

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

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of PRO Real Estate Investment Trust at 2000 Mansfield Street, Suite 920, Montréal, Québec, H3A 2Z6, telephone (514) 933-9552, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

January 24, 2018



PRO REAL ESTATE INVESTMENT TRUST

\$25,001,000

10,870,000 Trust Units

This short form prospectus qualifies the distribution (the "Offering") of 10,870,000 trust units (the "Trust Units") of PRO Real Estate Investment Trust (the "REIT") at a price of \$2.30 per Trust Unit (the "Offering Price") pursuant to an underwriting agreement (the "Underwriting Agreement") dated January 16, 2018 between the REIT and Canaccord Genuity Corp. and TD Securities Inc. as joint bookrunners and Scotia Capital Inc. (together, the "Lead Underwriters"), CIBC World Markets Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., Haywood Securities Inc., Raymond James Ltd., Laurentian Bank Securities Inc., Leede Jones Gable Inc. and Industrial Alliance Securities Inc. (collectively with the Lead Underwriters, the "Underwriters"). The Offering Price of the Trust Units was determined by negotiation between the REIT and the Underwriters.

The REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. The REIT has been established to own a portfolio of diversified commercial real estate properties in Canada, and has a focus on primary and secondary markets across Canada. The currently outstanding Trust Units are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "PRV.UN". The closing price of the Trust Units on the TSXV on January 10, 2018, the last trading day prior to the announcement of the Offering, was \$2.40. The TSXV has conditionally approved the listing of the Trust Units distributed under this short form prospectus. Listing will be subject to the REIT fulfilling all the listing requirements of the TSXV.

There are risks associated with an investment in the Trust Units. See "Risk Factors" for a discussion of factors that should be considered by prospective investors and their advisors in assessing the appropriateness of an investment in the Trust Units.

Price: \$2.30 Per Trust Unit

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾</u>	<u>Net Proceeds to the REIT⁽²⁾</u>
Per Trust Unit	\$ 2.30	\$ 0.115	\$ 2.185
Total Offering ⁽³⁾	\$ 25,001,000	\$ 1,250,050	\$ 23,750,950

Notes:

- (1) Pursuant to the terms of the Underwriting Agreement, the Underwriters will receive a fee equal to \$0.115 per Trust Unit, or 5% of the gross proceeds of the Offering (the "Underwriters' Fee"), but excluding therefrom proceeds from the sale of Trust Units sold to purchasers introduced by the REIT directly (the "President's List"), for which the Underwriters will be paid a commission of \$0.0575 per Trust Unit, or 2.5% of the gross proceeds of such sales. See "Plan of Distribution".
- (2) After deducting the Underwriters' Fee but before deducting the expenses of the Offering, which are estimated to be \$500,000.
- (3) The REIT has granted to the Underwriters an option (the "Over-Allotment Option") to purchase up to an additional 1,630,500 Trust Units at a price of \$2.30 per Trust Unit on the same terms and conditions as the Offering, exercisable in whole or in part from time to time up to 30 days following the closing of the Offering (the "Closing") for the purpose of covering the Underwriters' over-allocation position, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the REIT (before deducting expenses of the Offering) will be \$28,751,150, \$1,437,557 and \$27,313,593, respectively (assuming no President's List purchases). This short form prospectus also qualifies the distribution of the Over-Allotment Option and the issuance of Trust Units pursuant to the exercise of the Over-Allotment Option. See "Plan of Distribution" and the table below. A purchaser who acquires Trust Units forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

<u>Underwriters' Position</u>	<u>Maximum Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Option to acquire up to 1,630,500 Trust Units	Exercisable for a period of 30 days following the Closing	\$2.30 per Trust Unit

The Underwriters, as principals, conditionally offer the Trust Units, subject to prior sale, if, as and when issued by the REIT and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters relating to the Offering on behalf of the REIT by Osler, Hoskin & Harcourt LLP, and on behalf of the Underwriters by Cassels Brock & Blackwell LLP.

TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc. and BMO Nesbitt Burns Inc. are affiliates of a Canadian chartered banks that are lenders to the REIT under certain revolving and non-revolving credit facilities or mortgages. In addition, a portion of the net proceeds of the Offering will be used by the REIT to repay a portion of the indebtedness owed to Canadian chartered bank of which TD Securities Inc. is an affiliate. Consequently, the REIT may be considered a "connected issuer" of each of TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc. and BMO Nesbitt Burns Inc. under applicable Canadian securities laws. See "Plan of Distribution - Relationship between the REIT and Certain of the Underwriters" and "Use of Proceeds".

Subscriptions for Trust Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that Closing will occur on January 29, 2018 or such other date not later than January 31, 2018, as the REIT and the Underwriters may agree, but in any event, not more than 42 days after the date of the receipt for the final short form prospectus. It is anticipated that the Trust Units will be issued in "book-entry only" form and may be represented by one or more global certificates or be represented by uncertificated securities, issued in the name of CDS Clearing and Depository Services Inc. ("CDS") or its nominee. No certificates evidencing the Trust Units will be issued to subscribers except in certain limited circumstances, and registration will be made in the depository service of CDS. Subscribers for Trust Units will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Trust Units is purchased.

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

A return on an investment in Trust Units is not comparable to the return on an investment in a fixed income security. The recovery of an initial investment in Trust Units is at risk and the anticipated return on such investment is based on many performance assumptions. **Although the REIT intends to make distributions of a portion of its available cash to Unitholders (defined herein), these cash distributions may be reduced or suspended.** The ability of the REIT to make distributions and the actual amount distributed, if any, will depend on numerous factors, including the financial performance of the subsidiaries of the REIT, debt obligations, contractual obligations, working capital requirements, future capital requirements and risks associated with the REIT's business which include the ability of the REIT to complete acquisitions consistent with its business plan, having sufficient access to capital and on terms favourable to the REIT and other such risks. In addition, the market value of the Trust Units may decline if the REIT's cash distributions are reduced and/or suspended in the future, and that decline may be material. See "Risk Factors".

The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The REIT currently qualifies as a mutual fund trust for the purposes of the Tax Act (as defined herein) and offers and sells its Trust Units to the public. The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation.

Investors should be aware that the acquisition, holding or disposition of Trust Units may have tax consequences in Canada or elsewhere depending on each particular investor's specific circumstances. Investors should consult their own tax advisors with respect to such tax considerations. The after-tax return from an investment in Trust Units to Unitholders subject to Canadian income tax will depend, in part, on the composition for tax purposes of distributions paid by the REIT on Trust Units, which may be fully or partially taxable or tax deferred. That composition may change over time, thus affecting a Unitholder's after-tax return. See "Certain Canadian Federal Income Tax Considerations" and "Risk Factors".

Investors who are not residents of Canada for tax purposes should consult their own tax advisors concerning the tax consequences to them of the Offering.

There are limits on ownership of Trust Units by non-residents of Canada, as described in the REIT's amended and restated declaration of trust made as of March 11, 2013. See "Description of the Trust and Description of the Units - Limitation on Non-Resident Ownership" in the AIF (as defined herein).

The principal, registered and head office of the REIT is located at 2000 Mansfield Street, Suite 920, Montréal, Québec, H3A 2Z6.

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NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus contains forward-looking statements within the meaning of Canadian securities laws that reflect the current expectations of management regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements are only management's beliefs, expectations and intentions and are not guarantees of performance. Wherever possible, words such as "may", "would", "could", "will", "believe", "expect", "estimate", "intend" and similar expressions have been used to identify these forward-looking statements. Some of the specific forward-looking statements in this short form prospectus include, but are not limited to, statements with respect to the following:

- completion of the Offering and the date of such completion;
- the intention of the REIT to distribute a portion of its available cash flow to securityholders and the amount of such distributions;
- the ability of the REIT to execute its business and growth strategies, including by making additional acquisitions of properties in its target markets;
- the expected tax treatment of the REIT's distributions to Unitholders;
- potential acquisitions and redevelopment opportunities;
- the ability of the REIT to qualify for the REIT Exception (as defined herein);
- the expected occupancy of the REIT's properties;
- the effect of the REIT's recent acquisitions on the financial performance of the REIT;
- the expected repayment of certain indebtedness of the REIT;
- the proposed expansion projects of the REIT at certain of its properties; and
- the use of the net proceeds of the Offering including in the event the Over-Allotment Option is exercised.

These forward-looking statements reflect management's beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Important assumptions relating to the forward-looking statements contained in this short form prospectus include the REIT's future growth potential, expected capital expenditures, competitive conditions, results of operations, future prospects and opportunities, industry trends remaining unchanged, future levels of indebtedness, the ability to secure equity and debt financing on terms acceptable to the REIT, the tax laws as currently in effect remaining unchanged and the current economic conditions remaining unchanged. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, risks and uncertainties relating to the properties of the REIT, our expectations regarding future occupancy rates of our properties, and including those risks and uncertainties discussed under the heading "Risk Factors" and elsewhere in our documents incorporated by reference in this short form prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this short form prospectus. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this short form prospectus are based upon what management currently believes to be reasonable assumptions, we cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.

These forward-looking statements are made as of the date of this short form prospectus or, in the case of documents incorporated by reference herein, as of the date of, or specified in, such documents, and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by law. We cannot assure you that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

NON-IFRS FINANCIAL MEASURES

The REIT's consolidated financial statements are prepared in accordance with IFRS. In this short form prospectus, the REIT discloses and discusses certain non-IFRS financial measures including FFO, AFFO and debt to GBV, as well as other measures discussed elsewhere in this short form prospectus. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The REIT has presented such non-IFRS measures as management believes they are relevant measures of the REIT's underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, total comprehensive income, cash flows generated from operating activities or comparable metrics determined in accordance with IFRS as indicators of the REIT's performance, liquidity, cash flow and profitability. See the Glossary of Terms for definitions of FFO, AFFO and debt to GBV. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS and Operational Key Performance Indicators" section in the REIT's Q3 MD&A.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the REIT, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, based on the current provisions of the Tax Act and all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and subject to the provisions of any particular plan, provided the REIT qualifies at all times as a "mutual fund trust" (as defined in the Tax Act) or the Trust Units are listed on a designated stock exchange (which currently includes Tier 1 and Tier 2 of the TSXV), the Trust Units will be a qualified investment for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan and tax-free savings account, each as defined in the Tax Act (collectively, "**Plans**"), and a trust governed by a deferred profit sharing plan (a "**DPSP**").

Notwithstanding the foregoing, holders, annuitants or subscribers of Plans (each a "**Controller**") will be subject to a penalty tax in respect of Trust Units held in a trust governed by a Plan if such Trust Units are a "prohibited investment" for the purposes of the Tax Act. Trust Units will generally not be a "prohibited investment" for a Plan unless the Controller of the Plan (i) does not deal at arm's length with the REIT for purposes of the Tax Act or (ii) has a "significant interest", as defined in the Tax Act, in the REIT. Generally, a Controller will not have a significant interest in the REIT unless the Controller owns interests as a beneficiary under the REIT that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the REIT, either alone or together with persons and partnerships with which the Controller does not deal at arm's length. In addition, the Trust Units will generally not be a "prohibited investment" if the Trust Units are "excluded property" (as defined in the Tax Act). Prospective purchasers who intend to hold their Trust Units in a Plan should consult their own tax advisors with regard to the application of these rules in their particular circumstances.

Shares of a Canadian corporation owning Subsidiary Securities received as a result of an *in specie* redemption of Trust Units by the REIT may not be qualified investments for Plans and DPSPs, which could give rise to adverse consequences to the Plan, DPSP or the beneficiary or annuitant thereunder. Accordingly, Plans and DPSPs that own Trust Units should consult with their own tax advisors before deciding to exercise the redemption rights attached to the Trust Units.

GENERAL MATTERS

Certain terms used in this short form prospectus are defined under "Glossary". References to dollars or "\$" are to Canadian currency and references to "US\$" are to the currency of the United States. Unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option will not be exercised.

Unless the context otherwise requires, all references in this short form prospectus to the "REIT", "we", "us" and "our" refer to the REIT and its subsidiary entities, including PRO REIT LP (as defined herein), on a consolidated basis; and in the case of references to matters undertaken by a predecessor in interest to the REIT or its subsidiary entities, include each such predecessor in interest.

Notwithstanding the foregoing, for the purposes of the opinions given under the heading "Certain Canadian Federal Income Tax Considerations" and the opinion given under the heading "Eligibility for Investment", a reference to the "REIT" is a reference to PRO Real Estate Investment Trust only and is not a reference to any of its subsidiary entities or predecessors in interest.

References to "management" in this short form prospectus means the persons acting in the capacity of the REIT's Chief Executive Officer, the REIT's Chief Financial Officer, and the persons who are the REIT's executive officers or who are acting in the capacities of the executive officers of the REIT and are officers or employees of the Manager. Any statements in this short form prospectus made by or on behalf of management are made in such persons' capacities as officers of the REIT and not in their personal capacities.

You should rely only on the information contained in this short form prospectus and in the documents incorporated by reference herein. The REIT and the Underwriters have not authorized anyone to provide you with additional or different information from that contained in this short form prospectus. The REIT and the Underwriters are offering the Trust Units only in jurisdictions where, and to persons to whom, such offering is lawfully permitted. The information contained in this short form prospectus (including documents incorporated by reference herein) is accurate only as of the date of this short form prospectus (or the date of, or specified in, the documents incorporated by reference, as applicable), regardless of the time of delivery of this short form prospectus or of any sale of the Trust Units. The REIT's business, financial condition, results of operations and prospects may have changed since the date of this short form prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of documents incorporated herein by reference may be obtained on request without charge from the REIT at 2000 Mansfield Street, Suite 920, Montréal, Québec, H3A 2Z6, telephone (514) 933-9552, and are also available electronically at www.sedar.com. The following documents, as filed with the various securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the material change report of the REIT dated January 15, 2018 in respect of the Offering;
- (b) the material change report of the REIT dated May 29, 2017 in respect of a public offering of trust units completed on June 13, 2017;
- (c) the unaudited condensed consolidated interim financial statements of the REIT as at and for the three and nine month periods ended September 30, 2017, together with the notes thereto;
- (d) the management's discussion and analysis of results of operations and financial condition for the REIT for the three and nine month periods ended September 30, 2017 (the "**Q3 MD&A**"), as refiled on November 16, 2017 for the English version;
- (e) the management information circular of the REIT dated April 27, 2017 sent to Unitholders in connection with the annual meeting of Unitholders held on May 31, 2017;
- (f) the management information circular of the REIT dated June 30, 2017 sent to Unitholders in connection with the special meeting of Unitholders held on August 3, 2017 to approve the acquisition of Woodstock Properties (as defined herein), excluding Schedule A thereto, the consents under pages 30 and 31 therein, and any references to the appraisal of Colliers International Realty Advisors Inc. and the fairness opinion of Trimaven Capital Advisors therein, in accordance with Item 11.1(3) of Form F1 of National Instrument 44-101 – *Short Form Prospectus Distributions*;
- (g) the annual information form of the REIT dated March 29, 2017 for the year ended December 31, 2016 (the "**AIF**");
- (h) the audited consolidated financial statements of the REIT as at and for the year ended December 31, 2016, together with the notes thereto and the auditor's report thereon;
- (i) the management's discussion and analysis of results of operations and financial condition for the REIT for the year ended December 31, 2016;
- (j) the template version of the term sheet for the Offering dated January 10, 2018 (the "**Initial Term Sheet**"); and
- (k) the template version of the updated term sheet for the Offering dated January 22, 2018 (the "**Updated Term Sheet**" and, together with the Initial Term Sheet, the "**Marketing Materials**").

Any documents of the types referred to above, any material change reports and business acquisition reports (but excluding confidential material change reports) and any other documents referred to in Form F1 of National Instrument 44-101 – *Short Form Prospectus Distributions*, Item 11.1 filed by the REIT with a securities commission or similar authority in Canada after the date of this short form prospectus and prior to the termination of the distribution pursuant to the Offering will be deemed to be incorporated by reference into this short form prospectus.

Notwithstanding anything herein to the contrary, any statement contained in this short form prospectus, or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained in this short form prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not, except as so modified or superseded, be deemed to constitute a part of this short form prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus or any amendment thereto. The Initial Term Sheet has been modified by the Updated Term Sheet to clarify the use of the proceeds from the Offering described under “Use of Proceeds”. The Updated Term Sheet can be viewed under the REIT’s profile on SEDAR at www.sedar.com, and a blackline has been prepared to show the modified statements.

Any “template version” of any other “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the securities commission or similar authority in each of the provinces of Canada in connection with the Offering, after the date hereof, but prior to the termination of the distribution of the securities under this short form prospectus, is deemed to be incorporated by reference herein.

GLOSSARY

The following terms used in this short form prospectus have the meanings set out below:

“**Additional Trust Units**” means the additional Trust Units, if any, issued pursuant to the Over-Allotment Option.

“**Adjustments**” has the meaning given to such term under “Consolidated Capitalization”.

“**AFFO**”, or Adjusted Funds from Operations, is defined by the REIT as FFO of the REIT, subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on mortgages acquired, amortization of deferred financing costs, amortization of tenant incentives and leasing costs, straight-line adjustments to rent and compensation expense related to unit based incentive plans; (ii) deducting normalized maintenance capital expenditures and normalized leasing costs, as determined by the REIT, and (iii) one-time costs related to the settlement of debt. Other adjustments may be made to AFFO as determined by the trustees in their discretion.

“**AIF**” has the meaning given to such term under “Documents Incorporated by Reference”.

“**Board**” or “**Board of Trustees**” means the board of Trustees of the REIT.

“**Bridge Loan**” has the meaning given to such term under “Recent Developments - Deleveraging and Funding of Future Acquisitions”.

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

“**Class B LP Units**” means the Class B limited partnership units in the capital of PRO REIT LP as described in “Description of PRO REIT LP – Partnership Units” in the AIF, and “**Class B LP Unit**” means any one of the foregoing.

“**CRA**” means the Canada Revenue Agency.

“**Credit Facilities**” has the meaning given to such term under “Recent Developments - Deleveraging and Funding of Future Acquisitions”.

“**debt to GBV**” is defined by the REIT as the REIT’s consolidated indebtedness divided by its GBV, at a particular time.

“**Declaration of Trust**” means the declaration of trust of the REIT made as of February 7, 2013, as amended and restated on March 11, 2013 and as it may be further amended, supplemented or amended and restated from time to time.

“**Deferred Units**” means the deferred units under the LTIP.

“**DRIP**” means the distribution reinvestment plan of the REIT.

“**FFO**”, or Funds from Operations, is calculated by the REIT in accordance with the White Paper on FFO and AFFO for IFRS issued in February 2017 by the Real Property Association of Canada. FFO adds back to net income items that do not arise from operating activities, such as fair value adjustments. FFO, however, still includes non-cash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

“**GBV**” means, at any time, the book value of the assets of the REIT and its Subsidiaries, as shown on its then most recent consolidated balance sheet, plus accumulated depreciation and amortization in respect of the REIT’s properties (and related intangible assets) shown thereon or in the notes thereto, less (a) the amount of any receivable reflecting interest rate subsidies on any debt assumed by the REIT and (b) the amount of future income tax liability arising out of the fair value adjustment in respect of the indirect acquisitions of certain properties; provided however that, if approved by a majority of the Trustees, the appraised value of the assets of the REIT and its Subsidiaries may be used instead of book value.

“**GLA**” means gross leasable area.

“**IFRS**” means the International Financial Reporting Standards established by the International Accounting Standards Board.

“**Initial Term Sheet**” has the meaning given to such term under “Documents Incorporated by Reference”.

“**Lotus Crux**” means Lotus Crux REIT LP.

“**LTIP**” means the long term incentive plan of the REIT adopted by the Trustees.

“Management Agreement” means the first amended and restated management agreement dated March 11, 2013 entered into between, *inter alia*, the REIT, through one of its Subsidiaries, PRO REIT Management Inc., formerly known as Taggart Capital Corp., and the Manager pursuant to which the Manager provides property and asset management, administrative and other services to the REIT and its Subsidiaries, including the services of certain management individuals, as such agreement may be amended and restated from time to time, as described under “Arrangements with the Manager”.

“Manager” means Labec Realty Advisors Inc., a company incorporated under the laws of Canada, in its capacity as the property and asset manager of the REIT and its Subsidiaries pursuant to the Management Agreement, as well as its successors and permitted assigns.

“Marketing Materials” has the meaning given to such term under “Documents Incorporated by Reference”.

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

“Over-Allotment Option” has the meaning given to that term on the face page of this short form prospectus.

“Person” means an individual, firm, trust, trustee, syndicate, corporation, partnership, limited partnership, association, government, governmental agency or other entity.

“PRO REIT GP” means PRO REIT GP Inc., a wholly-owned Subsidiary of the REIT incorporated under the laws of Canada.

“PRO REIT LP” means PRO REIT Limited Partnership, a limited partnership formed under the laws of the Province of Québec pursuant to the PRO REIT LP Agreement.

“PRO REIT LP Agreement” means the first amended and restated limited partnership agreement of PRO REIT LP dated March 11, 2013, between PRO REIT GP, as general partner, the REIT, as limited partner, and each Person who is admitted to the partnership as a limited partner in accordance with the terms of the agreement, as the same may be amended and/or restated from time to time.

“Q3 MD&A” has the meaning given to such term under “Documents Incorporated by Reference”.

“REIT” means PRO Real Estate Investment Trust and references in this short form prospectus to the “REIT” should be interpreted as described under “General Matters”.

“REIT Exception” means the exclusion from the definition of “SIFT trust” in the Tax Act, for a trust qualifying as a “real estate investment trust” as defined in subsection 122.1(1) of the Tax Act.

“Rexall Portfolio” has the meaning given to such term under “Recent Developments - Recently Completed Acquisitions - Rexall Portfolio”

“SIFT” means “specified investment flow-through trust” or “specified investment flow-through partnership”, as the case may be, within the meaning of the SIFT Rules.

“SIFT Rules” means the rules applicable to “SIFT trusts” and “SIFT partnerships” (each as defined in the Tax Act) in the Tax Act as described under “Certain Canadian Federal Income Tax Considerations - Status of the REIT - SIFT Rules”.

“Special Voting Unit” means a special voting unit in the capital of the REIT.

“Subsidiary” means, with respect to any person, company, partnership, limited partnership, trust or other entity, any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, company, partnership, limited partnership, trust or other entity, and without limiting the generality of the foregoing, includes in respect of the REIT, PRO REIT LP and any partnership of which PRO REIT LP is, directly or indirectly, a member.

“Subsidiary Securities” means notes or other securities of PRO REIT LP or such other notes or securities of a Subsidiary of PRO REIT LP as the Trustees designate as such from time to time.

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

“Tax Proposals” has the meaning given to such term under “Eligibility for Investment”.

“TFSA” means “tax-free savings account” within the meaning of the Tax Act.

“**Trans-Canada Complex**” has the meaning given to such term under “Recent Developments - Recently Completed Acquisitions - Montreal, Quebec”.

“**Transfer Agent**” means TSX Trust Company, in its capacity as registrar and transfer agent of the Trust Units, at its principal office in Toronto, Ontario.

“**Trust Units**” means trust units in the capital of the REIT, and specifically excludes Special Voting Units.

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

“**TSXV**” means the TSX Venture Exchange.

“**Underwriters**” means, collectively, Canaccord Genuity Corp., TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., Haywood Securities Inc., Raymond James Ltd., Laurentian Bank Securities Inc., Leede Jones Gable Inc. and Industrial Alliance Securities Inc.

“**Underwriters’ Fee**” has the meaning given to such term on the cover page of this short form prospectus.

“**Underwriting Agreement**” means the agreement dated as of January 16, 2018 entered into among the REIT and the Underwriters in respect of the Offering.

“**Unitholder**” means a holder of Trust Units, and any reference to a Unitholder in the context of such Unitholder’s right to vote at a meeting of Unitholders also includes a holder of Special Voting Units.

“**Updated Term Sheet**” has the meaning given to such term under “Documents Incorporated by Reference”.

“**Voting Units**” means the Trust Units and/or the Special Voting Units, as the context requires.

“**Woodstock Properties**” has the meaning given to such term under “Recent Developments - Recently Completed Acquisitions - Woodstock, Ontario”.

BUSINESS OF THE REIT

The REIT is an unincorporated, open-ended real estate investment trust established by the Declaration of Trust and governed by the laws of the Province of Ontario. The REIT is a “mutual fund trust” as defined in the Tax Act, but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. The principal, registered and head office of the REIT is located at 2000 Mansfield Street, Suite 920, Montréal, Québec, H3A 2Z6. A copy of the Declaration of Trust is available on SEDAR at www.sedar.com.

The REIT has been established to own a diversified portfolio of commercial real estate properties in Canada, and has a focus on primary and secondary markets in Québec, Atlantic Canada (New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland & Labrador) and Ontario with a view to selective expansion into Western Canada. The REIT currently owns 64 commercial properties comprising approximately 2.7 million square feet of GLA.

The objectives of the REIT are to: (i) provide Unitholders with stable and growing cash distributions from investments in real estate properties in Canada on a tax efficient basis; (ii) expand the asset base of the REIT and enhance the value of the REIT’s assets to maximize long-term Unit value; and (iii) increase the REIT’s net operating income and AFFO per Unit, through internal growth strategies and accretive acquisitions. The REIT intends to grow and diversify its portfolio in order to increase its stability and to reduce its exposure to any particular property, location, tenant or industry. The REIT seeks to identify potential acquisitions using investment criteria that focus on the security of cash flow, potential for increased rents, potential for capital appreciation, potential for operating efficiencies and ability to finance on attractive terms. The REIT’s acquisition strategy is dynamic, and is intended to enable the REIT to adapt to changes in the economy, the real estate industry and capital markets conditions. The REIT seeks to identify undervalued opportunities in all market cycles in the commercial real estate industry. The REIT is a party to the Strategic Investment Agreement with Lotus Crux, which management believes provides the REIT with enhanced coverage of major markets in Western Canada and incremental coverage of major markets in Eastern Canada, as well as access to Lotus Crux’s network of relationships with real estate market participants in these markets, resulting in access to a pipeline of potential acquisition and investment opportunities not otherwise available to the REIT.

The REIT is externally managed by the Manager utilizing an efficient management structure. In exchange for providing management services to the REIT, the Manager earns a competitive advisory fee, expressed as a percentage of the adjusted cost base of the REIT’s assets, and an acquisition fee, expressed as a percentage of the purchase price of properties acquired. The Manager does not charge any incentive, disposition, financing, leasing, construction or development fees. In addition, the Manager has agreed to internalize the asset management function, at the REIT’s request, once the REIT’s gross book value, calculated in accordance with the Management Agreement, reaches \$500 million.

RECENT DEVELOPMENTS

There have been no material developments in the business of the REIT since March 29, 2017, the date of the REIT’s AIF, which have not been disclosed in this short form prospectus or the documents incorporated by reference herein.

Recently Completed Acquisitions

Since July 2017, the REIT has acquired an aggregate of approximately \$109 million of income producing properties, at a weighted average cap rate of approximately 7%. Below is a summary of the REIT’s recently completed and announced acquisitions:

Woodstock, Ontario

In August 2017, the REIT closed on the acquisition of two industrial properties in Woodstock, Ontario (the “**Woodstock Properties**”). The Woodstock Properties, built in 2007 and 2008 and totalling 456,075 square feet, are fully leased and enjoy 28 and 30 foot clear ceiling heights and are strategically located near major markets in both Canada and the United States. The properties are 100% leased to seven national or multi-national tenants with leases ranging in size from 26,000 square feet to 132,000 square feet of GLA. The purchase price for the Woodstock Properties was \$30.0 million which implied a price per square foot of approximately \$66 and a going-in capitalization rate of approximately 6.8%.

Saint John, New Brunswick

In August 2017, the REIT closed on the acquisition of a free-standing retail property located in the heart of the Saint John, New Brunswick commercial district. The 9,647 square foot property, developed in 2016, is 100% occupied by a provincial crown corporation under a long term lease with a remaining term of approximately 15 years. The purchase price was approximately \$4.8 million with a going-in capitalization rate of approximately 6.7%.

Moncton, New Brunswick

In August 2017, the REIT closed on the acquisition of an approximately 81,600 square foot light industrial property in Moncton, New Brunswick, for approximately \$5.7 million, representing a going-in capitalization rate of approximately 7.7%. The building is fully leased to a publicly-traded tenant. The property is located in the Moncton Industrial Park, which has direct access to the Trans-Canada Highway, and to a four-lane boulevard. With 28 feet of clearance, the building sits on a 5.7 acre site.

Halifax, Nova Scotia

In September 2017, the REIT closed on the acquisition of a free-standing retail property at 165 Chain Lake Drive in Halifax, Nova Scotia. 165 Chain Lake Drive is a 44,720 square foot freestanding retail building built in 2005 and expanded in 2012. It stands on 3.6 acres of land with 195 parking stalls. The highly visible property is located on an elevated pad in the Bayers Lake retail power centre, one of the largest destination shopping, dining and entertainment areas in Atlantic Canada. The property is 100% leased to a single national retail tenant on a long-term lease. The purchase price for 165 Chain Lake Drive was \$8.2 million, which represented a going-in capitalization rate of 7.0%, rising to 7.6% in 2018.

Montreal, Quebec

On November 1, 2017, the REIT closed on the acquisition of two commercial mixed use properties at 8150-8210 Trans-Canada Highway in Montreal, Quebec (the “**Trans-Canada Complex**”). The properties are comprised of two buildings containing 125,554 square feet of gross leasable area and a 400 stall parking lot shared by the two buildings. The complex is easily accessible, including by public transport, enjoys high visibility from the Trans-Canada Highway and is a short distance from Pierre Elliott Trudeau International Airport. The complex, which was built in 1969 and renovated in 1994 and 2015, is 67.5% leased. The purchase price for 8150-8210 Trans-Canada Highway was \$8.65 million which implied a price per square foot of approximately \$70, and represented a going-in capitalization rate of 6.3%. The purchase price reflected the occupancy level of the properties. Negotiations are advancing with respect to currently unoccupied square footage.

Rexall Portfolio

On December 6, 2017, the REIT closed on the acquisition of a portfolio of 19 retail properties in British Columbia, Alberta, Saskatchewan and Ontario, the majority of which is anchored by Rexall pharmacies (the “**Rexall Portfolio**”). The portfolio includes total gross leasable area of 172,677 square feet and enjoys an occupancy rate of 99.25%. The weighted average lease term of the portfolio is 9.2 years overall. The portfolio is comprised of stand-alone stores or anchored community commercial strip centres in cities and towns, mostly in Western Canada. They include five properties in British Columbia, nine properties in Alberta, four properties in Saskatchewan and one property in Ontario. Of the 19 properties, 14 are Rexall Pharmacy Group anchored, representing approximately 72% of the portfolio net operating income, while five others are anchored by other strong tenants, including Shoppers Drug Mart. The purchase price for the portfolio was \$51.6 million, which represented a going-in capitalization rate of 7.1%, with built-in rent increases in 2018 and 2019.

Square Foot Optimization

The REIT continues to capitalize on opportunities at existing properties that offer expansion potential with both existing and new tenants, including fit-out of currently vacant space and future pad development. Below is a summary of certain completed and identified square foot optimization projects:

125 Main Street – Moncton, New Brunswick

In June 2016, the REIT completed construction of a new pad development at its Hall’s Creek property in Moncton, New Brunswick. The property is currently 85% occupied by three tenants. The construction cost was approximately \$1.3 million, and the REIT receives an estimated 10% annual return on such invested capital under the current long-term leases in place.

King George Highway, Miramichi, New Brunswick

In recent months, the REIT completed the construction of two new pad developments representing 3,500 square feet and 2,900 square feet respectively at its property located at 2466-2486 King George Highway in Miramichi, New Brunswick. The new square footage is now 100% occupied by three tenants. The construction cost was approximately \$1.4 million, and the REIT receives an estimated 10% annual return on such invested capital under the current long-term leases in place.

St. Margaret's Bay Road, Upper Tantallon, Nova Scotia

The REIT is evaluating the potential intensification of its property located at 5110 St. Margaret's Bay Road in Upper Tantallon, Nova Scotia. The property is currently comprised of approximately 58,900 square feet of income property GLA, and the REIT has identified the potential to add 41,500 square feet of incremental GLA.

Deleveraging and Funding of Future Acquisitions

The REIT intends to use approximately \$13.3 million of the net proceeds of the Offering to repay amounts outstanding under the REIT's Credit Facilities (as defined herein), which may be subsequently redrawn and applied as needed to fund future acquisitions and for general trust purposes. The Credit Facilities have been used by the REIT primarily for general operating purposes, including to fund deposits in connection with the acquisition of certain properties. The Credit Facilities include (i) a revolving credit facility with a Canadian chartered bank of which TD Securities Inc. is an affiliate which bears interest at prime plus 150 basis points or bankers' acceptance rate plus 250 basis points, which is secured by a pool of first and second mortgages on certain of the properties of the REIT and under which approximately \$11.5 million is owed, and (ii) a term loan with a third party lender that is used by the REIT as an operating facility and under which approximately \$4.0 million is owed (collectively, the "**Credit Facilities**"). The Credit Facility that is a term loan bears interest at a rate equal to the greater of 7.75% and the lender's prime rate plus 4.25% per annum and is secured by a pool of second and third charges on certain properties of the REIT. The REIT intends to use approximately \$10.3 million of the net proceeds of the Offering to repay a portion of the amounts currently outstanding under the Credit Facility with the Canadian chartered bank that is an affiliate of TD Securities Inc. and approximately \$3.0 million to repay a portion of the amounts currently outstanding under the other Credit Facility. The REIT also intends to use approximately \$10.0 million to repay in full a \$10.0 million bridge loan with a third party lender that was incurred in December 2017 in connection with the acquisition of the Rexall Portfolio (the "**Bridge Loan**"). The Bridge Loan bears interest at a rate of 8% per annum and has a 15 month term with extension options. See "Use of Proceeds" and "Plan of Distribution - Relationship between the REIT and Certain of the Underwriters".

Consistent with its past practices and in the normal course of business, the REIT is engaged in negotiations in connection with opportunities that may be suitable for the potential acquisition of new properties located in the REIT's main target markets. If such opportunities are to materialize, their completion will be subject to a number of conditions consistent with the REIT's ordinary acquisition practices, including the execution of purchase and sale agreements and completion of due diligence. The REIT seeks to acquire properties that are accretive to the REIT's AFFO per unit.

Sale Transaction

In June 2017, the REIT completed the sale of two industrial properties in Etobicoke, Ontario for gross proceeds of \$22.3 million, representing a capitalization rate on sale of approximately 6%. The two properties, which were acquired by the REIT in June 2015 and had a total capital cost of \$20.3 million, were sold opportunistically, resulting in an approximate gain of \$2.0 million on their capital cost. The two properties, which were 100% leased, represented approximately 298,000 square feet of GLA. The sale transaction generated approximately \$9.8 million in free cash, all of which was used to partially fund the purchase price of the Woodstock Properties.

USE OF PROCEEDS

The estimated net proceeds to the REIT from the Offering, after deducting the Underwriters' Fee of approximately \$1,250,050 and the expenses of the Offering estimated to be approximately \$500,000, will be approximately \$23,250,950.

The net proceeds from the Offering are expected to be used by the REIT as follows:

- (a) approximately \$13.3 million to repay a portion of the amounts outstanding under the Credit Facilities, as described under "Recent Developments - Deleveraging and Funding of Future Acquisitions", which may be subsequently redrawn and applied as needed to fund future acquisitions and for general trust purposes;
- (b) approximately \$10.0 million to repay all amounts outstanding under the Bridge Loan, as described under "Recent Developments - Deleveraging and Funding of Future Acquisitions"; and
- (c) the balance, if any, to fund future acquisitions and for general trust purposes in accordance with the REIT's investment guidelines and operating policies.

If the Underwriters exercise the Over-Allotment Option in full, the estimated net proceeds to the REIT from the Offering, after deducting the Underwriters' Fee of approximately \$1,437,557 and the expenses of the Offering estimated to be approximately \$500,000, will be approximately \$26,813,593. The REIT intends to use any additional funds to fund future acquisitions and for general trust purposes in accordance with its investment guidelines and operating policies. The REIT intends to spend the funds

available to the REIT as stated in this short form prospectus; however, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. The REIT currently anticipates that any remaining net proceeds from the Offering will be deployed by the end of the second quarter of 2018. See “Risk Factors”.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the REIT as at September 30, 2017 and the pro forma consolidated capitalization of the REIT as at September 30, 2017 after giving effect to (i) the Offering (assuming no exercise of the Over-Allotment Option) and the expected use of proceeds of the Offering as discussed under “Use of Proceeds”, and (ii) the acquisition of the Trans-Canada Complex and the Rexall Portfolio (and the respective financings thereof) (collectively, the “Adjustments”). The table should be read in conjunction with the financial statements and notes thereto incorporated by reference in this short form prospectus.

	As at September 30, 2017 ⁽¹⁾	As at September 30, 2017, after giving effect to the Adjustments ⁽²⁾
	(\$000s – except Trust Units)	(\$000s – except Trust Units)
Indebtedness		
Long-term debt ⁽³⁾	\$ 157,819	\$ 200,519 ⁽⁴⁾
Class B LP Units	\$ 14,892	\$ 14,892
Credit facility ⁽⁵⁾	\$ 4,993	\$ 1,193 ⁽⁶⁾
Total indebtedness	\$ 177,704	\$ 216,604
Unitholders’ equity	\$ 112,265	\$ 135,565
Number of outstanding Trust Units⁽⁷⁾ ..	61,067,960	71,937,960

(1) On a non-diluted basis.

(2) Adjusted to give effect to the Adjustments, including the receipt of the net proceeds of this Offering (assuming the Underwriters’ Fee of \$1,250,050 and expenses of the Offering of approximately \$500,000 and assuming no exercise of the Over-Allotment Option).

(3) Includes, without limitation, the Bridge Loan and the Credit Facility that is a term loan, as described under “Recent Developments - Deleveraging and Funding of Future Acquisitions”.

(4) The Adjustments include (i) approximately \$38.7 million of mortgages for the acquisition of the Rexall Portfolio, (ii) the Bridge Loan of \$10.0 million for the acquisition of the Rexall Portfolio, (iii) approximately \$1.4 million under the Credit Facility that is a term loan for the acquisition of the Rexall Portfolio, (iv) approximately \$5.6 million of mortgages for the acquisition of the Trans-Canada Complex, (v) the repayment of approximately \$10.0 million owed under the Bridge Loan as discussed under “Use of Proceeds”, and (vi) the repayment of approximately \$3.0 million owed under the Credit Facility that is a term loan as discussed under “Use of Proceeds” and “Recent Developments - Deleveraging and Funding of Future Acquisitions”.

(5) Includes the Credit Facility that is a revolving credit facility, as described under “Recent Developments - Deleveraging and Funding of Future Acquisitions”.

(6) The Adjustments include (i) approximately \$3.4 million for the acquisition of the Trans-Canada Complex, (ii) approximately \$3.1 million for the acquisition of the Rexall Portfolio, and (iii) the repayment of approximately \$10.3 million owed under the Credit Facility that is a revolving credit facility as discussed under “Use of Proceeds” and “Recent Developments - Deleveraging and Funding of Future Acquisitions”.

(7) The number of outstanding Trust Units does not include the Trust Units issued under the DRIP since September 30, 2017.

Assuming successful completion of the Offering and the other Adjustments (including the repayment of approximately \$23.3 million of the REIT’s outstanding indebtedness from the proceeds of the Offering as described under “Use of Proceeds”), the REIT expects its pro forma debt to GBV at September 30, 2017 to decline to approximately 56%.

PRIOR SALES

During the 12-month period before the date of this short form prospectus, the REIT has completed the following distributions of Trust Units and securities that are convertible into Trust Units:

- (a) on June 13, 2017, the REIT completed a public offering of 9,687,100 Trust Units issued at a price of \$2.25 per unit, for total gross proceeds of approximately \$21.8 million, including the Trust Units issued as a result of the partial exercise by the syndicate of underwriters of its over-allotment option;
- (b) the REIT has a LTIP, pursuant to which it grants Deferred Units to its Trustees and senior officers and certain of its employees. Trust Units are issued to participants in the LTIP upon settlement of the Deferred Units in accordance with the terms of the LTIP. During the 12-month period before the date of this short form prospectus, the REIT has issued 301,290 Deferred Units pursuant to the LTIP, which were all issued at a deemed price of \$2.25 per Deferred Unit. No Trust Units were issued under the LTIP during such period; and
- (c) the REIT also has a DRIP under which Unitholders can choose to automatically reinvest their cash distributions in additional Trust Units. During the 12-month period before the date of this short form prospectus, a total of 598,126 Trust Units were issued or issuable under the DRIP.

TRADING PRICE AND VOLUME

The outstanding Trust Units are listed on the TSXV and trade under the symbol “PRV.UN”. The following table sets forth, for the periods indicated, the reported high and low prices and the aggregate volume of trading of the Trust Units on the TSXV:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Trading Volume</u>
January 2018 (until January 23, 2018).....	2.41	2.28	2,869,805
December 2017	2.35	2.23	1,460,890
November 2017.....	2.33	2.23	1,901,492
October 2017.....	2.28	2.19	1,992,368
September 2017	2.24	2.16	1,449,633
August 2017.....	2.24	2.17	1,624,025
July 2017.....	2.24	2.15	1,843,430
June 2017.....	2.26	2.14	3,348,149
May 2017.....	2.39	2.22	3,260,444
April 2017.....	2.35	2.16	4,237,327
March 2017.....	2.21	2.04	2,501,094
February 2017.....	2.09	2.02	1,958,568
January 2017.....	2.19	2.06	1,959,715

DESCRIPTION OF TRUST UNITS

The Offering consists of 10,870,000 Trust Units (in addition to up to 1,630,500 additional Trust Units in the event the Over-Allotment Option is exercised in full).

See the section entitled “Description of the Trust and Description of the Units” in the AIF for a description of the terms and provisions of the Trust Units. As at January 23, 2018, there were 54,484,746 Trust Units issued and outstanding and 6,799,949 Class B LP Units issued and outstanding (as well as 6,799,949 Special Voting Units accompanying the Class B LP Units).

PLAN OF DISTRIBUTION

General

Subject to the terms and conditions contained in the Underwriting Agreement, the REIT has agreed to issue and sell, and the Underwriters have agreed to purchase, on January 29, 2018 or on such other date not later than January 31, 2018 as the REIT and the Underwriters may agree, but in any event, not more than 42 days after the date of the receipt for the final short form prospectus, an aggregate of 10,870,000 Trust Units at the Offering Price, payable in cash to the REIT against delivery of such Trust Units, for gross proceeds to the REIT of \$25,001,000.

The obligations of the Underwriters under the Underwriting Agreement are conditional and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Trust Units if any of the Trust Units are purchased under the Underwriting Agreement. The obligations of the Underwriters to purchase the Trust Units are several (and not joint or joint and several). The terms of the Offering and the prices of the Trust Units have been determined by negotiation between the REIT and the Underwriters.

The Underwriting Agreement provides that the REIT will pay, subject to the exclusions below, on the Closing, the Underwriters’ Fee of \$0.115 per Trust Unit, or 5% of the gross proceeds of the Offering, but excluding therefrom proceeds from the sale of Trust Units sold to purchasers on the President’s List, for which the Underwriters will be paid a commission of \$0.0575 per Trust Unit, or 2.5% of the gross proceeds of such sales. The aggregate Underwriters’ Fee payable to the Underwriters by the REIT in consideration for their services in connection with the Offering is expected to be \$1,250,050. Subscriptions for Trust Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The REIT has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part from time to time for a period of 30 days from the date of the Closing, to purchase up to 1,630,500 Additional Trust Units at a price of \$2.30 per Additional Trust Unit, to cover over-allotments, if any, and for market stabilization purposes. This short form prospectus qualifies the distribution of the Over-Allotment Option and any Additional Trust Units. A purchaser who acquires securities forming part of the Underwriters’ over allocation position acquires those securities under this short form prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public relating to the Offering, the Underwriters’ Fee and the net proceeds to the REIT before deducting the expenses of the Offering will be \$28,751,150, \$1,437,557 and \$27,313,593, respectively.

The TSXV has conditionally approved the listing of the Trust Units distributed under this short form prospectus on the TSXV. Listing will be subject to the REIT fulfilling all the listing requirements of the TSXV.

Under the Underwriting Agreement, the REIT has agreed to indemnify and hold harmless the Underwriters and their respective affiliates, subsidiaries and each of their respective officers, directors, employees, agents and shareholders against certain liabilities, including civil liabilities under Canadian securities legislation, and to contribute to payments the Underwriters may be required to make in respect thereof.

The Offering is being made in each of the provinces of Canada. The Trust Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States unless pursuant to an exemption to the registration requirements of such laws. Accordingly, each Underwriter has agreed that it will not offer, sell or deliver the Trust Units within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of this Offering, any offer or sale of the Trust Units offered hereby within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act unless made pursuant to an exemption from such registration requirements.

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

The REIT has agreed not to issue any Trust Units or securities of the REIT convertible or exercisable or exchangeable into Trust Units (other than in connection with the acquisition of real property, for purposes of trustees', officers' or employee compensation plans, to satisfy existing convertible securities of the REIT outstanding as at January 10, 2018, pursuant to the REIT's distribution reinvestment plan or pursuant to rights issued under the REIT's Rights Plan (as defined in the AIF)) or announce any intention to do so, until 90 days after the Closing Date without the prior consent of the Lead Underwriters, such consent not to be unreasonably withheld.

Price Stabilization

Pursuant to policy statements of certain regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Trust Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, Trust Units. These exceptions include a bid or purchase permitted under the bylaws and rules of the TSXV relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first-mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Trust Units at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be discontinued at any time.

Relationship between the REIT and Certain of the Underwriters

TD Securities Inc. is an affiliate of a Canadian chartered bank that has provided a revolving credit facility of \$11.5 million to the REIT. As of January 15, 2018, the outstanding indebtedness owed to the Canadian chartered bank of which TD Securities Inc. is an affiliate was approximately \$11.5 million. The revolving credit facility is secured by a pool of first and second mortgages on certain of the properties of the REIT. In addition, each of CIBC World Markets Inc., National Bank Financial Inc. and BMO Nesbitt Burns Inc. are respectively affiliates of a Canadian chartered bank that is among the REIT's mortgage holders. As of January 15, 2018, the outstanding indebtedness owed to the Canadian chartered banks of which CIBC World Markets Inc., National Bank Financial Inc. and BMO Nesbitt Burns Inc. are respectively affiliates was \$1.3 million, \$6.6 million and \$23.4 million, respectively. The indebtedness owed to such Canadian chartered banks is secured by first mortgages on certain of the properties of the REIT. A portion of the net proceeds of the Offering will be applied to the repayment of indebtedness, with approximately \$11.5 million being paid to repay amounts currently outstanding under the revolving credit facility with the Canadian chartered bank that is an affiliate of TD Securities Inc. The financial position of the REIT has changed over the period of the indebtedness set out herein as set out in its publically filed financial statements. See "Use of Proceeds".

Each of the mortgages or the revolving credit facility with the Canadian chartered banks of which certain Underwriters are affiliates contain representations, covenants, restrictions and events of default that are customary for such agreements. The REIT is in compliance with the terms of these agreements in all material respects and no breach of the terms of these agreements has been waived by the applicable lenders. The REIT may be considered a "connected issuer" of each of TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc. and BMO Nesbitt Burns Inc. under applicable Canadian securities legislation. The decision to issue the Trust Units and the determination of the terms of the Offering were made through negotiation between the REIT and the Underwriters.

The Underwriters have advised that the decision to underwrite the Offering was made independently of the Canadian chartered banks of which such Underwriters are affiliates and such banks did not have any involvement in such decision or determination. As a consequence of the Offering, each of such Underwriters will receive its proportionate share of the Underwriters' Fee.

RISK FACTORS

There are certain risks inherent in an investment in the Trust Units and in the activities of the REIT. In addition to the risks described herein, reference is made to the section entitled "Risk Factors" of the AIF and the section entitled "Risks and Uncertainties" of the Annual MD&A, each of which is incorporated herein by reference. Prospective investors should carefully consider, in light of their own financial circumstances, the risk factors set forth in the information incorporated by reference herein and all of the other information contained in this short form prospectus (including without limitation the documents incorporated herein by reference) before purchasing any of the securities distributed under this short form prospectus. The risks described herein are not the only risks facing the REIT and Unitholders. Additional risks and uncertainties not currently known to the REIT, or that the REIT currently deems immaterial, may also materially and adversely affect its business. The business, financial condition, revenues or profitability of the REIT could be materially adversely affected by any of the risks set forth in this short form prospectus, in the documents incorporated by reference or such other risks. The trading price of the Trust Units could decline due to any of these risks and investors could lose all or part of their investment. This short form prospectus contains forward-looking statements that involve risks and uncertainties. The REIT's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the REIT described below and elsewhere in this short form prospectus. See "Notice Regarding Forward-Looking Statements".

Risks Related to the Offering

Discretion Over the Use of Proceeds

The REIT will have discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditures, and may apply the net proceeds of the Offering in ways other than as described under "Use of Proceeds". As a result, an investor will be relying on the judgment of the REIT for the application of the net proceeds of the Offering. The REIT may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the REIT's results of operations may suffer. To the extent that any of the net proceeds of the Offering remain uninvested pending their use, or are used to pay down indebtedness with a low interest rate, the Offering may result in substantial dilution, on a per unit basis, to the REIT's net income and other measures used by the REIT.

Risks Relating to the Trust Units

Volatile Market Price for Trust Units

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

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the REIT's securities may decline even if the REIT's operating results, underlying asset values, or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the REIT's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the REIT's securities by those institutions, which could adversely affect the trading price of the REIT's securities. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil exist for a protracted period of time, the REIT's operations could be adversely impacted and the trading price of the REIT's securities may be adversely affected.

Cash Distributions Are Not Guaranteed

The REIT does not have a fixed obligation to make payments to holders of Trust Units and does not promise to return the initial purchase price of a Trust Unit. There can be no assurance regarding the amount of income to be generated by the REIT's properties and future financial performance of the REIT may not meet its future plans or budgets. Distributions made to holders of Trust Units and holders of Class B LP Units may exceed actual cash available to the REIT from time to time. Although the REIT intends to make cash distributions to Unitholders, these cash distributions may be reduced or suspended. The ability of the REIT to make cash distributions and the actual amount distributed are entirely dependent on the operations and assets of the REIT and its Subsidiaries, and are subject to various factors including financial performance, obligations under applicable credit facilities, the sustainability of income derived from anchor tenants and capital expenditure requirements. Cash available to the REIT to fund distributions may be limited from time to time because of such items as principal repayments, tenants' allowances, leasing commissions, capital expenditures and redemptions of Trust Units, if any. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. The market value of the Trust Units will deteriorate if the REIT is unable to continue its distribution levels in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors.

Restrictions on Redemptions

It is anticipated that the redemption right described in the AIF under "Description of the Trust and Description of the Units - Redemption Right" will not be the primary mechanism for Unitholders to liquidate their investments. The entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the following limitations: (i) the total amount payable by the REIT in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Trust Units are tendered for redemption, the outstanding Trust Units must be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides fair market value prices for the Trust Units; (iii) the trading of Trust Units is not suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, on any market on which the Trust Units are quoted for trading) on the redemption date for more than five trading days during the 10 day trading period commencing immediately after the redemption date; and (iv) the redemption of all of the Trust Units shall not result in the delisting of the Trust Units from the principal stock exchange on which the Trust Units are listed.

Subordination of the Trust Units

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its subsidiaries, holders of its indebtedness and its trade creditors will generally be entitled to payment of their claims from the assets of the REIT and its Subsidiaries before any assets are made available for distribution to the REIT or its Unitholders. Upon completion of the Offering, the Trust Units will be subordinated to the debt and other obligations of the REIT and its Subsidiaries. The REIT's Subsidiaries will generate all of the REIT's revenue available for distribution and hold substantially all of the REIT's operating assets.

Qualified Investment Eligibility

There can be no assurance that the Trust Units will continue to be qualified investments for a trust governed by a Plan and a DPSP. In addition, shares of a Canadian corporation owning Subsidiary Securities distributed to a Holder (as defined herein) on a redemption may not be a qualified investment for such plans. If the Trust Units, or such shares distributed on a redemption of Trust Units are not qualified investments for a trust governed by a Registered Plan and a DPSP, such plans may be subject to adverse tax consequences.

Loss Restriction Event

The Tax Act includes "loss restriction event" ("LRE") rules that could potentially apply to the REIT. In general, the REIT will be subject to a LRE if a person (or group of persons) acquires more than 50% of the fair market value of the Trust Units. If a LRE occurs (i) the REIT will be deemed to have a year-end for tax purposes immediately before the LRE occurs, (ii) any net income and net realized capital gains of the REIT at such year-end will be distributed to Holders (as defined herein) to the extent required for the REIT not to be liable for income taxes, and (iii) the REIT will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE.

Tax Related Risk Factors

Under the SIFT Rules, a publicly traded income trust will be considered a SIFT unless it qualifies for the REIT Exception. As discussed under "Certain Canadian Federal Income Tax Considerations" a publicly traded income trust will only qualify for the REIT Exception if assets held by the REIT qualify under specific provisions of the REIT Exception, which rules generally require that each

intermediate entity (including partnerships) through which the REIT owns property satisfies the REIT Exception on a stand-alone continuous basis. If each relevant entity (including partnerships) does not qualify continuously for the REIT Exception, the SIFT Rules may have an adverse impact on the REIT and the Unitholders, on the value of the Trust Units and the ability of the REIT to undertake financings and acquisitions, and if the SIFT Rules were to apply, distributable cash of the REIT may be materially reduced.

The REIT has been structured to satisfy the REIT Exception and management is confident that it has mechanisms in place to ensure that the REIT (and each intermediate entity (including partnerships) through which it owns property) will continue to satisfy the REIT Exception going forward; however, no assurances can be made in this regard.

The SIFT Rules may also apply to a Subsidiary of the REIT that would otherwise qualify as a SIFT unless such Subsidiary qualifies as an “excluded subsidiary entity” as defined in the Tax Act. The REIT expects that each Subsidiary of the REIT that might otherwise qualify as a SIFT will qualify as an “excluded subsidiary entity” and therefore will not be subject to tax under the SIFT Rules going forward; however, no assurances can be made in this regard.

The CRA has expressed a view that, in certain circumstances, the deductibility of interest on money borrowed to invest in an income trust (including a real estate investment trust such as the REIT) may be reduced on a pro rata basis in respect of distributions from the income trust that are a return of capital and that are not reinvested for an income earning purpose. If the CRA view were to apply to a Unitholder who borrowed money to invest in Trust Units of the REIT, part of the interest payable by such Unitholder in connection with money borrowed to acquire such Trust Units could be non-deductible.

Nature of Investment

A holder of a Trust Unit or a Class B LP Unit does not hold a share of a body corporate. Unitholders or holders Class B LP Units do not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The rights of holders of Trust Units and Class B LP Units are based primarily on the Declaration of Trust and the PRO REIT LP Agreement, respectively. There is no statute governing the affairs of the REIT or PRO REIT LP equivalent to the *Canada Business Corporations Act* which sets out the rights and entitlements of shareholders of corporations in various circumstances.

Neither the Trust Units nor the Class B LP Units are “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada), nor will they be insured under the provisions of that statute or any other legislation. Furthermore, the REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Unitholder Liability

The Declaration of Trust provides that no holder of Trust Units or annuitant or beneficiary of a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a tax-free savings account or a deferred profit sharing plan, each as defined in the Tax Act, or of any plan of which a holder of Trust Units acts as a trustee or a carrier (an “**annuitant**”) will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any holder of Trust Units or annuitant for any liability whatsoever, whether constituting extracontractual or contractual liability or arising in tort, contract or otherwise, to any Person in connection with the REIT property or the affairs of the REIT, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the REIT or of the Trustees or any obligation which a holder of Trust Units or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such (“**Trust Liability**”). Only the assets of the REIT are intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each holder of Trust Units and annuitant will be entitled to be reimbursed out of the assets of the REIT in respect of any payment of such Trust Liability made by such holder of Trust Units or annuitant.

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

attach under the laws of the Province of Ontario to Unitholders or annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

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

Liability of Holders of Class B LP Units

Holders of Class B LP Units may lose their limited liability in certain circumstances, including by taking part in the control or management of the business of PRO REIT LP. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province but carrying on business in another province have not been authoritatively established. If limited liability is lost, there is a risk that holders of Class B LP Units may be liable beyond their contribution of capital and share of undistributed net income of PRO REIT LP in the event of judgment on a claim in an amount exceeding the sum of the net assets of PRO REIT GP and the net assets of PRO REIT LP. Holders of Class B LP Units remain liable to return to PRO REIT LP for such part of any amount distributed to them as may be necessary to restore the capital of PRO REIT LP to the amount existing before such distribution if, as a result of any such distribution, the capital of PRO REIT LP is reduced and PRO REIT LP is unable to pay its debts as they become due.

Dilution

The number of Trust Units the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Trust Units from time to time. Any issuance of Trust Units, including Trust Units issued in consideration for properties acquired by the REIT, grants under the LTIP and issuances under the DRIP will have a dilutive effect on existing Unitholders.

Change of Tax Laws

There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the REIT or its affiliates or the administrative and assessing practices and policies of the CRA or the Minister of Finance (Canada) will not change in a manner that adversely affects the REIT, its affiliates or Unitholders. Any such change could affect the REIT's eligibility for the REIT Exception, increase the amount of tax payable by the REIT or its affiliates, or otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the REIT, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Trust Units by a purchaser who acquires Trust Units pursuant to this short form prospectus and who, for purposes of the Tax Act and at all relevant times, (i) is, or is deemed to be, resident in Canada, (ii) deals at arm's length with and is not affiliated with the REIT and each of the Underwriters, and (iii) holds Trust Units as capital property ("**Holder**"). Generally, Trust Units will be considered to be capital property to a Holder provided that the Holder does not hold such Trust Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have their Trust Units, and every other "Canadian security" (as defined in the Tax Act) owned in the taxation year in which the election is made and each subsequent taxation year, deemed to be capital property. Holders who do not hold their Trust Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the "mark-to-market" rules (within the meaning of the Tax Act); (ii) that is a "specified financial institution" (within the meaning of the Tax Act); (iii) an interest in which would be a "tax shelter investment" (within the meaning of the Tax Act); (iv) to whom the functional currency reporting rules apply; (v) that has entered or will enter into a "derivative forward arrangement" (within the meaning of the Tax Act), (vi) that is a partnership or another flow-through entity; trust and estate; government (or instrumentality or agency thereof); tax-exempt entity; insurance company; mutual fund; "real estate investment trust" (within the meaning of the Tax Act); or (vii) that is holding Trust Units as part of a hedging or similar transaction. This summary is also not applicable to a Holder that holds Trust Units acquired upon

the exercise of rights to acquire such Trust Units received in respect of, in the course of, or by virtue of employment with the REIT or any corporation not dealing at arm's length for purposes of the Tax Act with the REIT (all within the meaning of the Tax Act). Such Holders should consult their own tax advisors. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire the Trust Units.

This summary is based on certain representations as to factual matters made in a certificate signed by an officer of the REIT and provided to counsel (the "**Officer's Certificate**"). This summary assumes that the representations made in the Officer's Certificate are true and correct, including the representations: (i) that would ensure that the REIT qualifies and will continue to qualify as a "mutual fund trust" (within the meaning of the Tax Act); (ii) that the REIT has and will at all times comply with the Declaration of Trust (including continuing to qualify as a real estate investment trust (within the meaning of the Tax Act); and (iii) that the REIT does and will continue to qualify as a "mutual fund trust" under the provisions of the Tax Act while the Trust Units remain outstanding.

This summary is based on the current provisions of the Tax Act, the Tax Proposals and counsel's understanding of the current published administrative policies and assessing practices of the CRA published by it, all in effect as of the date of this short form prospectus. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or in the administrative policies and assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, and does not take into account any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed in this short form prospectus. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Trust Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Trust Units will vary depending on the holder's particular circumstances, including the province(s) in which the holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be nor should it be construed to be legal or tax advice or representations to any prospective purchaser of Trust Units. Prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Trust Units based on their particular circumstances.

For the purposes of this summary and the opinion given under the heading "Certain Canadian Federal Income Tax Considerations", a reference to (i) the "REIT" is a reference to PRO Real Estate Investment Trust only and is not a reference to any of its subsidiaries or predecessors, and (ii) a reference to a "Holder" is a reference to a holder of Trust Units and not a holder of Special Voting Units.

Status of the REIT

Qualification as a Mutual Fund Trust

Based on the representations as to factual matters set out in the Officer's Certificate, the REIT qualifies as a "mutual fund trust" as defined in the Tax Act, and will continue to qualify as a mutual fund trust at all relevant times. The balance of this summary assumes this to be the case. If the REIT were not to qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially and adversely different.

Currently, a trust will not be considered to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless restrictions in respect of its assets are followed. This summary assumes that the REIT was not established and is not maintained primarily for the benefit of non-residents and counsel is of the view that this assumption is reasonable in light of the restrictions on the ownership of Trust Units by non-residents which are contained in the Declaration of Trust.

SIFT Rules

The SIFT Rules apply to "specified investment flow-through" trusts or partnerships ("**SIFTs**"), including publicly traded trusts, and their unitholders, and modify the tax treatment of SIFTs and of their unitholders, as more particularly described below under the heading "Application of the SIFT Rules". However, the SIFT Rules are not applicable to a trust if such trust qualifies as a "real estate investment trust" for the year (the "**REIT Exception**"). Therefore, if the REIT does not satisfy the REIT Exception throughout the year, the SIFT Rules will be applicable to the REIT. Furthermore, in order for the REIT to satisfy the REIT Exception, PRO REIT LP must satisfy all of the tests comprising the REIT Exception apart from the "Publicly Listed or Traded Test" (as described below) on a stand-alone continuous basis. Management of the REIT is of the view that it has implemented internal controls to ensure that PRO REIT LP satisfies the necessary tests.

The REIT Exception in the SIFT Rules contains a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. Based on representations as to certain factual matters made in the Officer's Certificate and on the advice of its external tax advisor, management has advised counsel that the REIT will qualify for the REIT Exception at the time of closing of the Offering and that

management expects the REIT to qualify for the REIT Exception throughout 2018 and subsequent taxation years. However, there can be no assurance that subsequent investments or activities undertaken by the REIT will not result in the REIT failing to qualify for the REIT Exception. If the REIT fails to qualify for the REIT Exception, the REIT will be subject to the SIFT Rules and certain of the income tax considerations described below would, in some respects, be materially and adversely different.

The REIT Exception is applied on a taxation year basis. Accordingly, even if the REIT does not qualify for the REIT Exception in a particular taxation year, it may be able to do so in a subsequent taxation year.

REIT Exception

Trusts that satisfy the REIT Exception are excluded from the definition of SIFT trusts and are therefore not subject to the SIFT Rules. Under the current rules, the following conditions must be met (in addition to the trust being resident in Canada throughout the taxation year) in order for a trust to qualify for the REIT Exception:

- (a) at each time in the taxation year, the total fair market value at that time of all “non-portfolio properties” that are “qualified REIT properties” held by the trust is at least 90% of the fair market value at that time of all “non-portfolio properties” held by the trust;
- (b) not less than 90% of the trust’s “gross REIT revenue” for the taxation year is from one or more of the following: “rent from real or immovable properties”, interest, dispositions of “real or immovable properties” that are capital properties, dividends, royalties and dispositions of “eligible resale properties”;
- (c) not less than 75% of the trust’s “gross REIT revenue” for the taxation year is from one or more of the following: “rent from real or immovable properties”, interest from mortgages or hypothecs on “real or immovable properties”, and dispositions of “real or immovable properties” that are capital properties;
- (d) at each time in the taxation year an amount, that is equal to 75% or more of the “equity value” (as defined in the Tax Act) of the trust at that time, is the amount that is the total fair market value of all properties held by the trust each of which is a “real or immovable property” that is capital property, an “eligible resale property”, an indebtedness of a Canadian corporation represented by a banker’s acceptance, cash, a deposit in a bank or credit union, or debt issued or guaranteed by the Canadian government or issued by a province, municipal government or certain other qualifying public institutions; and
- (e) “investments” (as defined in the Tax Act) in the trust are, at any time in the taxation year, listed or traded on a stock exchange or other public market (the “**Publicly Listed or Traded Test**”).

The SIFT Rules contain specific rules generally permitting a trust to qualify for the REIT Exception where it holds properties indirectly through intermediate entities if each intermediate entity would satisfy the criteria (a) throughout (d) of the REIT Exception in its own right.

For the purpose of the SIFT Rules and the REIT Exception:

- (a) “eligible resale property”, of an entity, means “real or immovable property” (other than capital property) of the entity, (i) that is contiguous to a particular “real or immovable property” that is capital property or “eligible resale property”, held by the entity or another entity affiliated with the entity, and (ii) the holding of which is ancillary to the holding of the particular property;
- (b) “gross REIT revenue” of an entity for a taxation year means the amount, if any, by which the total of all amounts received or receivable in the year (depending on the method regularly followed by the entity in computing the entity’s income) by the entity exceeds the total of all amounts each of which is the cost to the entity of a property disposed of in the year;
- (c) “qualified REIT property” of a trust at any time means a property held by the trust that at that time is held by the trust and is:
 - (i) a “real or immovable property” (as described below) that is capital property, an “eligible resale property”, an indebtedness of a Canadian corporation represented by a banker’s acceptance, cash, a deposit in a bank or credit union, or debt issued or guaranteed by the Canadian government or issued by a province, municipal government or certain other qualifying public institutions;

- (ii) a security of a “subject entity” (as described below) all or substantially all of the “gross REIT revenue” of which for its taxation year that includes that time, is from maintaining, improving, leasing or managing real or immovable properties that are capital properties of the trust or of an entity of which the trust holds a share or an interest, including “real or immovable properties” that the trust, or an entity of which the trust holds a share or an interest, holds together with one or more other persons or partnerships;
 - (iii) a security of a “subject entity” if the entity holds no property other than (A) legal title to “real or immovable properties” of the trust or of another subject entity all of the securities of which are held by the trust (including real or immovable property that the trust or the other subject entity holds together with one or more other persons or partnerships), and (B) property described in (iv) below;
 - (iv) ancillary to the earning by the trust of “gross REIT revenues” from rents or dispositions of “real or immovable properties” that are capital properties, other than (A) an equity of an entity, or (B) a mortgage, hypothecary claim, mezzanine loan or similar obligation.
- (d) “real or immovable property” includes generally a security of a trust that satisfies (or of any other entity that would, if it were a trust, satisfy) the criteria (a), (b), (c) and (d) of the REIT Exception (as discussed above) and an interest in certain real property or a real right in certain immovables, but excludes any depreciable property other than a depreciable property included (otherwise than by election) in capital cost allowance (“CCA”) Class 1, 3 or 31, property ancillary to the ownership or utilization of such depreciable property or a lease or leasehold interest in respect of land or such depreciable property;
- (e) “rent from real or immovable properties” includes (A) rent or similar payments for the use of or right to use real or immovable properties and (B) payment for services ancillary to the rental of real or immovable properties and customarily supplied or rendered in connection therewith, but does not include (C) any other payment for services supplied or rendered to the tenants of such properties, fees for managing or operating such properties, payment for the occupation, use or right to use a room in a hotel or other similar lodging facility, or rent based on profits; and
- (f) “subject entity” means (i) a corporation resident in Canada, (ii) a trust resident in Canada, (iii) a Canadian resident partnership, or (iv) a non-resident person, or a partnership that is not a Canadian resident partnership, the principal source of income of which is one or more sources in Canada.

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

Application of the SIFT Rules

The SIFT Rules apply to trusts, unless (among other exceptions not applicable here) the trusts satisfy the REIT Exception. If the REIT does not meet the REIT Exception, the REIT will be subject to the SIFT Rules and as a result the tax status of the REIT and the tax consequences of investing in Trust Units described above could be materially and adversely different. Pursuant to the SIFT Rules, a SIFT cannot deduct any part of the amount payable to unitholders in respect of (i) aggregate net income from businesses it carries on in Canada; (ii) aggregate net income (other than taxable dividends received by the trust) from its “non-portfolio properties”; and (iii) aggregate net taxable capital gains from its dispositions of non-portfolio properties. “Non-portfolio properties” are Canadian real, immovable or resource properties (if at any time in the taxation year the total fair market value of the SIFT’s Canadian real, immovable or resource properties is greater than 50% of the equity value of the SIFT), properties that the SIFT (or persons or partnerships which do not deal at arm’s length with the SIFT) uses in the course of carrying on business in Canada and securities of a “subject entity” if the subject entity holds any “non-portfolio property” and the SIFT either holds securities of the subject entity that have a fair market value greater than 10% of the subject entity’s equity value, or holds securities of the subject entity that, together with securities held by the SIFT in entities affiliated with the subject entity have a total fair market value greater than 50% of the equity value of the SIFT. Amounts distributed which a SIFT is unable to deduct will be taxed in the SIFT at rates of tax designed to emulate the combined federal and provincial corporate tax rates.

Distributions of income of SIFTs received by unitholders that are not deductible to the SIFT will be deemed to be dividends received by unitholders. Under the SIFT Rules, such deemed dividends from a SIFT will be taxed as a taxable dividend from a taxable Canadian corporation. Under the Tax Act such dividends deemed to be received by an individual will be included in computing the individual’s income for tax purposes and will be subject to the enhanced gross-up and dividend tax credit rules normally applicable to eligible dividends received from taxable Canadian corporations. Such dividends deemed to be received by a holder that is a corporation generally will be deductible in computing the corporation’s taxable income. Certain corporations, including “private corporations” or “subject corporations” (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV

of the Tax Act of 38 1/3% on dividends received or deemed to be received to the extent that such dividends are deductible in computing taxable income.

Depending on the nature of distributions from the REIT, including what portion of its distributions are income and what portion are returns of capital, the SIFT Rules, if applicable, would have a material adverse effect on the after-tax returns of certain Holders. Generally, distributions that are characterized as returns of capital are not taxable to Holders but serve to reduce the adjusted cost base of a Holder's Trust Units.

The likely effect of the SIFT Rules on the market for Trust Units, and on the REIT's ability to finance future acquisitions through the issue of Trust Units or other securities is unclear. In the event that the SIFT Rules apply to the REIT, they may adversely affect the after-tax returns of investors, the marketability of the Trust Units and the amount of cash available for distributions.

Taxation of the REIT

The taxation year of the REIT is the calendar year. The REIT must compute its income or loss for each taxation year as though it were an individual resident in Canada. The income of the REIT will generally include, among other things, net realized taxable capital gains for that year and its allocated share of the income of PRO REIT LP for its fiscal period ending on or before the year-end of the REIT, less the portion thereof that the REIT deducts in respect of the amounts paid or payable, or deemed to be paid or payable, in the year to Holders. An amount will be considered to be payable to a Holder in a taxation year if it is paid to the Holder in the year by the REIT or if the Holder is entitled in that year to enforce payment of the amount. The Trustees' current intention is to make payable to Holder each year sufficient amounts such that the REIT generally will not be liable to pay non-refundable tax under Part I of the Tax Act. Where the REIT does not have sufficient cash to distribute such amounts, the REIT will make one or more in-kind distributions in the form of additional Trust Units. Income of the REIT payable to Holders will generally be deductible by the REIT in computing its taxable income, whether payable in cash, additional Trust Units or otherwise.

A distribution by the REIT of shares of a Canadian corporation owning Subsidiary Securities upon a redemption of Trust Units will be treated as a disposition by the REIT of such shares for proceeds of disposition equal to the fair market value thereof. The REIT will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of such shares exceed (or are less than) the adjusted cost base of such shares and any reasonable costs of disposition.

The REIT will generally not be subject to tax on any amounts received as distributions from PRO REIT LP. Generally, distributions to the REIT in excess of its allocated share of the income of PRO REIT LP will result in a reduction of the adjusted cost base of the REIT's Class A LP Units in PRO REIT LP by the amount of such excess. If, as a result, the REIT's adjusted cost base at the end of a taxation year of its Class A LP Units in PRO REIT LP would otherwise be a negative amount, the REIT would be deemed to realize a capital gain in such amount for that year and the REIT's adjusted cost base at the beginning of the next taxation year of its Class A LP Units in PRO REIT LP would then be nil.

In computing its income for purposes of the Tax Act, the REIT may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income. Reasonable expenses incurred in respect of the issuance of Trust Units and in the course of borrowing money generally may be deducted by the REIT on a five-year, straight-line basis.

Losses incurred by the REIT cannot be allocated to Holders, but can be deducted by the REIT in future years in computing its taxable income, in accordance with the Tax Act. In the event the REIT would otherwise be liable for tax on its net taxable capital gains realized by the REIT for a taxation year, it will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of Trust Units during the year (the "capital gains refund"). In certain circumstances, the capital gains refund in a particular taxation year may not offset completely the REIT's tax liability for the taxation year arising in connection with the transfer of shares of a Canadian corporation owning Subsidiary Securities in specie to redeeming Holders on the redemption of Trust Units.

Taxation of subsidiaries of the REIT

The SIFT Rules will apply to a Subsidiary of the REIT that would otherwise qualify as a SIFT unless such Subsidiary qualifies as an "excluded subsidiary entity" (as defined in the Tax Act). Under the Tax Act, an entity will generally be an "excluded subsidiary entity" for a taxation year if none of the "equity" of such entity is at any time in the taxation year (A) listed or traded on a stock exchange or other public market, nor (B) held by any person or partnership other than (i) a "real estate investment trust", (ii) a "taxable Canadian corporation", (iii) a "SIFT trust", (iv) a "SIFT partnership", (v) a person or partnership that does not have, in connection with the holding of a security of the entity, property the value of which is determined, all or in part, by reference to a security that is listed or traded on a stock exchange or other public market, or (vi) an "excluded subsidiary entity" (all within the meaning of the Tax Act) for the taxation year.

Based on representations as to certain factual matters made in the Officer's Certificate, Management has advised counsel that it expects that each direct or indirect subsidiary of the REIT that might otherwise qualify as a SIFT will qualify as an "excluded subsidiary entity" at all relevant times and therefore will not be subject to tax under the SIFT Rules. If PRO REIT LP or any other Subsidiary of the REIT does not qualify as an "excluded subsidiary entity" the income tax consequences described herein would in some respects be materially and adversely different.

Taxation of PRO REIT LP

Based on representations as to certain factual matters made in the Officer's Certificate, Management has advised counsel that it expects that PRO REIT LP qualifies and will continue to qualify as an "excluded subsidiary entity" throughout 2018 and subsequent taxation years. As a result, PRO REIT LP will not be subject to tax under the SIFT Rules. If PRO REIT LP does not qualify as an "excluded subsidiary entity," the income tax consequences described herein would in some respects be materially and adversely different.

Generally, each partner of PRO REIT LP, including the REIT, is required to include in computing the partner's income, the partner's share of the income (or loss) of PRO REIT LP for PRO REIT LP's fiscal year ending in, or coincidentally with, the partner's taxation year end, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of PRO REIT LP will be computed for each fiscal year as if PRO REIT LP were a separate person resident in Canada. In computing the income or loss of PRO REIT LP (directly or by its subsidiary entities), deductions generally may be claimed in respect of available capital cost allowances, its reasonable administrative and other expenses (including interest in respect of debt) incurred for the purpose of earning income from business or property to the extent permitted under the Tax Act. The income or loss of PRO REIT LP for a fiscal year will be allocated to the partners of PRO REIT LP, including the REIT, on the basis of their respective share of such income or loss as provided in the PRO REIT LP, subject to the detailed rules in the Tax Act.

If PRO REIT LP were to incur losses for purposes of the Tax Act, the ability of each partner (including the REIT) to deduct the partner's share of such losses may be limited by certain rules under the Tax Act, including "at-risk" rules.

Taxation of Holders

Distributions by the REIT

A Holder will generally be required to include in income for a particular taxation year the portion of the net income of the REIT for the taxation year ending on or before the particular taxation year-end of the Holder, including net realized taxable capital gains, that is paid or payable, or deemed to be paid or payable, to the Holder in the particular taxation year (and that the REIT deducts in computing its income), whether such portion is received in cash, additional Trust Units or otherwise. Any loss of the REIT for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Holder.

Provided that the appropriate designations are made by the REIT, such portion of net taxable capital gains of the REIT as is paid or payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. See below under the subheading "Taxation of Holders – Capital Gains and Capital Losses". The non-taxable portion of any net capital gains of the REIT that is paid or payable, or deemed to be paid or payable, to a Holder in a taxation year will not be included in computing the Holder's income for the year. Any other amount in excess of the net income and net taxable capital gains of the REIT that is paid or payable, or deemed to be paid or payable, by the REIT to a Holder in a taxation year will not generally be included in the Holder's income for the year. However, such an amount which becomes payable to a Holder (other than proceeds of disposition of Trust Units or any part thereof) will reduce the adjusted cost base of the Trust Units held by such Holder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Holder from the disposition of the Trust Unit and will be added to the adjusted cost base of the Trust Unit so that the adjusted cost base will be reset to zero.

The composition of distributions paid by the REIT, portions of which may be fully or partially taxable or non-taxable, may change over time, affecting the after-tax return to Holders. To the extent that amounts are designated as having been paid to Holders out of taxable dividends received or deemed to have been received by the REIT on shares of taxable Canadian corporations, the normal gross-up and dividend tax credit rules, including the enhanced gross-up and dividend tax credit rules in respect of dividends designated by the corporation as "eligible dividends" will apply to Holders who are individuals (other than certain trusts). A Holder that is a corporation is required to include amounts designated as taxable dividends in computing its income for tax purposes and will generally be entitled to deduct the amount of such dividends in computing its taxable income. Certain corporations, including "private corporations" or "subject corporations" (as defined in the Tax Act) may be liable to pay a refundable tax at the rate of 38 1/3% of such dividends to the extent that such dividends are deductible in computing taxable income.

The REIT estimates that, of the monthly cash distributions to be made by the REIT to Unitholders, approximately 100% in 2018 will be tax deferred by reason of the REIT's ability to claim capital cost allowance and certain other deductions. Such estimate is based on the facts set out in this short form prospectus, the pro forma related assumptions, the provisions of the Tax Act in force at the date hereof, current publicly available published administrative policies and assessing practices of the CRA and the Tax Proposals. The adjusted cost base of Units held by a Unitholder will generally be reduced by such non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder will generally realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise be a negative amount, notwithstanding that the Unitholder has not sold any Units. The composition of REIT distributions for tax purposes may change over time thus affecting the after-tax return to a Unitholder. See "Certain Canadian Federal Income Tax Considerations".

Dispositions of Trust Units

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

The adjusted cost base to a Holder of a Trust Unit generally will include all amounts paid by the Holder for the Trust Unit subject to certain adjustments. The cost to a Holder of Trust Units received in lieu of a cash distribution will be equal to the amount of income distributed by the issuance of such Trust Units. For the purpose of determining the adjusted cost base to a Holder, when a Trust Unit is acquired, the cost of the newly-acquired Trust Unit will be averaged with the adjusted cost base of all of the Trust Units owned by the Holder as capital property immediately before that acquisition. The cost of Trust Units acquired on the reinvestment of distributions under the DRIP will be the amount of such investment. There will be no net increase or decrease in the aggregate adjusted cost base of all of a Holder's Trust Units as a result of the receipt of the further distribution under the DRIP; however, the adjusted cost base per Trust Unit will be reduced.

A redemption of Trust Units in consideration for cash will be a disposition of such Trust Units for proceeds of disposition equal to such cash less any income or capital gain realized by the REIT in connection with the redemption of those Trust Units. A redemption of Trust Units in consideration for shares of a Canadian corporation owning Subsidiary Securities, will be a disposition of such Trust Units for proceeds of disposition generally equal to the aggregate of the fair market value of such shares, less any income or capital gain realized by the REIT on the disposition of such assets and any other income or capital gain realized by the REIT in connection with the redemption of those Trust Units to the extent that such income or capital gain is designated to the redeeming Holder. Holders exercising the right of redemption will consequently realize a capital gain, or sustain a capital loss, depending upon whether the proceeds of disposition received exceed, or are less than, the aggregate of the adjusted cost base of the Trust Units redeemed and any reasonable costs of disposition. Where income or capital gain realized by the REIT in connection with the distribution of such shares *in specie* on the redemption of Trust Units has been designated by the REIT to a redeeming Holder, the Holder will be required to include in income the income or taxable portion of the capital gain so designated. The cost of such shares distributed *in specie* by the REIT to a Holder upon redemption of Trust Units will be equal to the fair market value of such shares at the time of the distribution. The Holder will thereafter be required to include in income any income derived from such shares, in accordance with the provisions of the Tax Act.

Capital Gains and Capital Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a Holder on a disposition or deemed disposition of Trust Units and the amount of any net taxable capital gains designated by the REIT in respect of a Holder will be included in the Holder's income as a taxable capital gain. One-half of any capital loss (an "**allowable capital loss**") realized by a Holder on a disposition or deemed disposition of Trust Units must generally be deducted from taxable capital gains of the Holder in the year of disposition as an allowable capital loss. Allowable capital losses realized in excess of taxable capital gains in a particular taxation year may generally be deducted against taxable capital gains realized in the three preceding taxation years or in any subsequent taxation year, subject to and in accordance with the provisions of the Tax Act.

Where a Holder that is a corporation or a trust (other than a mutual fund trust) disposes of a Trust Unit, the Holder's capital loss from the disposition generally will be reduced by the amount of any dividends received by the REIT previously designated by the REIT to the Holder, to the extent and under the circumstances prescribed in the Tax Act. Similar rules may apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Trust Units.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 10²/₃% on certain types of income, including taxable capital gains.

INTEREST OF EXPERTS

Certain legal matters in connection with the issuance of the Trust Units offered by this short form prospectus, including matters referred to under “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations”, as well as certain other legal matters relating to the issue and sale of the Trust Units, will be passed on behalf of the REIT by Osler, Hoskin & Harcourt LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP. Further, each of Osler, Hoskin & Harcourt LLP and Cassels Brock & Blackwell LLP are named as having provided certain legal opinions included in this short form prospectus.

As of the date of this short form prospectus, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the REIT, and the partners and associates of Cassels Brock & Blackwell LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the REIT.

The REIT’s auditors, MNP S.E.N.C.R.L, s.r.l., Chartered Professional Accountants, has advised that it is independent within the rules of the Code of Ethics of the Chartered Professional Accountants of Québec.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The independent auditor of the REIT is MNP S.E.N.C.R.L, s.r.l., 1155 René-Lévesque Boulevard West, Montréal, Québec, H3B 2J8. The Transfer Agent and Registrar of the REIT is TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

CERTIFICATE OF THE REIT

Dated: January 24, 2018

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

PRO REAL ESTATE INVESTMENT TRUST

(signed) James W. Beckerleg
Chief Executive Officer

(signed) Gordon G. Lawlor
Chief Financial Officer

On behalf of the Board of Trustees

(signed) John Levitt
Trustee

(signed) Gérard A. Limoges
Trustee

CERTIFICATE OF THE UNDERWRITERS

Dated: January 24, 2018

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

CANACCORD GENUITY CORP.

By: (signed) Dan Sheremeto

TD SECURITIES INC.

By: (signed) Derek Dermott

SCOTIA CAPITAL INC.

By: (signed) Justin Bosa

CIBC WORLD MARKETS INC.

By: (signed) Mark Johnson

NATIONAL BANK FINANCIAL INC.

By: (signed) Benoit Veronneau

BMO NESBITT BURNS INC.

By: (signed) Onorio Lucchese

HAYWOOD SECURITIES INC.

By: (signed) Beng Lai

RAYMOND JAMES LTD.

By: (signed) Lucas Atkins

LAURENTIAN BANK SECURITIES INC.

By: (signed) Tyler Wirvin

LEEDE JONES GABLE INC.

By: (signed) Robert Harrison

INDUSTRIAL ALLIANCE SECURITIES INC.

By: (signed) Dennis Kunde

