securities Commission (the "Commission") was issued against Skyline Apartment Real Estate Investment Trust ("Skyline Apartment REIT"), the Wealth Manager and Skyline Incorporated regarding the settlement of proceedings relating to the sale of units by Skyline Apartment REIT where the exemptions from the prospectus and registration requirements of applicable securities legislation were not available. Jason Castellan, Wayne Byrd, Roy (Jason) Ashdown, and Martin Castellan were trustees or directors and/or officers of Skyline Apartment REIT, the Wealth Manager and/or Skyline Incorporated at the time. In accordance with the order, Skyline Apartment REIT, the Wealth Manager and Skyline Incorporated paid an administrative penalty of \$300,000 in the aggregate and an additional \$150,000, representing a portion of the Commission staff's costs in the matter. Under the order, as a term and condition to the registration of the Wealth Manager, within 90 days of the approval of the Settlement Agreement, approximately 216 investors in Skyline Apartment REIT who did not qualify for any of the registration/prospectus exemptions, were required to be divested of their investment, by having Skyline Apartment REIT purchase for cancellation or otherwise redeem the REIT units held by these investors, and by providing to them: (i) the amounts originally invested, capital growth and any amounts arising from the distribution reinvestment plan (approximately \$15M); and (ii) any amounts owing with

respect to the stated distribution amount for the REIT Units at the time for the period from the last distribution on March 15, 2011 to the time of payment.

3.4 Loans

As of the date of this Offering Memorandum, Skyline Retail REIT does not have any debenture or loan due to or from the Trustees, management, promoters and principal holders of Skyline Retail REIT, other than as set out below.

On closing of the acquisition of the Wheels Inn World Portfolio, Skyline Retail REIT issued to Wheels Inn World Ltd. (in partial payment of the purchase price for the Wheels Inn World Portfolio) 910,148 REIT Units and \$3,400,000 aggregate principal amount of unsecured convertible debentures (the “**Wheels Inn World Debentures**”). The Wheels Inn World Debentures bear interest at a rate of 5.00% per annum, payable monthly in equal instalments in arrears, and will mature on June 2, 2019. The Wheels Inn World Debentures are convertible into REIT Units, in whole or in part, at the option of Wheels Inn World Ltd. or Skyline Retail REIT, at a conversion price of \$11.50 per REIT Unit (subject to adjustment in accordance with the Wheels Inn World Debentures) at any time on or after June 2, 2017 until the close of the Business Day immediately preceding June 2, 2019. Upon conversion, interest accrued to but excluding the date of conversion will be payable to Wheels Inn World Ltd. in cash by Skyline Retail REIT on the last Business Day of the month during which the conversion occurred. If Skyline Retail REIT elects to convert the Wheels Inn World Debentures, in whole or in part, into REIT Units, Wheels Inn World Ltd. has a superseding right under the Wheels Inn World Debentures to require Skyline Retail REIT to pay Wheels Inn World Ltd. in cash an amount equal to the principal amount of Wheels Inn World Debentures that Skyline Retail REIT elected to convert in lieu of the issuance of such REIT Units to Wheels Inn World Ltd.

ITEM 4 CAPITAL STRUCTURE

4.1 Equity Securities

The following is a description of the equity securities of Skyline Retail REIT (other than the Initial Unit).

The beneficial interests in Skyline Retail REIT, other than the Initial Unit, are divided into two classes described as “REIT Units” and “Special Voting Units” (collectively, the “**Units**”). The number of Units of any class which Skyline Retail REIT may issue is unlimited. Units shall be issued only as fully paid and non-assessable. Each Unit when issued shall vest indefeasibly in the holder thereof. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees with the approval of the majority of the Unitholders, or as otherwise provided in the Declaration of Trust. Unitholders have the right to receive notice of, to attend and to vote at all meetings of Unitholders. Each Unit shall entitle the holder thereof to one vote at all meetings of Unitholders.

Description of security	Number authorized to be issued	Price per security	Number outstanding as at August 31, 2017	Number outstanding after max. offering
REIT Units ⁽¹⁾⁽²⁾	Unlimited	\$12.50	13,505,083	18,505,083
Special Voting Units ⁽³⁾	Unlimited	\$0	4,906,101	4,906,101

Notes:

(1) Each REIT Unit shall represent an undivided beneficial interest in distributions by Skyline Retail REIT, whether of net income, net realized capital gains or other amounts, and, in the event of a liquidation, dissolution, winding-up or other termination of Skyline Retail REIT, in the net assets of Skyline Retail REIT remaining after satisfaction of all liabilities.

(2) In connection with the acquisition of the Wheels Inn World Portfolio, Skyline Retail REIT issued to Wheels Inn World Ltd. \$3,400,000 aggregate principal amount of unsecured convertible debentures, which are convertible into REIT Units at a conversion price of \$11.50 per REIT Unit (subject to adjustment) commencing on June 2, 2017. See Item 3.4 – Loans.

(3) In connection with the acquisitions of the Glengate Portfolio, the GoodLife Portfolio and the Wheels Inn World Portfolio, Special Voting Units were issued by Skyline Retail REIT to certain vendors of such Portfolios contemporaneously with the issuance of a corresponding number of Class B LP Units or Class C LP Units (the “**Exchangeable LP Units**”) by Skyline Retail LP, as partial payment of the purchase price of the respective Portfolio. Special Voting Units shall have no rights or entitlements in respect of distributions, whether of Distributable Income, or on a liquidation, dissolution or winding-up of Skyline Retail REIT or otherwise. The Exchangeable LP Units of Skyline Retail LP issued to the vendors of the Glengate Portfolio, the GoodLife Portfolio and the Wheels Inn World Portfolio shall be valued at \$10.00, \$10.00 and \$11.50 per Exchangeable LP Unit, respectively, and shall be exchangeable for REIT Units pursuant to the respective Exchange Agreement. As Exchangeable LP Units are surrendered for REIT Units in accordance with the respective Exchange Agreement, the corresponding Special Voting Units, if any, shall automatically be cancelled for no consideration and shall no longer be outstanding.

4.2 Long Term Debt Securities

The following table sets forth information about outstanding long term debt of Skyline Retail REIT as at June 30, 2017.

Property	Balance Outstanding as of June 30, 2017	Interest Rate	Maturity Date
132-140 Richmond Street, Chatham	1,196,862	4.22%	07-01-2017
150 Richmond Street, Chatham	399,184	4.22%	07-01-2017
77 Waterloo Road, Timmins	4,357,646	4.64%	08-01-2017
255 Weber Street North, Waterloo	665,093	4.18%	08-01-2017
4140-4150 Walker Road, Windsor	500,000	0.00%	09-18-2017
270 Weber Street, Waterloo	3,873,540	3.25%	10-01-2017
4140-4150 Walker Road, Windsor	5,280,157	2.74%	10-01-2017
42 Commerce Park, Barrie	3,246,674	4.26%	05-01-2018
90-98 Lafleche Blvd, Cassleman	2,388,488	4.20%	01-01-2019
820-832 Dufferin Avenue, Wallaceburg	1,474,412	4.05%	03-01-2019
76-80 Keil Drive South, Chatham	2,494,751	3.85%	05-01-2019
4115 Walker Road, Windsor	18,490,626	3.43%	07-01-2019
225 Centennial Road-Westside Market Village, Orangeville	19,929,351	3.56%	08-01-2019
224 Centennial Road-Westside Business Centre, Orangeville	8,541,151	3.56%	08-01-2019
210 Wallace Ave North, Listowel	1,302,428	2.97%	03-01-2020
210 Wallace Ave North, Listowel	2,857,672	3.00%	03-01-2020
825-855 10th Street, Hanover	1,089,737	3.45%	05-01-2020
175 Hanes Road, Huntsville	670,397	6.15%	05-01-2020
1378-1386 Exmouth Street, Sarnia	3,808,986	3.47%	07-01-2020
51, 55 & 57 King William Street, Huntsville	4,533,337	4.33%	03-01-2021
84 Wellington Street (Stonetown Mall), St. Mary's	4,367,576	3.99%	08-01-2021
1199 Goderich Street (Port Elgin Mews), Port Elgin	4,454,746	3.79%	08-01-2021
893-895 10th Street, Hanover	6,198,358	3.76%	09-01-2021
620 Government Street, Dryden	500,000	0.00%	01-03-2022
40-46 Broadway Street, Orangeville	6,971,098	3.59%	03-01-2022
792 Broadway Street, Kincardine	3,266,344	3.03%	03-01-2022
1600 Bruce Road 4, Walkerton	2,349,888	3.03%	03-01-2022
4916-4930 Saint-Jean Boulevard, Montreal	3,815,938	3.03%	04-01-2022
5510-5520 de la Cote-de Neiges Road, Montreal	4,268,523	3.03%	04-01-2022
8995 & 9021-9041 Saint-Michel Boulevard, Montreal	3,224,066	3.03%	04-01-2022

Property	Balance Outstanding as of June 30, 2017	Interest Rate	Maturity Date
6455-6461 Christophe-Colomb Avenue, Montreal	1,831,391	3.03%	04-01-2022
405 Grand Boulevard, L'Ile-Perrot	2,416,279	3.03%	04-01-2022
2310 Saint-Louis Street, Gatineau	7,221,098	3.03%	04-01-2022
2722 Royal Boulevard, Shawinigan	2,123,835	3.03%	04-01-2022
9-11 Industrial Drive, Grimsby	3,107,000	3.00%	05-01-2022
107 Dundas Street East, Trenton	3,400,000	3.53%	05-01-2022
322 & 330 Notre Dame Street, Belle River	5,898,829	3.23%	11-30-2022
500 Division Street, Cobourg	12,037,332	3.55%	12-01-2022
295 King Street, Midland	2,095,478	5.72%	03-01-2023
515-653 Grand Ave, Chatham	16,679,266	3.13%	06-01-2023
455-485 Grand Ave, Chatham	6,756,007	3.17%	06-01-2023
5118 Highway 69 N, Sudbury	5,795,989	3.19%	09-07-2023
1171-1183 16th Steet East, Owen Sound	5,097,844	4.95%	11-01-2023
70 Carroll Street, Strathroy	3,573,419	3.93%	12-01-2023
25 Broadway Street, Orangeville	8,545,757	3.77%	02-01-2024
1551-1553 Dundas Street, London	9,459,538	3.40%	03-01-2024
417 The Queensway South, Keswick	8,600,000	3.21%	05-01-2024
2425 Barton Street East, Hamilton	2,407,680	4.09%	12-01-2024
477 Main Street East, North Bay	2,739,022	4.09%	12-01-2024
589 Second Line East, Sault Ste. Marie	2,581,295	4.09%	12-01-2024
2655 Queensview Drive, Ottawa	4,132,584	4.09%	12-01-2024
55 Josephine Street, Wingham	4,828,066	3.31%	03-01-2025
71 Main St South, Bayfield	3,073,263	3.95%	03-01-2025
315 Arthur Street South, Elmira	7,587,117	3.95%	03-01-2025
1380 Lasalle Boulevard, Sudbury	4,584,634	3.44%	04-01-2025
14721-14729 Yonge Street, Aurora	1,815,852	4.91%	06-01-2025
14721-14729 Yonge Street, Aurora	3,132,344	5.76%	06-01-2025
260 Goderich Street, Port Elgin	2,123,658	3.98%	06-01-2025
620 Government Street, Dryden	6,793,966	3.78%	10-01-2025
500 Tecumseh Road, Windsor	7,141,822	3.42%	09-30-2026
399 Main Street, Thunder Bay	32,872,606	4.11%	07-01-2027
	316,970,000	3.63%	5.31

4.3 Prior Sales

As of the date of this Offering Memorandum, there are 13,505,083 REIT Units and 4,906,101 Special Voting Units of Skyline Retail REIT issued and outstanding. Upon the Final Closing of this Offering (assuming the full Offering is subscribed for), there will be 18,505,083 REIT Units and 4,906,101 Special Voting Units outstanding.

The following table sets forth REIT Units issued by Skyline Retail REIT within the twelve months prior to the date of this Offering Memorandum.

Period of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
15-Sep-16	REIT Units	20,896	\$11.50	240,305
15-Oct-16	REIT Units	121,106	\$11.50	1,392,723
15-Nov-16	REIT Units	20,792	\$11.50	239,104
15-Dec-16	REIT Units	20,896	\$11.50	240,305
15-Jan-17	REIT Units	20,996	\$11.50	241,456
15-Feb-17	REIT Units	17,826	\$11.50	205,001
20-Mar-17	REIT Units	654,900	\$12.50	8,186,250
17-Apr-17	REIT Units	520,801	\$12.50	6,510,013
15-May-17 to 18-May-17	REIT Units	127,880	\$12.50	1,598,500
15-Jun-17 to 23-Jun-17	REIT Units	1,207,550	\$12.50	15,094,375
15-Jul-17 to 21-Jul-17	REIT Units	3,137,614	\$12.50	39,220,175 ⁽¹⁾
15-Aug-17 to 24-Aug-17	REIT Units	496,704	\$12.50	6,208,800

Note:

(1) On July 20, 2017, 2,700,000 REIT Units were issued to OPTrust Fund Inc. on conversion of \$27,000,000 principal amount of OPTrust Debentures at a conversion price of \$10.00 per REIT Unit. The OPTrust Debentures were acquired by OPTrust Fund Inc. on closing of the OPTrust Portfolio (in partial payment of the purchase price for the OPTrust Portfolio) in August 2014.

4.3 Redemption History

The following table sets forth information concerning redemption requests received and REIT Units redeemed by Skyline Retail REIT during the periods indicated.

Period	Opening Balance of Outstanding Redemption Requests		Redemption Requests Received During Period		Redemption Requests Fulfilled During Period		Closing Balance of Outstanding Redemption Requests	
	Number of Units	Value ⁽¹⁾ (\$)	Number of Units	Value ⁽¹⁾ (\$)	Number of Units	Value ⁽¹⁾ (\$)	Number of Units	Value ⁽¹⁾ (\$)
January 1, 2015 to December 31, 2015	Nil	Nil	113,961	1,310,552	113,961	1,310,552	Nil	Nil
January 1, 2016 to December 31, 2016	Nil	Nil	83,493	960,170	83,493	960,170	Nil	Nil
January 1, 2017 to August 31, 2017	Nil	Nil	528,617	5,486,046	528,617	5,486,046	Nil	Nil

Note:

(1) Represents the aggregate Redemption Price of the REIT Units tendered for redemption. See Item 5.1 – Terms of Securities – Redemption of REIT Units.

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

The following is a description of the material terms of the REIT Units offered pursuant to this Offering.

The beneficial interests in Skyline Retail REIT, other than the Initial Unit, are divided into two classes described as “REIT Units” and “Special Voting Units” (collectively, the “**Units**”). The number of Units of any class which Skyline Retail REIT may issue is unlimited. Units shall be issued only as fully paid and non-assessable. Each Unit when issued shall vest indefeasibly in the holder thereof. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees with the approval of the majority of the Unitholders, or as otherwise provided in the Declaration of Trust. Unitholders have the right to receive notice of, to attend and to vote at all meetings of Unitholders. Each Unit shall entitle the holder thereof to one vote at all meetings of Unitholders.

Each REIT Unit shall represent an undivided beneficial interest in distributions by Skyline Retail REIT, whether of net income, net realized capital gains or other amounts, and, in the event of a liquidation, dissolution, winding-up or other termination of Skyline Retail REIT, in the net assets of Skyline Retail REIT remaining after satisfaction of all liabilities.

Except as described below in respect of the Monthly Limit applicable to REIT Units tendered for redemption, no REIT Unit shall have preference or priority over any other. The distribution entitlement of each REIT Unit is intended to and will be derived from the same sources.

Purchase of REIT Units

Skyline Retail REIT shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding REIT Units, at a price per REIT Unit and on a basis determined by the Trustees in compliance with all applicable securities laws.

Redemption of REIT Units

Pursuant to the Declaration of Trust, each REIT Unitholder shall be entitled to require Skyline Retail REIT to redeem at any time or from time to time at the demand of the REIT Unitholder all or any part of the REIT Units registered in the name of the REIT Unitholder at the prices determined and payable in accordance with the following conditions.

To exercise a REIT Unitholder's right to require redemption, a duly completed and properly executed notice requiring Skyline Retail REIT to redeem said REIT Units, in a form approved by the Trustees, specifying the number of REIT Units to be so redeemed, shall be sent to Skyline Retail REIT at its head office.

Upon receipt by Skyline Retail REIT of the notice to redeem REIT Units, the REIT Unitholder shall thereafter cease to have any rights with respect to the REIT Units tendered for redemption (other than to receive the redemption payment therefor) including ceasing to have the right to receive any distributions thereon which are declared payable to the REIT Unitholders of record on a date which is subsequent to the day of receipt by Skyline Retail REIT of such notice. REIT Units shall be considered to be tendered for redemption on the date that Skyline Retail REIT has, to the satisfaction of the Trustees, received the notice, other documents and any evidence with respect to the identity, capacity or authority of the Person giving such notice as the Trustees may reasonably require.

Upon receipt by Skyline Retail REIT of the notice to redeem REIT Units, in accordance with the Declaration of Trust, the holder of the REIT Units tendered for redemption shall be entitled to receive a price per REIT Unit (the "**Redemption Price**") equal to 100% of the most recent Market Value of the REIT Units. Subject to the provisions of the Declaration of Trust set out below, the Redemption Amount is payable by cheque to or to the order of the REIT Unitholder who exercised the right of redemption, on or before the last day of the calendar month following the month in which the REIT Unitholder tendered the REIT Units for redemption. For the purposes of the Declaration of Trust, "**Market Value**" means the market value of the REIT Units which shall be determined by the Trustees at least annually or more frequently as the Trustees may determine and "**Redemption Amount**" means the Redemption Price times the number of REIT Units that a REIT Unitholder tenders for redemption.

The Trustees determine the Market Value of the REIT Units at least annually using an IFRS/ Net Asset Value (NAV) pricing model. This iterative calculation is driven by the IFRS values of the Properties; calculated as: (a) portfolio IFRS value less total debt obligations; (b) less a discounted net present value of future tax implications; (c) less a discounted net present value of future General Partner sharing; (d) divided by the total Units outstanding; and the result of which is a discounted IFRS/NAV value per Unit.

The foregoing payment terms shall not be applicable to REIT Units tendered for redemption by a REIT Unitholder, if the total amount payable by Skyline Retail REIT in respect of such REIT Units and all other REIT Units tendered for redemption prior thereto in the same calendar month exceeds \$50,000 (the "**Monthly Limit**"); provided that the Trustees may, in their sole discretion, increase such Monthly Limit in respect of all REIT Units tendered for redemption in any calendar month. Where the Monthly Limit is exceeded, the Redemption Amount to which the REIT Unitholder would otherwise be entitled shall be paid and satisfied as follows:

- (a) a portion of the Redemption Amount equal to the Monthly Limit divided by the total number of REIT Units tendered by all REIT Unitholders for redemption in the month times the number of REIT Units tendered for redemption by a REIT Unitholder shall be paid and satisfied in cash, in accordance with the Declaration of Trust; and
- (b) subject to receipt of all necessary regulatory approvals, the remainder of the Redemption Amount shall be paid and satisfied by way of issuance to the REIT Unitholder of a Trust Note, in accordance with the Declaration of Trust, having a principal amount equal to the Redemption Amount minus the cash paid or payable to the REIT Unitholder pursuant to (a) above. Any such Trust Note shall mature and be payable not later than ten (10) years following the date of issue, shall be repayable at any time at the option of Skyline Retail REIT and shall bear interest at the Prime Rate plus 2%.

Upon the payment by Skyline Retail REIT of the Redemption Amount in accordance with the Declaration of Trust, Skyline Retail REIT shall be discharged from all liability to the Unitholder or former Unitholder who redeemed the REIT Units in respect of the REIT Units so redeemed.

All REIT Units which are redeemed pursuant to the Declaration of Trust shall be cancelled and such REIT Units shall no longer be outstanding and shall not be reissued.

Some or all of the income of Skyline Retail REIT, the net realized capital gains of Skyline Retail REIT and the net recapture income of Skyline Retail REIT for a year may, for purposes of computing the net income of Skyline Retail REIT and the net realized capital gains of Skyline Retail REIT under the Tax Act or other tax legislation, be treated as having been paid in the year by Skyline Retail REIT to the REIT Unitholders redeeming REIT units in such year and, to the extent of the amount thereof so treated has been designated as taxable capital gains or income to such REIT Unitholders, the holder's redemption proceeds shall be reduced accordingly. Any such amounts shall be determined at the discretion of a majority of the Trustees; however in all cases, a redeeming REIT Unitholder will only be treated as having been paid an amount to which the REIT Unitholders of the REIT Units redeemed would be entitled to receive.

Take-Over Bids

If there is a take-over bid for all of the outstanding REIT Units and, within the time limit in a take-over bid for its acceptance, or 120 days after the date of such take-over bid, whichever period is the shorter, the take-over bid is accepted by the holders of not less than 90% of the REIT Units (including REIT Units issuable upon the surrender or exchange of any securities for REIT Units but not including any such securities held at the date of the take-over bid by or on behalf of the offeror or affiliates or associates of the offeror), other than REIT Units held at the date of the take-over bid by or on behalf of the offeror or an affiliate or an associate of the offeror, the offeror is entitled, on complying with the Declaration of Trust, to acquire the REIT Units held by the dissenting offerees.

Meetings of Unitholders

There shall be an annual meeting of the Unitholders, at such time and place in Canada as the Trustees shall prescribe, for the purpose of electing Trustees (except for the Skyline Appointee(s)), appointing or changing the accountants of Skyline Retail REIT and Skyline Retail LP and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of the Unitholders shall be held after delivery to the Unitholders of the information referred to in the Declaration of Trust and, in any event, within 180 days after the end of each fiscal year of Skyline Retail REIT.

The Trustees shall have power at any time to call special meetings of the Unitholders at such time and place in Canada as the Trustees may determine. The Unitholders holding in the aggregate not less than 5% of the votes attaching to all outstanding Units (on a fully-diluted basis) may requisition the Trustees in writing to call a special meeting of the Unitholders for the purposes stated in the requisition. The requisition must state in reasonable detail the business proposed to be transacted at the meeting and

shall be sent to each of the Trustees and to the principal office of Skyline Retail REIT. The Unitholders have the right to obtain a list of the 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). Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy and a proxy need not be a Unitholder.

Issuance of REIT Units

The Trustees may allot and issue REIT Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by the REIT Unitholders of distributions of Skyline Retail REIT in REIT Units) and to such Person, Persons or class of Persons as the Trustees in their sole discretion shall determine. The price or the value of the consideration for which REIT Units may be issued and the terms and conditions of issuance of the REIT Units shall be determined by the Trustees in their sole discretion, generally (but not necessarily) in consultation with investment dealers or brokers who may act as underwriters in connection with offerings of REIT Units. In the event that REIT Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such REIT Units shall express the fair equivalent in money of the other consideration received.

Limitation on Non-Resident Ownership

Notwithstanding any provision of this Offering Memorandum or the Declaration of Trust to the contrary, at no time may more than 49% of the REIT Units or the Special Voting Units then outstanding be held by or for the benefit of Persons who are not resident in Canada for the purposes of the Tax Act ("**Non-Resident Beneficiaries**"). The Trustees may require declarations as to the jurisdictions in which beneficial owners of REIT Units or Special Voting Units, as the case may be, are resident or declarations from holders of REIT Units or Special Voting Units, as the case may be, as to whether such REIT Units or Special Voting Units, as the case may be, are held for the benefit of Non-Resident Beneficiaries. If the Trustees become aware that more than 49% of the REIT Units or Special Voting Units then outstanding are, or may be, held by or for the benefit of Non-Resident Beneficiaries or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for such REIT Units or Special Voting Units, as the case may be, from or issue or register a transfer of such REIT Units or Special Voting Units, as the case may be, to a Person unless the Person provides a declaration that the Person is not a non-resident for the purposes of the Tax Act (or, in the discretion of the Trustees, that the Person is not a Non-Resident Beneficiary) and does not hold his REIT Units or Special Voting Units, as the case may be, for a Non-Resident Beneficiary. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the REIT Units or Special Voting Units then outstanding are held by or for the benefit of Non-Resident Beneficiaries, the Trustees may send a notice to non-resident holders of REIT Units or Special Voting Units, as the case may be, and holders of REIT Units or Special Voting Units, as the case may be, for Non-Resident Beneficiaries chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell or redeem their REIT Units or Special Voting Units, as the case may be or a portion thereof within a specified period of not more than 60 days.

Distribution Policy

The Declaration of Trust provides that Skyline Retail REIT may distribute to REIT Unitholders on or about each Distribution Date such percentage of the Distributable Income for the calendar month then ended as the Trustees determine in their discretion.

In addition, the Trustees may declare to be payable and make distributions, from time to time, out of income of Skyline Retail REIT, net realized capital gains of Skyline Retail REIT, the net recapture income of Skyline Retail REIT, the capital of Skyline Retail REIT or otherwise, in any year, in such amount or amounts, and on such dates on or before December 31 of that year as the Trustees may determine, to the

extent such income, capital gains and capital has not already been paid, allocated or distributed to the REIT Unitholders.

Distributions may be adjusted for amounts paid in prior periods if the actual Distributable Income for the prior periods is greater than or less than the Trustees' estimates for the prior periods. Distributions shall be made in cash or may be invested in similar REIT Units pursuant to any distribution reinvestment plan or unit purchase plan adopted by the Trustees.

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

Notwithstanding anything to the contrary, for greater certainty, no amounts will be distributed to holders of Special Voting Units.

5.2 Subscription Procedure

In order to subscribe for REIT Units, Subscribers must complete, execute and deliver the following to the Wealth Manager at 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8:

1. one fully completed and signed copy of the Subscription Agreement, including the schedules and all other documentation contemplated by the Subscription Agreement; and
2. a cheque, bank draft or evidence of completed wire transfer in an amount equal to the aggregate subscription price payable for the REIT Units subscribed for by the Subscriber (as set forth in the Subscription Agreement).

Skyline Retail REIT has the right to accept or reject the Subscriber's subscription in whole or in part. If the subscription is rejected in whole or in part, all or a portion of the purchase price, as the case may be, will be promptly delivered to the Subscriber, without interest.

The subscription funds will be held in trust until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

Representations of Subscribers

Each Subscriber for REIT Units under this Offering will be required to represent to Skyline Retail REIT, the Wealth Manager and any dealer who sells the REIT Units to such Subscriber that: (a) the offer and sale of REIT Units was made exclusively through the Offering Memorandum; (b) such Subscriber has reviewed and acknowledges the terms referred to below under the section entitled "Resale Restrictions"; and (c) such Subscriber is entitled under applicable Canadian securities laws to purchase such REIT Units without the benefit of a prospectus, because such Subscriber is an "accredited investor" as defined in NI 45-106 or the *Securities Act* (Ontario) or is purchasing the REIT Units in reliance on another exemption from the prospectus requirement in NI 45-106.

In addition, each purchaser of REIT Units will be required to represent to Skyline Retail REIT, the Wealth Manager and each dealer from whom a purchase confirmation was received, that such Subscriber: (a) has been notified by Skyline Retail REIT (i) that Skyline Retail REIT is required to provide certain personal information ("**personal information**") pertaining to the Subscriber to the securities regulatory authority or regulator in each Canadian jurisdiction in which investors reside, or in circumstances where a

subscription for securities is otherwise subject to such a reporting requirement under applicable securities law (including its name, residential address, telephone number, the number and value of any REIT Units purchased and the prospectus exemption relied upon); (ii) that such personal information is collected by the securities regulatory authority or regulator under the authority granted to it under, and for the purposes of the administration and enforcement of, the securities legislation of the local jurisdiction; and (iii) of the title, business address and business telephone number of the public official in each jurisdiction of Canada who can answer questions about the securities regulatory authority or regulator's indirect collection of such information; and (b) by purchasing REIT Units, such Subscriber has authorized the indirect collection of the personal information by securities regulatory authority or regulator. Each Subscriber will also acknowledge that while the information in the report described above is currently not expected to be placed on the public file of any Canadian securities regulatory authority or regulator, freedom of information legislation may require the securities regulatory authority or regulator to make this information available, if requested.

Proceeds of Crime (Money Laundering) Legislation

In order to comply with Canadian legislation aimed at the prevention of money laundering and terrorism, the Wealth Manager may require additional information concerning Canadian investors and by signing the Subscription Agreement, the Subscriber agrees to provide such information.

If as a result of any information or other matter which comes to its attention of the Wealth Manager, any director, officer or employee of the Wealth Manager, or its professional advisers, such person knows or suspects that a Canadian investor is engaged in money laundering or terrorism, such person is required to report such information or other matter to applicable law enforcement and securities regulatory authorities, including the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise.

ITEM 6 INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

In the opinion of Aird & Berlis LLP, counsel to Skyline Retail REIT, the following summary fairly presents the principal Canadian federal income tax considerations generally applicable to prospective subscribers of REIT Units pursuant to this Offering Memorandum who, for the purposes of the Tax Act, are resident in Canada, deal at arm's length with, and are not affiliated with, Skyline Retail REIT and will hold their REIT Units as capital property. Generally, the REIT Units will be considered to be capital property to a REIT Unitholder provided that the REIT Unitholder does not hold the REIT Units in the course of carrying on a business and has not acquired them in a transaction considered to be an adventure or concern in the nature of trade. Certain REIT Unitholders who might not otherwise be considered to hold their REIT Units as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" (as defined in the Tax Act) owned by them treated as capital property by making the irrevocable election under subsection 39(4) of the Tax Act.

This summary is not applicable to (i) a REIT Unitholder that is a "financial institution", as defined in the Tax Act for the purposes of the mark-to-market rules, (ii) a "specified financial institution" as defined in the Tax Act, (iii) a REIT Unitholder where an interest in such REIT Unitholder would be a "tax shelter" or a "tax shelter investment" as defined in the Tax Act, (iv) a REIT Unitholder who has elected to report its Canadian tax results in a currency other than the Canadian currency in accordance with the rules in the Tax Act, or (v) a REIT Unitholder who enters into, or has entered into, a "derivative forward arrangement" with respect to the REIT Units, as that term is defined in the Tax Act, nor does this summary address the tax consequences to a REIT Unitholder who has borrowed funds in connection with the acquisition of REIT Units.

This summary is based upon the facts set out in this Offering Memorandum and a certificate of an officer of Skyline Retail REIT provided to Aird & Berlis LLP by Skyline Retail REIT with respect to certain factual matters (the “**Officer’s Certificate**”). This summary assumes that the representations in the Officer’s Certificate are true and correct. This summary assumes that Skyline Retail REIT will at all times comply with the provisions of the Declaration of Trust, and that Skyline Retail REIT currently qualifies as, and will at all times continue to qualify as, a mutual fund trust under the provisions of the Tax Act and will not be a SIFT trust (as defined below) for purposes of the Tax Act. This summary is based upon the current provisions of the Tax Act and the regulations thereunder, the specific proposals to amend the Tax Act and regulations thereunder, publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and counsel’s understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (“**CRA**”).

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of the Government’s intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement. REIT Unitholders that are private Canadian corporations should consult their own tax advisors.

This summary is not exhaustive of all possible Canadian federal income tax consequences applicable to acquiring, holding or disposing of REIT Units pursuant to this Offering Memorandum and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations. Moreover, the income and other tax consequences of acquiring, holding or disposing of REIT Units pursuant to this Offering Memorandum will vary depending on the REIT Unitholder’s particular circumstances. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any prospective REIT Unitholder. Accordingly, prospective REIT Unitholders should consult with their tax advisors for advice with respect to the tax consequences to them having regard to their own particular circumstances.

SIFT Rules

The Tax Act contains 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**”).

The SIFT Rules apply to a publicly-listed or traded trust that is a specified investment flow-through entity (a “**SIFT trust**”) and to its investors. Certain distributions attributable to a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s income and the SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. Provided that investments in Skyline Retail REIT are not listed or traded on a stock exchange or other public market, Skyline Retail REIT will not be subject to the SIFT Rules. If investments in Skyline Retail REIT become publicly-listed or traded, there can be no assurance that Skyline Retail REIT will not be subject to the SIFT Rules at that time.

Taxation of Skyline Retail REIT

The taxation year of Skyline Retail REIT is the calendar year. In each taxation year Skyline Retail REIT will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by Skyline Retail REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

In computing its income for the purposes of the Tax Act for a particular taxation year, Skyline Retail REIT must include rents in respect of Skyline Retail REIT’s portfolio of properties, any taxable capital gains

and any recapture of capital cost allowance arising on the disposition of properties owned by Skyline Retail REIT and any other income earned by Skyline Retail REIT in such taxation year.

In computing its income for purposes of the Tax Act, Skyline Retail REIT may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income, generally including a reasonable amount of interest on borrowed funds. Skyline Retail REIT generally may also deduct in computing its income for the year a portion of the reasonable expenses incurred by Skyline Retail REIT to issue Units. The portion of the issue expenses deductible by Skyline Retail REIT in a taxation year is 20% of the total issue expenses, pro-rated where Skyline Retail REIT's taxation year is less than 365 days.

The Declaration of Trust generally requires Skyline Retail REIT to claim the maximum amount of deductions available to it in computing its income for tax purposes unless the Trustees determine otherwise.

Skyline Retail REIT may also deduct in computing its income for purposes of the Tax Act the aggregate amount paid or made payable to Unitholders in the year. Losses incurred by Skyline Retail REIT cannot be allocated to REIT Unitholders but may be deducted by Skyline Retail REIT in future years in accordance with the detailed rules in the Tax Act.

The Tax Act includes "loss restriction event" ("LRE") rules that could potentially apply to Skyline Retail REIT. In general, a trust is subject to an LRE if a person (or group of persons) acquires more than 50% of the fair market value of the units of the trust. If an LRE occurs (i) a trust will be deemed to have a year-end for tax purposes immediately before the LRE occurs, (ii) unless any net income and net realized capital gains of the trust at such year-end is distributed or otherwise made payable to unitholders of the trust to the extent required for the trust not to be liable for income taxes, the trust would be subject to tax under Part I of the Tax Act, and (iii) the trust will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE.

The Tax Act contains an exemption from the LRE rules for investment funds. There are two principal conditions that a trust must meet to be an investment fund for the purposes of the Tax Act and thereby qualify for such exemption: one condition relates to the status of the trust for tax purposes and the other condition relates to the assets owned by the trust. However, relief from the LRE rules is not available for a trust that holds any real property. Therefore, Skyline Retail REIT would not qualify for this exemption.

Part XII.2 of the Tax Act imposes a special 36% tax on the designated income (which includes income from real property in Canada) of certain trusts with respect to distributions to designated beneficiaries (which include non-resident persons and certain tax-exempt persons). Part XII.2 will not apply to Skyline Retail REIT in a taxation year provided that Skyline Retail REIT qualifies as a mutual fund trust throughout the taxation year.

Taxation of REIT Unitholders

A REIT Unitholder is required to include in computing income for tax purposes in each year the portion of the amount of net income and net taxable capital gains of Skyline Retail REIT, determined for the purposes of the Tax Act, paid or payable to such REIT Unitholder in the year that Skyline Retail REIT deducts in computing its income for tax purposes.

The Declaration of Trust provides that net income, including net taxable capital gains for purposes of the Tax Act, will be allocated to Unitholders in the same proportion as distributions received by Unitholders, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances.

The amount distributed to REIT Unitholders in a year may exceed the income of Skyline Retail REIT for tax purposes for that year. Distributions in excess of Skyline Retail REIT's taxable income in a year

will not be included in computing the income of the REIT Unitholders from Skyline Retail REIT for tax purposes. However, a REIT Unitholder is required to reduce the adjusted cost base of such holder's REIT Units by the portion of any amount paid or payable to such holder by Skyline Retail REIT (other than the non-taxable portion of certain capital gains) that was not included in computing such holder's income. A REIT Unitholder will realize a capital gain in the year to the extent the adjusted cost base of the holder's REIT Units would otherwise be a negative amount. Skyline Retail REIT will designate to the extent permitted by the Tax Act the portion of the taxable income distributed to REIT Unitholders as may reasonably be considered to consist of net taxable capital gains of Skyline Retail REIT. Any such designated amount will be deemed for tax purposes to be received by REIT Unitholders in the year as a taxable capital gain.

Disposition of REIT Units

Upon the disposition or deemed disposition by a REIT Unitholder of a REIT Unit, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the REIT Unit exceed (or are exceeded by) the aggregate of the adjusted cost base to the REIT Unitholder of the REIT Unit immediately before the disposition and any reasonable costs of the disposition. The adjusted cost base to a REIT Unitholder of a REIT Unit will be determined by averaging the cost base of all REIT Units owned by a REIT Unitholder as capital property at a particular time. Generally, one-half of any capital gain (a "taxable capital gain") realized by a REIT Unitholder will be included in the REIT Unitholder's income for the year of disposition. One-half of any capital loss so realized (an "allowable capital loss") may generally be deducted against taxable capital gains of the REIT Unitholder for the year of disposition. Any excess of allowable capital losses over taxable capital gains of the REIT Unitholder for the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years to the extent and in the circumstances prescribed in the Tax Act.

Capital gains realized by an individual or trust, other than certain trusts, may give rise to alternative minimum tax under the Tax Act. A holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on taxable capital gains.

Since the net income of Skyline Retail REIT will be distributed on a monthly basis, a purchaser of a REIT Unit may become taxable on a portion of the net income of Skyline Retail REIT accrued or realized by Skyline Retail REIT in a month before the time the REIT Unit was purchased but which was not paid or made payable to Unitholders until the end of the month and after the time the REIT Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized in a year before the time the REIT Unit was purchased, but which is paid or made payable to Unitholders at year-end and after the time the REIT Unit was purchased.

Eligibility for Investment

In the opinion of Aird & Berlis LLP, counsel to Skyline Retail REIT, provided that Skyline Retail REIT qualifies as a "mutual fund trust" for purposes of the Tax Act at a particular time, the REIT Units will be qualified investments for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered disability savings plan, registered education savings plan, deferred profit sharing plan or a tax-free savings account ("TFSA") at such time.

Notwithstanding the foregoing, if the REIT Units are "prohibited investments" for a trust governed by an RRSP, RRIF or TFSA which acquired REIT Units pursuant to this Offering Memorandum, the annuitant or holder will be subject to a penalty tax in respect of such REIT Units. A REIT Unit will generally be a "prohibited investment" if the annuitant or holder does not deal at arm's length with Skyline Retail REIT for purposes of the Tax Act or has a significant interest (within the meaning of the Tax Act) in Skyline Retail REIT. For these purposes, an annuitant or holder will have a significant interest in Skyline Retail REIT at a particular time if the annuitant or holder, or the annuitant or holder together with persons or partnerships with which the annuitant or holder does not deal at arm's length, holds at the time interests as a beneficiary under Skyline Retail REIT that have a fair market value of 10% or more of

the fair market value of the interests of all beneficiaries under Skyline Retail REIT. The REIT Units will generally not be a “prohibited investment” if the REIT Units are “excluded property” (as defined in the Tax Act) for trusts governed by an RRSP, RRIF or TFSA.

In the March 22, 2017 Federal Budget, the Minister of Finance (Canada) proposed to extend the prohibited investment rules to trusts governed by registered disability savings plans and registered education savings plans, and their holders. No assurance can be given that these proposals will be enacted as proposed or at all.

Holders or annuitants should consult their own tax advisors with respect to whether REIT Units would be prohibited investments in their particular circumstances, including with respect to whether the REIT Units would be “excluded property”.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

The Wealth Management Agreement was entered into between the Wealth Manager and Skyline Retail REIT on October 8, 2013. Pursuant to the Wealth Management Agreement, the Wealth Manager is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Retail REIT. See Item 2.2 – Our Business – Management of Skyline Retail REIT – The Wealth Manager.

In consideration for the services to be provided by the Wealth Manager to Skyline Retail REIT, the Wealth Manager will be entitled to a wealth management fee, payable monthly, equal to 1/12 of 0.3% of Skyline Retail REIT’s Equity Under Management (calculated as the product of the outstanding REIT Units multiplied by the then market value of one REIT Unit). The wealth management fee is estimated to be \$57,828 per month assuming the maximum Offering. The Wealth Manager will also be entitled to an equity raise fee equal to a maximum of 1.0% on the capital raised in offerings of REIT Units, subject to adjustment (\$625,000, assuming the maximum Offering).

Under the Wealth Management Agreement, the Wealth Manager is responsible for employment expenses of its personnel, rent and other office expenses of the Wealth Manager in connection with providing services to Skyline Retail REIT under the Wealth Management Agreement.

ITEM 8 RISK FACTORS

There are certain risk factors inherent in an investment in the REIT Units and in the activities of Skyline Retail REIT, including the following, which subscribers should carefully consider before subscribing for the REIT Units. If any such risks actually occur, the financial condition and results of operations of Skyline Retail REIT could be materially adversely affected and the financial performance of Skyline Retail REIT and the ability of Skyline Retail REIT to make cash distributions or satisfy requests for redemptions of Units could be materially adversely affected.

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for retail premises, competition from other retail premises and various other factors.

Certain significant expenditures, including property taxes, capital repair and replacement costs, 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 Skyline Retail REIT is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee’s exercise of its rights of foreclosure or sale.

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 Skyline Retail REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Skyline Retail REIT were required to liquidate its real property investments, the proceeds to Skyline Retail REIT might be significantly less than the aggregate value of its properties on a going concern basis.

Skyline Retail REIT will be subject to the risks associated with debt financing, including the risk that existing mortgage indebtedness secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

Tenant Terminations and Financial Stability

Skyline Retail REIT's Distributable Income would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the Existing Properties and any additional properties in which Skyline Retail REIT acquires an interest were 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 Skyline Retail REIT 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 Skyline Retail REIT's investment may be incurred. Furthermore, at any time, a tenant of any of Skyline Retail REIT's properties 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 Skyline Retail REIT. The ability to rent unleased space in the properties in which Skyline Retail REIT will have an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new tenant. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on Skyline Retail REIT's financial condition.

Future Property Acquisitions

Skyline Retail REIT has not waived the due diligence conditions of the Properties Under Due Diligence. The acquisition by Skyline Retail REIT of the Properties Under Due Diligence is not conditional upon completion of this Offering. There can be no assurance that Skyline Retail REIT will acquire the Properties Under Due Diligence or be able to acquire, other properties with the net proceeds to Skyline Retail REIT of this Offering allocated for such purpose.

Revenue Producing Properties

The Properties generate income through rental payments made by the tenants thereof. Upon the expiry of any lease, there can be no assurance that such lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Skyline Retail REIT than the existing lease.

Competition for Real Property Investments

Skyline Retail REIT competes for suitable real property investments with individuals, corporations and institutions (both Canadian and foreign) and other real estate investment trusts which are presently seeking, or which may seek in the future, real property investments similar to those desired by Skyline Retail REIT. A number of these investors may have greater financial resources than those of Skyline Retail REIT, or operate without the investment or operating restrictions of Skyline Retail REIT or according to more flexible conditions. 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.

Competition for Tenants

The real estate business is competitive. Numerous other developers, managers and owners of properties compete with Skyline Retail REIT in seeking tenants. The existence of competing developers,

managers and owners and competition for Skyline Retail REIT's tenants could have an adverse effect on Skyline Retail REIT's ability to lease space in its properties and on the rents charged.

Interest Rates

It is anticipated that the market price for the REIT Units at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the market price of the REIT Units. Changes in interest rates may also have effects on vacancy rates, rent levels, refurbishing costs and other factors affecting Skyline Retail REIT's business and profitability.

General Economic Conditions

Skyline Retail REIT is affected by general economic conditions, local real estate markets, competition from other available rental premises, including new developments, and various other factors. The existence of competing developers, managers and owners and competition for Skyline Retail REIT's tenants could have an adverse effect on Skyline Retail REIT's ability to lease space in its properties and on the rents charged, increased leasing and marketing costs and increased refurbishing costs necessary to lease and release space, all of which could adversely affect Skyline Retail REIT's revenues and, consequently, its ability to meet its obligations. In addition, any increase in the supply of available space in the markets in which Skyline Retail REIT operates or may operate could have an adverse effect on Skyline Retail REIT.

General Uninsured Losses

Skyline Retail REIT carries comprehensive general liability, fire, flood, extended coverage, rental loss and pollution insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis. Skyline Retail REIT has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if economical to do so. Should an uninsured or underinsured loss occur, Skyline Retail REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its Properties, but Skyline Retail REIT would continue to be obligated to repay any recourse mortgage indebtedness on such Properties.

Availability of Cash Flow

Distributable income may exceed actual cash available to Skyline Retail REIT from time to time because of items such as principal repayments of debt, tenant inducements, leasing commissions and capital expenditures, if any. Skyline Retail REIT may be required to use part of its debt capacity or reduce distributions in order to accommodate such items.

Access to Capital

The real estate industry is highly capital intensive. Skyline Retail REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms.

Environmental Matters

Environmental and ecological legislation and policies have become increasingly important, and generally restrictive, in recent years. Under various laws, Skyline Retail REIT could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner's 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. Where a property is purchased and new financing is obtained, Phase I Environmental Assessments are performed by an independent and

experienced environmental consultant. In the case of mortgage assumption, the vendor will be asked to provide a satisfactory Phase I and/or Phase II Environmental Assessment that the Asset Manager will rely upon and/or determine whether an update is necessary.

Unitholder Liability

Because of uncertainties in the law relating to investment trusts, there is a risk, which is considered by counsel to be remote in the circumstance, that a REIT Unitholder could be held personally liable for obligations of Skyline Retail REIT (to the extent that claims are not satisfied by Skyline Retail REIT) in respect of contracts which Skyline Retail REIT enters into and for certain liabilities arising other than out of contract including claims in tort, claims for taxes and possibly certain other statutory liabilities. The Trustees intend to cause Skyline Retail REIT's operations to be conducted in such a way as to minimize any such risk including by obtaining appropriate insurance and, where feasible, attempting to have every material written contract or commitment of Skyline Retail REIT contain an express disavowal of liability against Unitholders.

Dependence on Key Personnel

The management of Skyline Retail REIT depends on the services of certain key personnel. The termination of employment by the Asset Manager or the Property Manager of any of these key personnel could have a material adverse effect on Skyline Retail REIT.

Potential Conflicts of Interest

Skyline Retail REIT may be subject to various conflicts of interest because of the fact that the Trustees and senior officers of Skyline Retail REIT and the senior officers of the Asset Manager, the Property Manager and the Wealth Manager are engaged in a wide range of real estate and other business activities. Skyline Retail REIT may become involved in transactions which conflict with the interests of the foregoing.

The Trustees may from time to time deal with persons, firms, institutions or corporations with which Skyline Retail REIT may be dealing, or which may be seeking investments similar to those desired by Skyline Retail REIT. The interests of these persons could conflict with those of Skyline Retail REIT. In addition, from time to time, these persons may be competing with Skyline Retail REIT for available investment opportunities.

The Skyline Retail REIT Declaration of Trust contains "conflicts of interest" provisions requiring Trustees to disclose material interests in material contracts and transactions and to refrain from voting thereon.

Tax Related Risks

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects Skyline Retail REIT or the Unitholders.

In addition, REIT Unitholders may become subject to provincial taxes, such as Ontario Land Transfer Tax, in respect of their REIT Units.

If Skyline Retail REIT fails or ceases to qualify as a mutual fund trust for purposes of the Tax Act, the tax consequences described under Item 6 "Income Tax Consequences and RRSP Eligibility" would in some respects be materially and adversely different. Such adverse differences would include that if Skyline Retail REIT did not qualify as a mutual fund trust throughout a taxation year, it would be subject to a special tax under Part XII.2 of the Tax Act for such taxation year to the extent that its designated income (which includes income from real property) is distributed to a designated beneficiary (which includes non-resident persons and certain tax-exempt persons).

If investments in Skyline Retail REIT become publicly listed or traded, there can be no assurances that Skyline Retail REIT will not be subject to the SIFT Rules, as described under “Income Tax Consequences and RRSP Eligibility – SIFT Rules”, at that time.

Skyline Retail REIT or its subsidiaries may be reassessed for taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect Skyline Retail REIT.

Since the net income of Skyline Retail REIT will be distributed on a monthly basis, a purchaser of a REIT Unit may become taxable on a portion of the net income of Skyline Retail REIT accrued or realized by Skyline Retail REIT in a month before the time the REIT Unit was purchased but which was not paid or made payable to Unitholders until the end of the month and after the time the REIT Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized in a year before the time the REIT Unit was purchased, but which is paid or made payable to Unitholders at year-end and after the time the REIT Unit was purchased.

The LRE Rules could potentially apply to Skyline Retail REIT if a person (or group of persons) was to acquire more than 50% of the fair market value of the REIT Units, with the consequences described under Item 6 “Income Tax Consequences and RRSP Eligibility – Taxation of Skyline Retail REIT”.

Dilution

The number of REIT Units Skyline Retail REIT is authorized to issue is unlimited. The Skyline Retail REIT Trustees have the discretion to issue additional REIT Units in other circumstances, pursuant to Skyline Retail REIT’s various incentive plans. Any issuance of additional REIT Units may have a dilutive effect on the holders of REIT Units.

Restrictions on Potential Growth and Reliance on Credit Facilities

The payout by Skyline Retail REIT of a substantial part of its operating cash flow could adversely affect Skyline Retail REIT’s ability to grow unless it can obtain additional financing. Such financing may not be available, or renewable, on attractive terms or at all. In addition, if current credit facilities were to be cancelled or could not be renewed at maturity on similar terms, Skyline Retail REIT could be materially and adversely affected.

Financing

Skyline Retail REIT is subject to the risks associated with debt financing, including the risk that Skyline Retail REIT may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness. A portion of Skyline’s Acquisition and Operating Facility is at floating interest rates, and accordingly, changes in short-term borrowing will affect Skyline Retail REIT’s costs of borrowing.

Nature of REIT Units

The REIT Units are not the same as shares of a corporation. As a result, the Unitholders will not have the statutory rights and remedies normally associated with share ownership, such as the right to bring “oppression” or “derivative” actions.

Unexpected Costs or Liabilities Related to Acquisitions

A risk associated with acquisitions is that there may be an undisclosed or unknown liability concerning the acquired property, and Skyline Retail REIT may not be indemnified for some or all of these liabilities. Following an acquisition, Skyline Retail REIT may discover that it has acquired undisclosed liabilities, which may be material. The due diligence procedures performed by the Asset Manager are

designed to address this risk. The Asset Manager performs what it believes to be an appropriate level of investigation in connection with the acquisition of properties by Skyline Retail REIT and seeks through contract to ensure that risks lie with the appropriate party.

ITEM 9 REPORTING OBLIGATIONS

Prior to each annual meeting of the Unitholders, Skyline Retail REIT will deliver audited consolidated financial statements (along with notice of such meeting) to Unitholders. The annual financial statements shall be audited by Skyline Retail REIT's auditors in accordance with IFRS.

On or before March 15 in each year, Skyline Retail REIT will provide to Unitholders who received distributions (including amounts treated as having been paid) from Skyline Retail REIT in either the prior calendar year or on or before January 15 of such year, such information regarding Skyline Retail REIT required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

ITEM 10 RESALE RESTRICTIONS

10.1 General Statement

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date Skyline Retail REIT becomes a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (a) Skyline Retail REIT has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 PURCHASERS' RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(1) **Two Day Cancellation Right** - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) **Statutory Rights of Action in the Event of a Misrepresentation**

Securities legislation in certain of the Canadian provinces provides certain purchasers of securities pursuant to an offering memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment thereto contains a "misrepresentation", as defined in the applicable securities legislation. A "misrepresentation" is generally defined in the applicable securities legislation to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

The following is a summary of the rights of action for damages or rescission, or both, available to certain purchasers resident in British Columbia, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Alberta, Newfoundland and Labrador and Prince Edward Island. Each purchaser should refer to the complete text of the relevant provisions of the applicable securities legislation for the particulars of these rights or consult with a legal advisor.

British Columbia

In British Columbia, where there is reliance on the exemption from the prospectus requirements contained in section 2.9 of NI 45-106 (the "offering memorandum exemption"), if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Retail REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Retail REIT, every trustee of Skyline Retail REIT at the date of this Offering Memorandum; and every person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action and 3 years after the date of the transaction that gave rise to the cause of action.

Saskatchewan

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Retail REIT to cancel your agreement to buy these securities, or
- (b) for damages against:

- (i) Skyline Retail REIT;
- (ii) every promoter and trustee of Skyline Retail REIT at the time the Offering Memorandum or an amendment to the Offering Memorandum was sent or delivered;
- (iii) every person or company whose consent has been filed in connection with the Offering Memorandum, but only with respect to reports, opinions or statements that have been made by them;
- (iv) every person who or company that, in addition to the persons or companies mentioned in clauses (i) to (iii), signed the Offering Memorandum or the amendment to the Offering Memorandum; and
- (v) every person who or company that sells securities on behalf of Skyline Retail REIT under the Offering Memorandum or amendment to the Offering Memorandum.

Similar rights are provided in respect of advertising or sales literature and verbal statements. This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of one year after the plaintiff first had knowledge of the facts giving rise to the cause of action and six years after the date of the transaction that gave rise to the cause of action.

Manitoba

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Retail REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Retail REIT, every trustee of Skyline Retail REIT at the date of this Offering Memorandum; and every person or company who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the day of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action and 2 years after the day of the transaction that gave rise to the cause of action.

Ontario

Under Ontario securities legislation, a purchaser resident in Ontario who purchases securities offered by this Offering Memorandum during the period of distribution will have, subject to certain limitations and statutory defences, a statutory right of action for damages or, while still the owner of the securities, for rescission against the issuer in the event that the Offering Memorandum contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation. Skyline Retail REIT is not liable for a misrepresentation in forward-looking information if certain requirements are

satisfied. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first has knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, no person will be liable. In the case of an action for damages, the issuer will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

Nova Scotia

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Retail REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Retail REIT, every trustee of Skyline Retail REIT at the date of this Offering Memorandum; and every person who signed this Offering Memorandum.

Similar rights are provided in respect of advertising or sales literature, on which a purchaser is deemed to have relied. This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement or your action for damages within 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with, the initial payment of the transaction that gave rise to the cause of action.

New Brunswick

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Retail REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Retail REIT.

Similar rights are provided in respect of advertising or sales literature and verbal statements. This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of one year after the plaintiff first had knowledge of the facts giving rise to the cause of action and six years after the date of the transaction that gave rise to the cause of action.

Alberta, Newfoundland and Labrador and Prince Edward Island

In Alberta, where there is reliance on the exemption from the prospectus requirements contained in section 2.9 of NI 45-106 (the "offering memorandum exemption") or section 2.10 of NI 45-106 (the

“minimum amount investment exemption”), and in Newfoundland and Labrador and Prince Edward Island, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Retail REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Retail REIT, every trustee of Skyline Retail REIT at the date of this Offering Memorandum; and every person or company who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action and 3 years after the date of the transaction that gave rise to the cause of action.

(3) Contractual Rights of Action in the Event of a Misrepresentation

British Columbia, Alberta and Quebec

In British Columbia, Alberta and Quebec, where there is reliance on the exemption from the prospectus requirements contained in section 2.3 of NI 45-106 (the “accredited investor exemption”) or, in British Columbia and Quebec, in section 2.10 of NI 45-106 (the “minimum amount investment exemption”), securities legislation does not provide or require an issuer to provide to purchasers resident in these jurisdictions any rights of action in circumstances where an offering memorandum contains a misrepresentation. Skyline Retail REIT hereby grants to such purchasers in British Columbia, Alberta and Quebec the following rights of action.

If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue Skyline Retail REIT:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that Skyline Retail REIT proves does not represent the depreciation in value of the securities resulting from the misrepresentation. Skyline Retail REIT has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities. The foregoing contractual rights of action are in addition to, and do not detract from, any other rights you may have.

ITEM 12 FINANCIAL STATEMENTS

The audited consolidated financial statements of Skyline Retail REIT as at December 31, 2016 and the unaudited consolidated financial statements of Skyline Retail REIT as at June 30, 2017 are included on the following pages.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
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YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of: Skyline Retail Real Estate Investment Trust:

We have audited the accompanying consolidated financial statements of Skyline Retail Real Estate Investment Trust, which comprise the consolidated balance sheet as at December 31, 2016 and December 31, 2015 and the consolidated statements of changes in unitholders' equity, income and comprehensive income and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Skyline Retail Real Estate Investment Trust as at December 31, 2016 and December 31, 2015 and its financial performance for the years then ended in accordance with International Financial Reporting Standards.



Guelph, Ontario
March 23, 2017

Chartered Professional Accountants
Licensed Public Accountants

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2016

(in thousands of Canadian dollars)

	2016	2015 (Restated) (note 6)	As at January 1, 2015 (Restated) (note 6)
ASSETS			
Investment properties (note 7)	\$ 429,480	\$ 357,460	\$ 265,702
Other assets (note 8)	1,480	1,432	665
Deposits on investment properties	850	250	300
Note receivable (note 12)	0	0	1,650
Tenant loans receivable (note 9)	1,075	1,136	1,161
Accounts receivable	4,378	2,448	1,203
Cash	<u>2,406</u>	<u>640</u>	<u>2,430</u>
	<u>\$ 439,669</u>	<u>\$ 363,366</u>	<u>\$ 273,111</u>
LIABILITIES AND UNITHOLDERS' EQUITY			
Mortgages payable (notes 10, 16)	\$ 248,716	\$ 207,138	\$ 152,542
Convertible Debentures (note 11)	33,980	30,305	27,000
Class B and C LP Units (note 20)	58,203	47,736	40,640
Tenant deposits	841	1,050	458
Accounts payable and accrued liabilities	3,578	1,550	1,850
Revolving credit facility (note 16)	<u>4,651</u>	<u>6,902</u>	<u>8,743</u>
	<u>349,969</u>	<u>294,681</u>	<u>231,233</u>
Unitholders' equity (page 5)	<u>89,700</u>	<u>68,685</u>	<u>41,878</u>
	<u>\$ 439,669</u>	<u>\$ 363,366</u>	<u>\$ 273,111</u>

Trustee

Trustee

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(in thousands of Canadian dollars)

	2016	2015 Restated (Note 6)
OPENING BALANCE	\$ 68,685	\$ 82,518
Adjustment due to restatement (note 6)	<u>0</u>	<u>(40,640)</u>
ADJUSTED OPENING BALANCE	68,685	41,878
Proceeds from units issued (note 19)	21,018	19,486
Issuance costs (note 12)	(205)	(197)
Redemptions (note 19)	(960)	(1,140)
Income and comprehensive income for the year	7,427	12,885
Distributions paid	<u>(6,265)</u>	<u>(4,227)</u>
CLOSING BALANCE	<u>\$ 89,700</u>	<u>\$ 68,685</u>

See notes to the consolidated financial statements

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016
(in thousands of Canadian dollars)

	2016	2015 Restated (Note 6)
PROPERTY REVENUES		
Minimum rent	\$ 26,441	\$ 20,554
Cost recoveries from tenants	9,167	6,694
	<u>35,608</u>	<u>27,248</u>
DIRECT PROPERTY EXPENSES		
Property taxes	6,582	4,757
Other direct property costs	2,306	1,740
Utilities	572	431
Property management fees (note 12)	712	536
	<u>10,172</u>	<u>7,464</u>
NET PROPERTY INCOME	<u>25,436</u>	<u>19,784</u>
Financing costs: (note 13)		
Interest paid on debt	10,675	8,526
Distribution interest paid on Class B and C LP Units	4,145	3,215
Administrative expenses	1,045	771
Asset management fees (note 12)	689	518
Wealth management fees (note 12)	450	308
	<u>17,004</u>	<u>13,338</u>
INCOME BEFORE UNDERNOTED	<u>8,432</u>	<u>6,446</u>
Interest income	3	171
Fair value (loss) gain (note 7, 14, 15)	(1,008)	6,268
	<u>(1,005)</u>	<u>6,439</u>
INCOME AND COMPREHENSIVE INCOME for the year	<u>\$ 7,427</u>	<u>\$ 12,885</u>

See notes to the consolidated financial statements

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(in thousands of Canadian dollars)

	2016	2015 Restated (note 6)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Income and comprehensive income for the year	\$ 7,427	\$ 12,885
Items not requiring an outlay of cash		
Amortization of leasing commission	10	4
Amortization of financing costs	67	20
Straight line rent revenue	(1,165)	(1,107)
Financing costs in operations (note 10)	14,744	11,694
Fair value (gain) loss (note 7, 14, 15)	<u>1,008</u>	<u>(6,268)</u>
	22,091	17,228
Changes in non-cash working capital		
Accounts receivable (net of straight line rent revenue)	(765)	(138)
Other assets (net of leasing commission amortization)	(125)	(767)
Accounts payable and accrued liabilities	2,027	(300)
Tenant deposits	<u>(208)</u>	<u>592</u>
	23,020	16,615
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Mortgages payable (net repayments and advances) (note 10)	41,578	54,596
Proceeds from Class B and C LP units issued	0	1,000
Interest on mortgages payable (note 10)	(8,793)	(6,774)
Distribution interest paid on Class B and C LP Units (note 13)	(4,145)	(3,215)
Interest paid on debentures (note 13)	(1,544)	(1,565)
Interest paid on revolving credit facilities (note 13)	(262)	(164)
Proceeds from issuance of debentures payable (note 11)	3,400	0
Net revolving credit facility proceeds (repayments) (note 16)	(2,251)	(1,841)
Proceeds from units issued (note 19)	21,018	19,486
Distributions paid (page 5)	(6,265)	(4,227)
Redemptions (note 19)	(960)	(1,140)
Issuance costs (note 12)	<u>(205)</u>	<u>(197)</u>
	41,571	55,959
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to investment properties (note 7)	(62,286)	(76,089)
Tenant loans receivable	61	25
Note receivable (note 12)	0	1,650
Deposits on investment properties	<u>(600)</u>	<u>50</u>
	(62,825)	(74,364)
INCREASE (DECREASE) IN CASH for the year	1,766	(1,790)
CASH, beginning of year	<u>640</u>	<u>2,430</u>
CASH, end of year	<u>\$ 2,406</u>	<u>\$ 640</u>

See notes to the consolidated financial statements

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(in thousands of Canadian dollars, except per unit amounts)

1. NATURE OF BUSINESS

Skyline Retail Real Estate Investment Trust ("Skyline Retail REIT") is an unincorporated, open-ended private real estate investment trust established under the laws of the Province of Ontario that was created pursuant to a Declaration of Trust dated October 8, 2013. During the year, Skyline Retail REIT and Skyline Retail Real Estate Limited Partnership ("RRELP") issued 1,827,624 (2015 - 1,945,977) units for an aggregate issue price of \$21,018 (2015 - \$19,486). The proceeds were used to invest in RRELP. RRELP used part of the proceeds it received on the subscription of its partnership units together with mortgage financing to invest in retail investment properties. As of December 31, 2016, RRELP owned fifty-four (2015 - forty-eight) retail investment properties, all of which are located in Canada.

RRELP was created on October 8, 2013 as a limited partnership under the laws of the Province of Ontario. The general partner is Skyline Retail Real Estate GP Inc. and the majority limited partner is Skyline Retail REIT.

Skyline Retail REIT is domiciled in Ontario, Canada. The address of Skyline Retail REIT's registered office and its principal place of business is 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

The consolidated financial statements of Skyline Retail REIT for the year ended December 31, 2016 (including comparatives) are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in applying Skyline Retail REIT's accounting policies.

The consolidated financial statements are presented in accordance with International Accounting Standard ("IAS") 1 - Presentation of Financial Statements ("IAS 1"). Skyline Retail REIT has elected to present the Statement of Income and Comprehensive Income in one statement.

The consolidated financial statements for the year ended December 31, 2016 (including comparatives) were approved for issue by the Board of Trustees on March 23, 2017.

(b) BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis modified to include the fair value measurement of investment properties and certain financial instruments, as set out in the relevant accounting policies.

(c) FUNCTIONAL CURRENCY AND PRESENTATION

The consolidated financial statements are presented in Canadian dollars, which is also Skyline Retail REIT's functional currency.

Skyline Retail REIT presents its consolidated balance sheet based on the liquidity method, where all assets and liabilities are presented in the ascending order of liquidity.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(in thousands of Canadian dollars, except per unit amounts)

2. BASIS OF PRESENTATION (continued)

(c) FUNCTIONAL CURRENCY AND PRESENTATION (continued)

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional balance sheet at the beginning of the earliest fiscal period presented where there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements. An additional balance sheet as at January 1, 2015 is presented in these consolidated financial statements due to a restatement applied retrospectively (note 6).

(d) USE OF ESTIMATES

The preparation of these consolidated financial statements requires Skyline Retail REIT to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the revision affects both current and future periods.

Significant estimates and assumptions include the fair values assigned to investment properties and allowances for doubtful accounts. Valuation of investment properties is one of the principal estimates and uncertainties of these consolidated financial statements. Refer to note 7 for further information on estimates and assumptions made in the determination of the fair value of investment properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRS and include the following significant accounting policies (and any changes thereto):

Accounting standards implemented in 2016

Skyline Retail REIT has adopted the amendments to IAS 1 beginning January 1, 2016. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and disclosure of accounting policies. The implementation of these amendments had no significant impact on Skyline Retail REIT's financial statements.

Significant accounting policies

(a) INVESTMENT PROPERTIES

Investment properties are properties held to earn rental income and are accounted for using the fair value model in accordance with IFRS 13 - Fair Value Measurement ("IFRS 13"). Rental income and operating expenses from investment properties are reported within 'revenue' and 'expenses' respectively.

Properties that are held for long term rental yields or for capital appreciation or both, and that are not occupied by Skyline Retail REIT, are classified as investment properties in accordance with IAS 40 - Investment Properties ("IAS 40").

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) INVESTMENT PROPERTIES (continued)

When Skyline Retail REIT acquires properties or a portfolio of properties and does not take on or assume employees or does not acquire an operating platform, it classifies the acquisition as an asset acquisition.

In accordance with IAS 40, investment properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value. Fair value is determined using a combination of external valuation processes and internal valuation techniques that are in accordance with IFRS 13. For properties purchased within one year of the reporting date, the purchase price is considered fair value, unless significant events or changes have occurred to the property that would significantly alter its fair value. Properties appraised by qualified third party appraisers within the past twelve months are not revalued, unless significant changes or events have occurred to the property since the appraisal date. All other properties are valued internally, using market supported financial metrics, that are in accordance with IFRS 13, in tandem with current property details including, among other things, rent rolls from current leases and assumptions about rental income from future leases in light of current market conditions, and, any cash outflows that could be expected in respect of the property except for those outflows that relate to liabilities recognized on the balance sheet. Skyline Retail REIT also uses extensive market comparable sales to support valuation capitalization rates for different types of assets in different markets. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Investment properties that are being redeveloped for continuing use as investment property or for which the market has become less active continue to be measured at fair value.

Subsequent expenditures are capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to Skyline Retail REIT and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Costs incurred for repairs and maintenance in excess of \$10,000 (not in thousands of dollars) per annum per building may be allocated from repairs and maintenance to be capitalized to the cost of the respective building as it is assumed that a future economic benefit will likely be realized from this level of expenditure.

Changes in fair values are recognized in the consolidated statement of income and comprehensive income. Investment properties are derecognized when they have been disposed.

Where Skyline Retail REIT disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in income within the fair value adjustment on investment property.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) INVESTMENT PROPERTIES (continued)

Investment properties are reclassified to "Assets Held for Sale" when the criteria set out in IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations ("IFRS 5") are met (see note 3(b)).

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

As investments are measured at fair value, they are implicitly tested for impairment annually. There is no specific impairment test relating to investment properties other than the fair value methodology.

The initial cost of properties under development includes the acquisition cost of the property, direct development costs, realty taxes and borrowing costs attributable to the development. The amount of capitalized borrowing costs is determined by reference to borrowings specific to the project. Borrowing costs are capitalized from the commencement of the development until the date of practical completion where the property is substantially ready for its intended use. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Practical completion is when the property is capable of operating in the manner intended by Management. Generally, this occurs upon completion of construction and receipt of all necessary occupancy and other material permits. If Skyline Retail REIT has pre-leased space at or prior to the property being substantially ready for its intended use, and the lease requires tenant improvements which enhance the value of the property, practical completion is considered to occur when such improvements are completed.

(b) ASSETS HELD FOR SALE

In accordance with IFRS 5, non-current assets comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. For this purpose, a sale is highly probable if Management is committed to a plan to achieve the sale; there is an active program to find a buyer; the non-current asset is being actively marketed at a reasonable price; the sale is anticipated to be completed within one year from the date of classification; and it is unlikely there will be changes to the plan. Assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

(c) REVENUE RECOGNITION

Rental revenue includes rents from tenants under leases, property tax and operating cost recoveries, parking income and incidental income. Skyline Retail REIT has retained substantially all the risks and rewards of ownership of its investment properties and accounts for its rents from tenants as operating leases. Revenue from operating leases is recognized on a straight line basis over the term of the lease.

Tenant inducements are recognized at fair value at the inception of the lease and are amortized through revenue on a straight line basis over the life of the lease.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS

Skyline Retail REIT's financial instruments and their respective classification and measurement characteristics, are as follows:

<u>Asset/Liability Classification</u>	<u>Measurement</u>	
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Tenant loans receivable	Loans and receivables	Amortized cost
Mortgages payable	Other financial liabilities	Amortized cost
Debentures payable	Financial liabilities at FVTPL	Fair value
Class B and C LP Units	Financial liabilities at FVTPL	Fair value
Revolving credit facility	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Financial Assets

Financial assets are classified at initial recognition, as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets or available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus directly attributable transaction costs for those financial assets not subsequently measured at fair value.

Skyline Retail REIT's financial assets are derecognized only when the contractual rights to the cash flows from the financial asset expire or substantially all of the risks and rewards of ownership transferred.

Skyline Retail REIT's financial assets are all classified as loans and receivables and include cash, accounts receivable and tenant loan receivable. They are initially recognized at fair value and subsequently measured at amortized cost less provision for impairment.

Provision for impairment is made through the use of an allowance when there is objective evidence, such as the probability of insolvency or significant arrears, that RRELP will not be able to collect the amounts due under the original terms. If in a subsequent period the impairment loss decreases and the decrease can be related objectively to an event occurring in the subsequent period, the impairment loss is reversed to no more than its previous carrying amount by adjusting the allowance. The reversal is recognized through profit and loss. Impaired receivables are derecognized when they become uncollectible.

Financial Liabilities

Financial liabilities are classified at initial recognition as either financial liabilities at fair value through profit and loss, or other financial liabilities, as appropriate. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

Skyline Retail REIT's other financial liabilities include mortgages payable, accounts payable and accrued liabilities and the revolving credit facility. These financial liabilities are measured initially at fair value and subsequently at amortized cost. The fair value of a non-interest bearing liability is its discounted payment amount. If the due date of the liability is less than one year, discounting is omitted.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS (continued)

Financial Liabilities (continued)

Skyline Retail REIT's mortgages payable consist of the legal liabilities owing pursuant to loans secured by mortgages and premiums and discounts recognized on loans assumed on acquisition of properties, netted against the transaction costs, and the effective interest method of amortization is applied to the premiums, discounts and transaction costs.

Skyline Retail REIT's financial liabilities classified as financial liabilities at fair value through profit or loss include debentures payable and Class B and C LP Units. These financial liabilities are measured initially and subsequently at fair value and any gains or losses arising on remeasurement are recognized in net income.

(e) CLASS B AND C LP UNITS

The Class B and Class C LP Units are exchangeable into Trust Units at the option of the holder. The ability to exchange Class B and C LP Units for Trust Units implies that a liability element exists as it imposes an unavoidable obligation to deliver units of the Trust (i.e. financial instrument of another entity). Therefore, Class B and C LP Units are classified as financial liabilities on the consolidated balance sheet.

(f) DISTRIBUTIONS TO CLASS B AND C LP UNITHOLDERS

Distributions declared to Class B and C LP Unitholders are classified as financing costs for reporting purposes because the units are treated as financial liabilities.

(g) INCOME TAXES

Skyline Retail REIT is taxed as a 'Mutual Fund Trust' for income tax purposes. Skyline Retail REIT, pursuant to its Declaration of Trust, distributes substantially all of its taxable income to unitholders and does not deduct such distributions or designations for income tax purposes. Accordingly, no provision for income taxes has been made. Income tax obligations relating to the distributions of Skyline Retail REIT are the obligation of unitholders.

(h) FAIR VALUE MEASUREMENT

Assets and liabilities measured at fair value in the consolidated balance sheet are categorized by level according to the significance of the inputs used in making the measurements. The levels of inputs are defined as follows:

Level 1 inputs

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs

Inputs other than quoted prices (included within Level 1) that are observable for the asset or the liability, either directly or indirectly.

Level 3 inputs

Unobservable inputs for the asset or liability.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) FAIR VALUE MEASUREMENT (continued)

Skyline Retail REIT's policy is to recognize transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

(i) JOINT OPERATIONS

Skyline Retail REIT considers investments in joint arrangements to be a joint operation when they jointly make operating, financial and strategic decisions over one or more investment property with another party, and have direct rights to the assets and obligations for the liabilities relating to the arrangement. When the arrangement is considered to be a joint operation, Skyline Retail REIT will include their share of the underlying assets, liabilities, revenue and expenses in their financial results.

(j) DISTRIBUTION REINVESTMENT PLAN

Unitholders may elect to participate in a distribution reinvestment plan whereby distribution payments are invested in additional units of Skyline Retail REIT. There are no special terms such as premiums on distribution rates for plan participants.

(k) PROVISIONS

Provisions are recognized when Skyline Retail REIT has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date. Provisions are measured at their present value by discounting the future cash flows from the expected date the obligation is to be settled. The discount rate used reflects current market assessments of the time value of money adjusted by the risk factor specific to the obligation. The unwinding of the discount due to the passage of time is recognized as interest expense.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of Skyline Retail REIT's financial statements, are disclosed below. Skyline Retail REIT intends to adopt these standards, if applicable, when they become effective.

IFRS 9 - Financial Instruments: In July 2014, the IASB issued the final version of IFRS 9, which reflects all phases of the financial instruments project and replaces IAS 39, Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 also introduces an expected loss impairment model for all financial assets not measured at fair value through profit or loss that require recognition of expected credit losses rather than incurred losses as applied under the current standard. IFRS 9 is effective for annual periods on or after January 1, 2018, with early adoption permitted. Skyline Retail REIT does not expect any significant impact from the adoption of the new standard.

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4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 15 – Revenue from Contracts with Customers: In May 2014, the IASB issued IFRS 15 - Revenue from Contracts with Customers. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The adoption of this new standard is not expected to significantly impact Skyline Retail REIT.

IFRS 16 - Leases: IFRS 16 was issued on January 13, 2016. The new standard will replace existing lease guidance in IFRS and related interpretations, and requires lessees to bring most leases on-balance sheet eliminating the distinction between operating and finance leases. The new standard is effective for years beginning on or after January 1, 2019. Early adoption will be permitted only if the company has adopted IFRS 15 Revenue from Contracts with Customers. Skyline Retail REIT is currently assessing the impact of the new standard on its financial statements.

Amendment to IAS 7 - Statement of Cash Flows: The amendment clarifies that entities shall provide disclosures that ensure users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is effective for annual periods beginning on or after January 1, 2017. Skyline Retail REIT does not expect any significant impact from the adoption of the new standard.

Amendment to IAS 40. The IASB issued an amendment to IAS 40 clarifying certain existing requirements. The amendment requires that an asset be transferred to or from investment property only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments are effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. Skyline Retail REIT does not expect any significant impact from the adoption of this amendment.

5. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Skyline Retail REIT and its subsidiary, RRELP.

Subsidiaries are entities over which Skyline Retail REIT has control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date control is transferred to Skyline Retail REIT, and are de-consolidated from the date control ceases. Intercompany transactions between subsidiaries are eliminated on consolidation. All subsidiaries have a reporting date of December 31.

6. PRIOR PERIOD RESTATEMENT

It was determined that Class B and C LP units should be classified as FVTPL financial liabilities under IAS 32. As a result, the opening balance of unitholder equity was adjusted by \$40,640 representing the aggregate fair value of the issued and outstanding Class B and C LP units as at December 31, 2014. Income and comprehensive income for the year was reduced by \$2,445, represented by an increase of \$2,445 to financing costs for distributions paid on Class B and C LP units.

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6. PRIOR PERIOD RESTATEMENT (continued)

For the 2015 year, liabilities were increased and unitholder equity was decreased by \$47,736 representing the aggregate fair value of the issued and outstanding Class B and C LP units as at December 31, 2015. Income and comprehensive income for the year was reduced by \$9,311, represented by an increase of \$3,215 to financing costs for distributions paid on Class B and C LP units, and a fair value adjustment of \$6,096 on the revaluation of the Class B and C LP units issued and outstanding as at December 31, 2015.

During 2014, Skyline Retail REIT issued a \$27,000 convertible debenture as result of an acquisition. As outlined in Note 3 d) these financial liabilities are measured initially at fair value and any gains or losses arising on remeasurement are recognized in net income. Effective November 25, 2015, the issue price per unit increased from \$10.00 to \$11.50. As a result, the liability was adjusted to reflect the fair market value in accordance with IFRS 13, represented by an increase of \$3,305. Income and comprehensive income for the year was reduced by \$3,305, represented by an increase in fair value as at December 31, 2015.

Equity and liability has been adjusted by restating each of the affected financial statement line items for the prior period, as follows:

Impact on equity

	December 31 2015	January 1 2015
Class B and C LP Units	\$ (47,736)	\$ (40,640)
Convertible Debentures	<u>(3,305)</u>	<u>0</u>
Net impact on unitholders' equity	<u>\$ (51,041)</u>	<u>\$ (40,640)</u>

Impact on statement of profit or loss in income and comprehensive income

	December 31 2015	December 31 2014
Distribution interest paid on Class B and C LP Units	\$ (3,215)	\$ (2,445)
Fair value adjustment on Class B and C LP Units	(6,096)	0
Fair value adjustment on Convertible Debentures	<u>(3,305)</u>	<u>0</u>
Total decrease in income	<u>\$ (12,616)</u>	<u>\$ (2,445)</u>

7. INVESTMENT PROPERTIES

Changes to the carrying amounts of investment properties presented in the consolidated balance sheet can be summarized as follows:

	2016	2015
Balance at beginning of the year	\$ 357,460	\$ 265,702
Acquisitions through purchase of assets	71,059	75,585
Additions through capital expenditures on existing investment properties	1,694	504
Fair value adjustment on investment properties	<u>(733)</u>	<u>15,669</u>
Balance at end of the year	<u>\$ 429,480</u>	<u>\$ 357,460</u>

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7. INVESTMENT PROPERTIES (continued)

Asset acquisitions:

During the year ended December 31, 2016, Skyline Retail REIT acquired six (2015 - ten) investment properties, plus the remaining 50% share of a building previously owned through the Thamesview partnership. The results of these acquisitions are included in these consolidated financial statements from the date of acquisition. The following table outlines the cost, plus the transaction costs of the assets acquired and the associated liabilities entered into as a result of these acquisitions:

	2016	2015
Acquisition cost of investment properties	\$ 71,059	\$ 75,585
Mortgages	(51,694)	(52,572)
Debentures payable (note 11)	(3,400)	0
Class B LP Units (note 20)	<u>(10,467)</u>	<u>0</u>
Total identifiable net assets settled by cash	<u>\$ 5,498</u>	<u>\$ 23,013</u>

Future rental income:

Investment properties are subject to operating leases with tenants. Lease contracts are all typically non-cancelable for periods ranging from one to twenty years from the commencement of the lease. Future minimum rental income from these agreements is as follows:

	2016	2015
Less than one year	\$ 26,933	\$ 23,701
Between one and three years	48,543	44,106
More than three years	<u>173,913</u>	<u>169,560</u>
	<u>\$249,389</u>	<u>\$237,367</u>

Fair value disclosure:

Skyline Retail REIT uses an income approach to perform internal valuation calculations for the purposes of determining the fair market value of investment properties. The same approach is used for those properties with independent third party appraisals. Significant assumptions used for the valuation of the properties include the capitalization rate and the revenue and expenses for each property. As at December 31, 2016, all of Skyline Retail REIT's investment properties were valued using Level 3 inputs. There were no transfers into or out of Level 3 fair value measurements for investment properties held as at December 31, 2016 and December 31, 2015.

Skyline Retail REIT categorizes its investment properties by region, and each region has a different range of capitalization rates, depending on the specific risk factors for each property in that region. The weighted average capitalization rate for the retail properties is 6.29% (2015 - 6.31%). Overall, the capitalization rates for the retail properties fall between:

	2016	2015
Minimum	5.22%	5.38%
Maximum	7.96%	7.28%

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7. INVESTMENT PROPERTIES (continued)

Assumptions related to property revenue and expenses are based on the most recent annual results of each property, and where necessary, industry benchmarks.

In 2016, Skyline Retail REIT valued \$255,330 of its investment properties internally (2015 - \$55,375). The remainder of the investment property fair value was obtained through third party appraisals, including those properties acquired during the year. In the year, this amounted to \$174,150 (2015 - \$302,086). Actual results may differ from these estimates and may be subject to material adjustment within the next year.

8. OTHER ASSETS

The components of other assets are as follows:

	2016	2015
Funds held in trust	\$ 947	\$ 1,061
Escrow realty taxes	22	19
Prepaid expenses	<u>511</u>	<u>352</u>
	<u>\$ 1,480</u>	<u>\$ 1,432</u>

9. TENANT LOANS RECEIVABLE

The tenant loans receivable are receivable in blended monthly instalments of \$11 (2015- \$11) with interest charged ranging from 4.00% to 6.62% (2015 - 4.00% to 6.62%). The loans are due between 2022 and 2028. The portion receivable within one year is \$65 (2015 - \$61).

10. MORTGAGES PAYABLE

The mortgages payable are secured by real estate assets and letters of credit, in some cases. Mortgages bearing fixed interest with a contractual weighted average rate of 3.68% (2015 - 3.85%) per annum are \$237,716 (2015 - \$196,138). One mortgage for \$11,000 (2015 - \$11,000) bears a variable interest rate of prime + 2.00% (2015 - prime + 2.00%). Mortgages have maturity dates ranging between 2017 and 2026. Included in mortgages payable is \$18,922 (2015 - \$14,284) of second mortgages. All mortgages are denominated in Canadian dollars.

Future minimum payments on mortgage obligations are as follows:

2017	\$ 48,831
2018	8,601
2019	55,248
2020	12,815
2021	21,266
Thereafter	<u>101,955</u>
	<u>\$ 248,716</u>

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11. CONVERTIBLE DEBENTURES

The components of debentures payable are as follows:

	2016	2015 Restated (note 6)
2017 Convertible Debentures	\$ 30,580	\$ 30,305
2019 Convertible Debentures	<u>3,400</u>	<u>0</u>
	<u>\$ 33,980</u>	<u>\$ 30,305</u>

On August 1, 2014, as part of an acquisition of investment property, Skyline Retail REIT issued 27,000 Convertible Debentures for proceeds of \$27,000. The 2017 Convertible Debentures are unsecured, mature on August 1, 2019 and bear interest at 5.35%. On or after August 1, 2017 and prior to the maturity date, the 2017 Convertible Debentures may be converted into 2,700,000 Skyline Retail REIT Units at the option of either Skyline Retail REIT or the Holder. Interest expense is recorded as a charge to net income. The 2017 Convertible Debentures are measured at fair value, with fair value determined using the quoted price of Skyline Retail REIT Units, discounted to the present value.

On June 2, 2016, as part of an acquisition of investment property, RRELP issued 3,400 Convertible Debentures for proceeds of \$3,400. The 2019 Convertible Debentures are unsecured, mature on June 2, 2021 and bear interest at 5.00%. On or after June 2, 2019 and prior to the maturity date, the 2019 Convertible Debentures may be converted into 295,652 RRELP's Class B LP Units at the option of either Skyline Retail REIT or the Holder. The interest on these debentures is payable monthly commencing July 1, 2016. The Convertible Debentures are measured at fair value, with fair value determined using the quoted price of RRELP's Class B LP Units.

12. RELATED PARTY TRANSACTIONS

Skyline Retail Real Estate GP Inc. is the general partner of RRELP and is entitled to 20% of distributions after the limited partners have received returns equivalent to their adjusted contribution value. Transactions are measured at fair value. A provision for the future distributions payable to Skyline Retail Real Estate GP Inc. has not been recorded since the timing and amount of the distributions payable cannot be reasonably estimated. Based on the fair value of the investment properties as at December 31, 2016, a distribution would be payable if the investment properties were sold. However, there were no distributions payable at December 31, 2016 (2015 - nil).

Skyline Retail REIT has an asset management agreement with Skyline Asset Management Inc., a property management agreement with Skyline Commercial Management Incorporated, and a wealth management agreement with Skyline Wealth Management Inc. Skyline Retail Real Estate GP Inc., Skyline Asset Management Inc., Skyline Commercial Management Incorporated, and Skyline Wealth Management Inc. are controlled by the same shareholders.

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12. RELATED PARTY TRANSACTIONS (continued)

Fees payable under the asset management agreement are 2% of adjusted gross revenue. Fees payable under the property management agreement average 2% to 3% of base rental income. Fees payable under the wealth management agreement include wealth management fees of 0.3% of unitholders' equity, and equity raise fees ranging from 0.5% to 1% of contributions during the year. Equity raise fees of \$170 (2015 - \$136) were paid during the year and are included in issuance costs. Fees paid during the year are as follows:

	2016	2015
Asset management fees	\$ 689	\$ 518
Property management fees	712	536
Wealth management fees	<u>450</u>	<u>308</u>
	<u>\$ 1,851</u>	<u>\$ 1,362</u>

During 2016, Skyline Retail REIT paid management fees of \$508 to Glengate Investments Inc. Two trustees of Skyline Retail REIT have an interest in Glengate Investments Inc.

13. FINANCING COSTS

During the year, Skyline Retail REIT paid the following financing costs:

	2016	2015
Mortgage interest	\$ 8,793	\$ 6,773
Deferred financing costs	76	24
Interest expense on debentures	1,544	1,565
Interest expense on credit facilities	262	164
Distribution interest paid on Class B and C LP Units (note 6)	<u>4,145</u>	<u>3,215</u>
	<u>\$ 14,820</u>	<u>\$ 11,741</u>

14. FAIR VALUE GAIN (LOSS)

The components of the fair value gain (loss) were as follows:

	2016	2015
Fair value (loss) gain on investment properties	\$ (733)	\$ 15,669
2017 Convertible Debentures	(275)	(3,305)
Class B and C LP Units	<u>0</u>	<u>(6,096)</u>
	<u>\$ (1,008)</u>	<u>\$ 6,268</u>

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15. FAIR VALUE MEASUREMENT

Assets and liabilities measured at fair value

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the balance sheet is as follows:

As at	December 31, 2016			December 31, 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investment properties	\$ 0	\$ 0	\$ 429,480	\$ 0	\$ 0	\$ 357,460
Liabilities						
Convertible Debentures	\$ 0	\$ 33,980	\$ 0	\$ 0	\$ 30,305	\$ 0

Transfers between levels in the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. For assets and liabilities measured at fair value as at December 31, 2016 and December 31, 2015, there were no transfers between Level 1, Level 2 and Level 3 assets and liabilities.

16. FINANCIAL RISK MANAGEMENT

Financial risks are risks arising from the financial instruments to which Skyline Retail REIT is exposed during or at the end of the reporting period. Financial risk comprises market risk, credit risk, and liquidity risk. Skyline Retail REIT considers real estate risk as a financial risk as well, even though investment property is not classified as a financial instrument.

Risk management is carried out by Management and the Board of Trustees of Skyline Retail REIT. Management identifies and evaluates financial risks and the Board provides oversight on overall risk management, including specific areas such as interest rate risk, liquidity, and investing policies.

Key financial risk management reports are produced on a monthly basis and key indicators are reviewed by Management and the Board of Trustees of Skyline Retail REIT.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Skyline Retail REIT's market risks arise from open positions in interest bearing assets and liabilities, to the extent that these are exposed to market fluctuations.

a. Interest rate risk

Skyline Retail REIT is exposed to interest rate risk arising from its fixed rate mortgages payable. As fixed rate debt matures and as RRELP uses additional floating rate debt under revolving credit facilities, RRELP will be further exposed to cash flow risk.

As part of its risk management policies, Skyline Retail REIT uses fixed rate mortgages for the majority of its borrowings to allow for better cash flow planning. Skyline Retail REIT attempts to stagger mortgage renewals at appropriate intervals to mitigate significant interest rate shocks in a given year.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
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16. FINANCIAL RISK MANAGEMENT (continued)

a) Interest rate risk (continued)

The following table illustrates the sensitivity of income and equity to a reasonably possible change in interest rates of +/- 1%.

As of December 31, 2016

	Carrying Amount	Income -1%	Partners' Equity -1%	Income +1%	Partners' Equity +1%
Revolving credit facility	\$ 4,651	\$ 47	\$ 47	\$ (47)	\$ (47)
Long term debt, maturing within 1 year	<u>43,607</u>	<u>436</u>	<u>436</u>	<u>(436)</u>	<u>(436)</u>
	<u>\$ 48,258</u>	<u>\$ 483</u>	<u>\$ 483</u>	<u>\$ (483)</u>	<u>\$ (483)</u>

As of December 31, 2015

	Carrying Amount	Income -1%	Partners' Equity -1%	Income +1%	Partners' Equity +1%
Revolving credit facility	\$ 6,902	\$ 69	\$ 69	\$ (69)	\$ (69)
Long term debt, maturing within 1 year	<u>18,080</u>	<u>181</u>	<u>181</u>	<u>(181)</u>	<u>(181)</u>
	<u>\$ 24,982</u>	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ (250)</u>	<u>\$ (250)</u>

b. Price risk

Skyline Retail REIT has no significant exposure to price risk with respect to financial instruments as it does not hold any equity securities or commodities.

c. Foreign exchange risk

Skyline Retail REIT is not subject to foreign exchange risk. All of its financial instruments are denominated in Canadian dollars.

ii) Credit risk

Credit risk is a risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from the possibility that Skyline Retail REIT's tenants may experience financial difficulty and be unable to meet their lease obligations. Currently, a significant portion (33%, 2015 - 30%) of Skyline Retail REIT's property revenue is derived from two major tenants. As a result, Skyline Retail REIT's revenues will be dependent on the ability of the tenants to meet their rent obligations and Skyline Retail REIT's ability to collect rent from these tenants.

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16. FINANCIAL RISK MANAGEMENT (continued)

ii) Credit risk (continued)

An allowance for doubtful accounts is recognized for estimated losses resulting from tenant default on lease obligations. Skyline Retail REIT actively reviews receivables and determines the potentially uncollectible accounts on a per-tenant basis. An accounts receivable is written down to its estimated recoverable value when there is reason to believe that the tenant will not be able to fulfil their obligations under the lease agreement. The movement in the allowance for doubtful accounts is reconciled as follows:

	2016	2015
Allowance for doubtful accounts beginning of year	\$ 0	\$ 0
Provision for impairment of trade receivables	64	0
Reversal of provision for impairment	<u>0</u>	<u>0</u>
Allowance for doubtful accounts end of year	<u>\$ 64</u>	<u>\$ 0</u>

Credit risk is managed by reviewing the credit quality of the tenant through credit ratings and references. The maximum exposure to credit risk at the reporting date is equal to the carrying value of each class of financial asset.

iii) Liquidity risk

Liquidity risk management entails maintaining sufficient cash and credit facilities available to close out market positions. Skyline Retail REIT ensures flexibility in funding by keeping committed credit lines available and raising capital from partners when needed.

Skyline Retail REIT's liquidity position is monitored on a regular basis by Management. A summary table with maturity of financial assets and liabilities presented below is used by key management personnel to manage liquidity risks and is derived from managerial reports at company level. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of the balances due within twelve months generally equal their carrying amounts in the balance sheet as the impact of discounting is not significant.

Skyline Retail REIT has access to an operating line of credit to a maximum of \$10,000 with interest charged at prime + 2.0%, of which \$4,651 is utilized at December 31, 2016 (2015 - \$6,902). The line of credit is secured by a general security agreement over some of the income producing properties of Skyline Retail REIT.

Under a financing agreement, Skyline Retail REIT was required to maintain a debt service ratio of 1.20 or greater. At December 31, 2016, they are in compliance with the financing agreement.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
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16. FINANCIAL RISK MANAGEMENT (continued)

iii) Liquidity risk (continued)

Skyline Retail REIT's long term debt consists of mortgages payable bearing interest rates ranging from 2.74% to 6.15% per annum (2015 - 2.74% to 8.00%), payable in monthly instalments of principal and interest of approximately \$1,304 (2015 - \$1,054), maturing from 2017 to 2026, and are secured by specific charges against specific properties. All interest rates are fixed for the term of the respective mortgage, except for one mortgage as described in note 10. Skyline Retail REIT's long term debt also consists of convertible debentures bearing interest at 5.00% per annum, payable in monthly instalments of interest only, of approximately \$134, maturing in 2021 and are unsecured.

Financial liabilities and their maturities are as follows:

December 31, 2016	On demand	Less than one year	One to five years	More than five years	Total
Mortgages payable	\$ 0	\$ 43,607	\$ 87,238	\$ 117,871	\$ 248,716
Convertible Debentures	0	0	33,980	0	33,980
Accounts payable and accrued liabilities	0	3,578	0	0	3,578
Revolving credit facility	4,651	0	0	0	4,651
	<u>\$ 4,651</u>	<u>\$ 47,185</u>	<u>\$ 121,218</u>	<u>\$ 117,871</u>	<u>\$ 290,925</u>
December 31, 2015	On demand	Less than one year	One to five years	More than five years	Total
Mortgages payable	\$ 0	\$ 18,080	\$ 120,375	\$ 68,683	\$ 207,138
Convertible Debentures	0	0	30,305	0	30,305
Accounts payable and accrued liabilities	0	1,550	0	0	1,550
Revolving credit facility	6,902	0	0	0	6,902
	<u>\$ 6,902</u>	<u>\$ 19,630</u>	<u>\$ 150,680</u>	<u>\$ 68,683</u>	<u>\$ 245,895</u>

iv) Real estate risk

Skyline Retail REIT has identified risks associated with the real estate portfolio. The greatest risk is with respect to the fair values of the portfolio due to changes in real estate market conditions, the macro economic climate, and overall financial health of its tenants.

17. CAPITAL RISK MANAGEMENT

Skyline Retail REIT's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to provide returns for unitholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Skyline Retail REIT has the ability to adjust the amount of distributions paid to partners, return capital to partners, issue additional units, refinance existing debt, or sell investment property to reduce debt.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
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17. CAPITAL RISK MANAGEMENT (continued)

Skyline Retail REIT monitors capital primarily using a loan to value ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio. As of December 31, 2016, the loan to value ratio was 65% (2015- 66%), which is within Skyline Retail REIT's stated policy of 70% or less. Skyline Retail REIT is in compliance with the policy. Skyline Retail REIT defines loan to value as the quotient of mortgages and debentures payable to investment properties. Loan to value calculations do not include Class B and C LP Units.

During the year, Skyline Retail REIT did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

Skyline Retail REIT did not change its distribution rates paid to partners in the year.

18. SEGMENTED DISCLOSURE

All of Skyline Retail REIT's assets and liabilities are in, and its revenues are derived from, Canadian retail real estate. Skyline Retail REIT's investment properties are, therefore, considered by Management to have similar economic characteristics. Thus, Skyline Retail REIT has one reportable segment for disclosure purposes. One tenant represents 20% (2015 - 15%) and another represents 13% (2015 - 15%) of Skyline Retail REIT's property revenue.

19. TRUST UNITS

Skyline Retail REIT is authorized to issue unlimited number of trust units. Skyline Retail REIT units are entitled to distributions as and when declared by the Board of Trustees. The units issued and outstanding Skyline Retail REIT are as follows:

	2016 Units	2015 Units Restated (note 6)
Units outstanding, beginning of year	6,105,296	4,273,280
Units issued	1,597,242	1,771,788
Units issued (Distribution reinvestment plan)	230,382	174,189
Redemptions during the year	<u>(83,493)</u>	<u>(113,961)</u>
Units outstanding, end of year	<u>7,849,427</u>	<u>6,105,296</u>

The opening and ending balance for number of units in 2015 has been restated to reflect the adjustments outlined in note 6.

20. CLASS B AND C LP UNITS

The Class B and C LP Units are units issued by RRELP as partial consideration of investment properties. The Class B and C LP Units can be exchanged for Trust Units at any time at the option of the holder. Prior to such exchange, distributions will be made on these exchangeable units in an amount equivalent to the distributions which would have been made had the units been exchanged for Skyline Retail REIT units. Each Class B and C LP unit holder is entitled to vote at all meetings of Skyline Retail REIT

As at December 31, 2016, there were 4,212,738 (2015 - 3,302,590) Class B and 848,371 (2015 - 848,371) Class C exchangeable partnership units of RRELP. The Class B LP units, represented an aggregate fair value of \$48,446 at December 31, 2016 (2015 - \$37,980) and Class C LP units, represented an aggregate fair value of \$9,756 at December 31, 2016 (2015 - \$9,756).

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
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21. SUBSEQUENT EVENTS

Subsequent to the year end, Skyline Retail REIT has made the following asset acquisitions of retail investment property:

- i) A property in London, Ontario at a cost of \$14,450. The property was partially financed with a mortgage of \$9,500, with a fixed interest rate of 3.40% and maturing in 2024. There is a deposit of \$100 on the property at year end.
- ii) A portfolio in Quebec at a cost of \$35,250. The property was partially financed with a mortgage of \$24,957, with a fixed interest rate of 3.02% and maturing in 2022. There is a deposit of \$250 on the property at year end.

Effective March 6, 2017, the unit price and distribution rate of Skyline Retail REIT units increased to \$12.50 (2016 - \$11.50) and \$.936 (2016 - \$0.9) respectively.

22. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

NOTICE TO READER

These condensed interim consolidated financial statements of Skyline Retail Real Estate Investment Trust (the "REIT" or "Skyline Retail REIT") have been prepared by and are the responsibility of management and have not been reviewed by the REIT's auditors.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
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FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION****(in thousands of Canadian dollars, except per unit amounts)****(UNAUDITED)**

	JUN 30, 2017	DEC 31, 2016
ASSETS		
Investment properties (note 4)	\$ 525,455	\$ 429,480
Other assets (note 5)	2,483	1,480
Deposits on investment properties	—	850
Tenant loans receivable	1,044	1,075
Accounts receivable	3,646	4,378
Cash	<u>2,722</u>	<u>2,406</u>
	<u>\$ 535,350</u>	<u>\$ 439,669</u>
LIABILITIES AND UNITHOLDERS' EQUITY		
Mortgages payable (note 6)	\$ 316,970	\$ 248,716
Convertible debentures (note 7)	37,446	33,980
Class B and C LP units (note 14)	63,264	58,203
Tenant deposits	1,019	841
Accounts payable and accrued liabilities	1,404	3,578
Revolving credit facility	<u>3,509</u>	<u>4,651</u>
	<u>423,612</u>	<u>349,969</u>
Unitholders' equity (page 2)	<u>111,738</u>	<u>89,700</u>
	<u>\$ 535,350</u>	<u>\$ 439,669</u>

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY****SIX MONTHS ENDED JUNE 30, 2017 AND 2016****(in thousands of Canadian dollars, except per unit amounts)****(UNAUDITED)**

	2017	2016
OPENING BALANCE	\$ 89,700	\$ 68,685
Proceeds from units issued (note 13)	31,814	6,606
Issuance costs (note 8)	(297)	(94)
Redemptions (note 13)	(2,410)	(480)
Income (loss) and comprehensive income (loss) for the period	(3,075)	3,764
Distributions paid	<u>(3,994)</u>	<u>(4,851)</u>
CLOSING BALANCE	<u>\$ 111,738</u>	<u>\$ 73,630</u>

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS)

AND COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars, except per unit amounts)

(UNAUDITED)

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
PROPERTY REVENUES				
Minimum rent	\$ 8,034	\$ 6,369	\$ 15,439	\$ 12,453
Cost recoveries from tenants	3,084	2,170	6,226	4,427
	11,118	8,539	21,665	16,880
DIRECT PROPERTY EXPENSES				
Property taxes	2,409	1,501	4,285	2,961
Other direct property costs	716	512	1,748	1,197
Utilities	187	131	377	277
Property management fees (note 8)	276	165	526	329
	3,588	2,309	6,936	4,764
NET PROPERTY INCOME	7,530	6,230	14,729	12,116
Finance costs (note 9)				
Interest paid on debt	3,228	2,579	6,112	5,114
Distributions on exchangeable LP Units	1,184	931	2,338	1,886
Administrative expenses	79	74	187	146
Asset management fees (note 8)	210	157	406	321
Wealth management fees (note 8)	141	101	221	177
Profit from continuing operations before the undernoted	2,688	2,388	5,465	4,472
Fair value loss on convertible debentures	—	—	(3,466)	(745)
Fair value loss on exchangeable LP Units	—	—	(5,061)	—
Loss on extinguishment of debt	—	—	(53)	—
Interest and other income	19	18	40	37
Net income (loss) and comprehensive income (loss)	\$ 2,707	\$ 2,406	\$ (3,075)	\$ 3,764

See accompanying notes to the condensed consolidated interim financial statements.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Income (loss) and comprehensive (loss) income for the year	\$ (3,075)	\$ 3,764
Items not requiring an outlay of cash		
Amortization of leasing commission	9	4
Amortization of financing costs	10	13
Straight line rent revenue	(644)	(562)
Financing costs in operations (note 9)	8,503	7,000
Fair value loss	8,527	745
	<u>13,330</u>	<u>10,964</u>
Changes in non-cash working capital		
Accounts receivable (net of straight line rent revenue)	1,376	928
Other assets (net of leasing commission amortization)	(1,012)	(258)
Accounts payable and accrued liabilities	(2,175)	2,050
Tenant deposits	178	(233)
	<u>(1,633)</u>	<u>2,487</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Mortgages payable (net repayments and advances) (note 6)	68,173	31,716
Proceeds from Class B and C LP units issued	—	10,467
Interest on mortgages payable (note 6)	(5,054)	(4,094)
Distribution interest paid on Class B and C LP Units (note 14)	(2,338)	(1,886)
Interest paid on debentures (note 9)	(807)	(722)
Interest paid on revolving credit facilities (note 9)	(232)	(281)
Proceeds from issuance of debentures payable (note 7)	—	3,400
Net revolving credit facility proceeds (repayments)	(1,142)	(3,733)
Proceeds from units issued (note 13)	31,814	6,606
Distributions paid (page 2)	(3,994)	(2,983)
Redemptions (note 13)	(2,410)	(480)
Issuance costs (note 8)	(297)	(94)
	<u>83,713</u>	<u>37,916</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Acquired investment properties (note 4)	(95,380)	(48,245)
Additions to investment properties (note 4)	(595)	(749)
Deposits on investment properties	850	250
Tenant loans receivable	31	30
	<u>(95,094)</u>	<u>(48,714)</u>
INCREASE IN CASH for the year	316	2,653
CASH, beginning of period	2,406	640
CASH, end of period	\$ 2,722	\$ 3,293

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(in thousands of Canadian dollars, except per unit amounts)
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1. NATURE OF BUSINESS

Skyline Retail Real Estate Investment Trust ("Skyline Retail REIT" or "the REIT") is an unincorporated, open-ended private real estate investment trust established under the laws of the Province of Ontario that was created pursuant to a Declaration of Trust dated October 8, 2013. During the period ended June 30, 2017, Skyline Retail REIT and Skyline Retail Real Estate Limited Partnership ("RRELP" or "the LP") issued 2,549,954 units for an aggregate issuance value of \$31,349. During the year ended December 31, 2016, the REIT and the LP issued 1,827,624 units for an aggregate issuance value of \$21,018. The proceeds from these issuances were used to invest in RRELP. RRELP used part of the proceeds it received on the subscription of its partnership units together with mortgage financing to invest in retail investment properties. As of June 30, 2017, RRELP owned sixty-four (December 31, 2016: fifty-four) retail investment properties, all of which are located in Canada.

RRELP was created on October 8, 2013 as a limited partnership under the laws of the Province of Ontario. The general partner is Skyline Retail Real Estate GP Inc. and the majority limited partner is Skyline Retail REIT.

Skyline Retail REIT is domiciled in Ontario, Canada. The address of Skyline Retail REIT's registered office and its principal place of business is 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements of the REIT have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the REIT since the last annual consolidated financial statement as at and for the year ended December 31, 2016. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the REIT's audited annual consolidated statements for the year ended December 31, 2016.

(b) BASIS OF MEASUREMENT

The condensed consolidated interim financial statements have been prepared on a historical cost basis, as modified by the revaluation of investment properties.

(c) FUNCTIONAL CURRENCY AND PRESENTATION

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also Skyline Apt. REIT's functional currency. All financial information presented in Canadian dollars are rounded to the nearest thousand, except per unit amounts.

Skyline Apt. REIT presents its condensed consolidated interim balance sheet based on the liquidity method, where all assets and liabilities are presented in the ascending order of liquidity.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION (continued)

(d) **USE OF ESTIMATES**

The preparation of these consolidated financial statements requires Skyline Retail REIT to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the revision affects both current and future periods.

Significant estimates and assumptions include the fair values assigned to investment properties and allowances for doubtful accounts. Valuation of investment properties is one of the principal estimates and uncertainties of these consolidated financial statements. Refer to note 4 for further information on estimates and assumptions made in the determination of the fair value of investment properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the REIT in these unaudited condensed consolidated interim financial statements are the same as those applied by the REIT in its consolidated financial statements for the year ended December 31, 2016.

4. INVESTMENT PROPERTIES

Changes to the carrying amounts of investment properties presented in the consolidated balance sheet can be summarized as follows:

	JUN 30, 2017	DEC 31, 2016
Balance at beginning of the period	\$ 429,480	\$ 357,460
Acquisitions through purchase of assets	95,380	71,059
Additions through capital expenditures on existing investment properties	595	1,694
Fair value adjustment on investment properties	<u>—</u>	<u>(733)</u>
Balance at end of the period	<u>\$ 525,455</u>	<u>\$ 429,480</u>

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
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4. INVESTMENT PROPERTIES (continued)

Asset acquisitions:

During the six months ended June 30, 2017, Skyline Retail REIT acquired ten investment properties (year ended December 31, 2016: six plus the remaining 50% share of a building previously owned through the Thamesview partnership). The results of these acquisitions are included in these condensed consolidated interim financial statements from the date of acquisition. The following table outlines the cost, plus the transaction costs of the assets acquired and the associated liabilities entered into as a result of these acquisitions:

	2017	2016
Acquisition cost of investment properties	\$ 95,380	\$ 71,059
Mortgages	(68,045)	(51,694)
Debentures payable (note 7)	—	(3,400)
Class B LP Units (note 14)	<u>—</u>	<u>(10,467)</u>
Total identifiable net assets settled by cash	<u>\$ 27,335</u>	<u>\$ 5,498</u>

Future rental income:

Investment properties are subject to operating leases with tenants. Lease contracts are all typically non-cancelable for periods ranging from one to twenty years from the commencement of the lease. Future minimum rental income from these agreements is as follows:

	JUN 30, 2017	DEC 30, 2016
Less than one year	\$ 32,884	\$ 26,933
Between one and three years	61,042	48,543
More than three years	<u>177,155</u>	<u>173,913</u>
	<u>\$ 271,081</u>	<u>\$ 249,389</u>

Fair value disclosure:

Skyline Retail REIT uses an income approach to perform internal valuation calculations for the purposes of determining the fair market value of investment properties. Based on observable market trends and the portfolio's current performance, no changes in fair value have been made for the six month period end June 30, 2017.

5. OTHER ASSETS

The components of other assets are as follows as at:

	JUN 30, 2017	DEC 31, 2016
Funds held in trust	\$ 947	\$ 947
Escrow realty taxes	9	22
Prepaid expenses	<u>1,527</u>	<u>511</u>
	<u>\$ 2,483</u>	<u>\$ 1,480</u>

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. MORTGAGES PAYABLE

The mortgages payable are secured by real estate assets and letters of credit, in some cases. Mortgages bearing fixed interest with a contractual weighted average rate of 3.64% (2016 - 3.68%) per annum are \$310,970 (2016 - \$237,716). One mortgage for \$6,000 (2016 - \$11,000) bears a variable interest rate of prime + 2.00% (2016 - prime + 2.00%). Mortgages have maturity dates ranging between 2017 and 2027. Included in mortgages payable is \$6,595 (2016 - \$18,922) of second mortgages. All mortgages are denominated in Canadian dollars.

Future minimum payments on mortgage obligations are as follows:

2017	\$	21,064
2018		10,970
2019		57,696
2020		15,087
2021		23,934
Thereafter		<u>188,219</u>
	\$	<u>316,970</u>

7. CONVERTIBLE DEBENTURES

The components of debentures payable are as follows:

	2017	2016
2017 Convertible Debentures	\$ 33,750	\$ 30,580
2019 Convertible Debentures	<u>3,696</u>	<u>3,400</u>
	<u>\$ 37,446</u>	<u>\$ 33,980</u>

On August 1, 2014, as part of an of acquisition of investment property, Skyline Retail REIT issued 27,000 Convertible Debentures for proceeds of \$27,000. The 2017 Convertible Debentures are unsecured, mature on August 1, 2019 and bear interest at 5.35%. On or after August 1, 2017 and prior to the maturity date, the 2017 Convertible Debentures may be converted into 2,700,000 Skyline Retail REIT Units at the option of either Skyline Retail REIT or the Holder. Interest expense is recorded as a charge to net income. The 2017 Convertible Debentures are measured at fair value, with fair value determined using the quoted price of Skyline Retail REIT Units.

On June 2, 2016, as part of an of acquisition of investment property, RRELP issued 3,400 Convertible Debentures for proceeds of \$3,400. The 2019 Convertible Debentures are unsecured, mature on June 2, 2021 and bear interest at 5.00%. On or after June 2, 2019 and prior to the maturity date, the 2019 Convertible Debentures may be converted into 295,652 RRELP's Class B LP Units at the option of either Skyline Retail REIT or the Holder. The interest on these debentures is payable monthly commencing July 1, 2016. The Convertible Debentures are measured at fair value, with fair value determined using the quoted price of RRELP's Class B LP Units.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

8. RELATED PARTY TRANSACTIONS

Skyline Retail REIT has an asset management agreement with Skyline Asset Management Inc., a property management agreement with Skyline Commercial Management Incorporated, and a wealth management agreement with Skyline Wealth Management Inc. Skyline Retail Real Estate GP Inc., Skyline Asset Management Inc., Skyline Commercial Management Incorporated, and Skyline Wealth Management Inc. are controlled by the same shareholders.

Fees payable under the asset management agreement are 2% of adjusted gross revenue. Fees payable under the property management agreement average 2% to 3% of base rental income. Fees payable under the wealth management agreement include wealth management fees of 0.3% of unitholders' equity, and equity raise fees ranging from 0.5% to 1% of contributions during the year. Equity raise fees of \$297 were paid during the six months ended June 30, 2017 (six months ended June 30, 2016 \$90) and are included in issuance costs.

Fees paid during the year are as follows:

	2017	2016
Asset management fees	\$ 406	\$ 321
Property management fees	526	329
Wealth management fees	<u>221</u>	<u>177</u>
	<u>\$ 1,153</u>	<u>\$ 827</u>

During the six months ended June 30, 2017, Skyline Retail REIT paid management fees of \$nil to Glengate Investments Inc (six months ended June 30, 2016 - \$14). Two trustees of Skyline Retail REIT have an interest in Glengate Investments Inc.

9. FINANCING COSTS

During the six months ended June 30, Skyline Retail REIT paid the following financing costs:

	2017	2016
Mortgage interest	\$ 5,054	\$ 4,094
Deferred financing costs	19	17
Interest expense on debentures	807	722
Interest expense on credit facilities	232	281
Distribution interest paid on Class B and C LP Units	<u>2,338</u>	<u>1,886</u>
	<u>\$ 8,450</u>	<u>\$ 7,000</u>

10. FINANCIAL RISK MANAGEMENT

In the normal course of business, the REIT is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2016.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

11. CAPITAL RISK MANAGEMENT

The REIT's capital management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2016.

The REIT was in compliance with all financial covenants as at June 30, 2017 and December 31, 2016.

12. SEGMENTED DISCLOSURE

All of Skyline Retail REIT's assets and liabilities are in, and its revenues are derived from, Canadian retail real estate. Skyline Retail REIT's investment properties are, therefore, considered by Management to have similar economic characteristics. Thus, Skyline Retail REIT has one reportable segment for disclosure purposes.

13. TRUST UNITS

Skyline Retail REIT is authorized to issue unlimited number of trust units. Skyline Retail REIT units are entitled to distributions as and when declared by the Board of Trustees. The units issued and outstanding Skyline Retail REIT are as follows:

	JUN 30 2017	DEC 31 2016
	Units	Units
Units outstanding, beginning of period	7,849,427	6,105,296
Units issued	2,432,436	1,597,242
Units issued (Distribution reinvestment plan)	117,518	230,382
Redemptions during the period	<u>(192,833)</u>	<u>(83,493)</u>
Units outstanding, end of period	<u>10,206,548</u>	<u>7,849,427</u>

14. CLASS B AND C LP UNITS

The Class B and C LP Units are units issued by RRELP as partial consideration of investment properties. The Class B and C LP Units can be exchanged for Trust Units at any time at the option of the holder. Prior to such exchange, distributions will be made on these exchangeable units in an amount equivalent to the distributions which would have been made had the units been exchanged for Skyline Retail REIT units. Each Class B and C LP unit holder is entitled to vote at all meetings of Skyline Retail REIT

As at June 30, 2017, there were 4,212,738 (December 31, 2016 – 4,212,738) Class B and 848,371 (December 31, 2016 - 848,371) Class C exchangeable partnership units of RRELP. The Class B LP units, represented an aggregate fair value of \$52,659 at June 30, 2017 (December 31, 2016 - \$48,446) and Class C LP units, represented an aggregate fair value of \$10,605 at June 30, 2017 (December 31, 2016 - \$9,756).

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

15. SUBSEQUENT EVENTS

On July 20, 2017, the REIT accepted the early conversion of 27,000 2017 Convertible Debentures (see note 7). These convertible debentures had a face value of \$27,000 and were converted into 2,700,000 Skyline Retail REIT Units. As at June 30, 2017, the fair value of the 2017 Convertible Debentures was \$33,750.

ITEM 13 DATE AND CERTIFICATE

Dated September 1, 2017

This offering memorandum does not contain a misrepresentation.

SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

"Jason Castellan"

"Wayne Byrd"

JASON CASTELLAN
Chief Executive Officer

WAYNE BYRD
Chief Financial Officer

"Jason Castellan"

"Andrew Alcock"

"Donald Biback"

JASON CASTELLAN
Trustee

ANDREW ALCOCK
Trustee

DONALD BIBACK
Trustee

"George Schott"

"Perry Katz"

"Wayne Byrd"

GEORGE SCHOTT
Trustee

PERRY KATZ
Trustee

WAYNE BYRD
Trustee

**SKYLINE RETAIL ASSET MANAGEMENT INC.
as Manager**

"Jason Castellan"

"Wayne Byrd"

JASON CASTELLAN
Chief Executive Officer

WAYNE BYRD
Chief Financial Officer

On behalf of the Board of Directors

"Martin Castellan"

"R. Jason Ashdown"

MARTIN CASTELLAN
Director

R. JASON ASHDOWN
Director

APPENDIX 1
PHOTOGRAPHS OF EXISTING PROPERTIES AND RECENT PROPERTY ACQUISITION



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



1173 16th Street, Owen Sound, ON



90-98 Lafleche Boulevard, Casselman, ON (View 1)



90-98 Lafleche Boulevard, Casselman, ON (View 2)



14721-14729 Yonge Street, Aurora, ON



76-80 Keil Drive South, Chatham, ON



132-140 Richmond Street, Chatham, ON (View 1)



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



132-140 Richmond Street, Chatham, ON (View 2)



150 Richmond Street, Chatham, ON



455-485 Grand Avenue West, Chatham, ON



825-855 Tenth Street, Hanover, ON



51, 55 & 57 King William Street, Huntsville, ON



175 Hanes Road, Huntsville, ON



417 The Queensway South, Keswick, ON



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



295 King Street, Midland, ON



395 King Street, Midland, ON



618 Main Street North, Mount Forest, ON



25 Broadway Street, Orangeville, ON



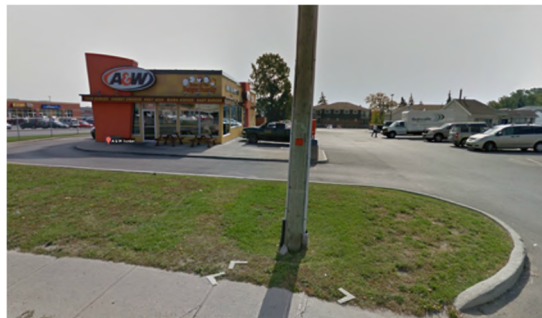
40-46 Broadway Street, Orangeville, ON



1077 10th Street West, Owen Sound, ON



77 Waterloo Road, Timmins, ON



273-281 Dundas Street East, Trenton, ON



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



255 Weber Street North, Waterloo, ON



270 Weber Street North, Waterloo, ON



810, 820-832 Dufferin Avenue, Wallaceburg, ON (View 1)



810, 820-832 Dufferin Avenue, Wallaceburg, ON (View 2)



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



4115 Walker Road, Windsor, ON (View 1)



4115 Walker Road, Windsor, ON (View 2)



4115 Walker Road, Windsor, ON (View 3)



4115 Walker Road, Windsor, ON (View 4)



Westside Market Village, Orangeville, ON



Westside Business Centre, Orangeville, ON



Alliston Market Village, New Tecumseth, ON

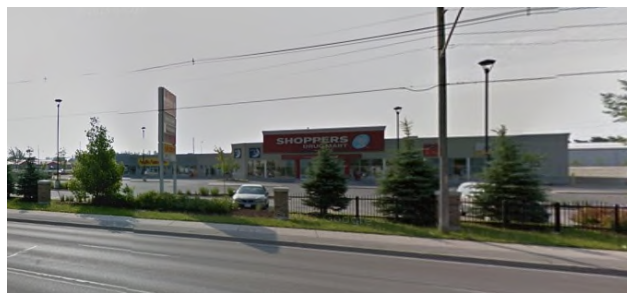


SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



Stonetown Mall, St. Mary's, ON



Port Elgin Mews, Port Elgin, ON



893-895 10th Street, Hanover, ON



414 Algonquin Boulevard East, Timmins, ON



24 Amanda Street, Coniston, ON



1600 Bruce Road, Walkerton, ON



792 Broadway Street, Kincardine, ON



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



2425 Barton Street East, Hamilton, ON



9-11 Industrial Drive, Grimsby, ON



42 Commerce Park Drive, Barrie, ON



589 Second Line East, Sault Ste. Marie, ON



555 Oak Street, North Bay, ON



2655 Queensview Drive, Ottawa, ON



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



33 & 55 Josephine Street, Wingham, ON



1380 LaSalle Boulevard, Sudbury, ON



260 Goderich Street, Port Elgin, ON



210 Wallace Avenue North, Listowel, ON



4140 Walker Road, Windsor, ON



620 Government Street, Dryden, ON



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



500 Division Street, Cobourg, ON



322 Notre Dame Street, Belle River, ON



1378 Exmouth Street, Sarnia, ON



71 Main Street South, Bayfield, ON



711 Grand Avenue West, Chatham, ON

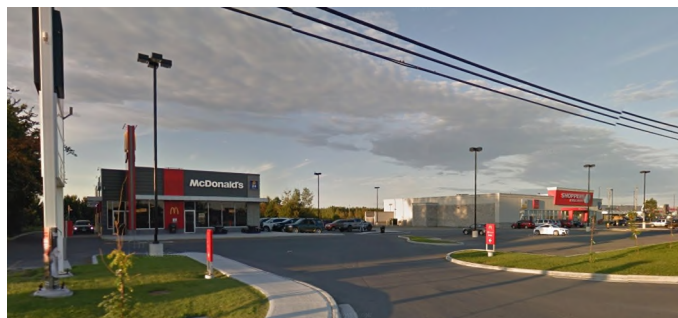


315 Arthur Street, Elmira, ON



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



5118 Highway 69 North, Sudbury, ON



500 Tecumseh Road East, Windsor, ON



1551-1553 Dundas Street East, London, ON



4916-4930 Saint-Jean Boulevard, Montreal, QC



5510-5520 de la Cote des Neiges Road, Montreal, QC



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Existing Properties



2722 Royal Boulevard, Shawinigan, QC



6455-6461 Christophe-Colomb Avenue, Montreal, QC



405 Grand Boulevard, L'Île Perrot, QC



2310 Saint-Louis Street, Gatineau, QC



8995 & 9021-9041 Saint-Michel Boulevard, Montreal, QC



107 Dundas Street East, Quinte West, ON



SKYLINE RETAIL REAL ESTATE INVESTMENT TRUST

Recent Property Acquisition



399 Main Street, Thunder Bay, ON



SKYLINE RETAIL
REAL ESTATE INVESTMENT TRUST