



NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

May 22, 2009

CHARTER REAL ESTATE INVESTMENT TRUST

May 22, 2009

Dear Unitholders:

It is my great pleasure to invite you to the annual and special meeting (the "Meeting") of Charter Real Estate Investment Trust ("Charter") to be held at the Toronto Board of Trade in Toronto, Ontario, on June 24, 2009 at 2:00 p.m. (Toronto time).

The items of business to be considered and voted upon at this Meeting are described in the Notice of Annual and Special Meeting and the accompanying Management Information Circular.

In March 2009, a copy of Charter's Annual Report for the year ended December 31, 2008 was mailed to each unitholder who requested that a copy be mailed to them. A copy of the Annual Report is also available on our website at www.charterreit.com, from the SEDAR website (www.sedar.com) or you can write to the following address and request a copy: Justin Cohen, 130 King Street West, Suite 2810, P.O. Box 104, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com.

You may find further information concerning Charter on our website: www.charterreit.com. We encourage you to visit our website before attending the Meeting.

Your participation at this Meeting is important. We encourage you to exercise your right to vote, which can easily be done by following the instructions provided in the Management Information Circular and Form of Proxy.

I, together with Ari Silverberg, President and Chief Operating Officer, and Floriana Cipollone, Chief Financial Officer, will provide a report on Charter's affairs at the Meeting. You will also have the opportunity to ask questions and to meet Charter's Board of Trustees.

We look forward to seeing you on June 24, 2009.

Yours very truly,

"John F. Driscoll"

John F. Driscoll
Chairman and Chief Executive Officer
Charter Real Estate Investment Trust

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CHARTER REAL ESTATE INVESTMENT TRUST

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON JUNE 24, 2009

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “Meeting”) of the unitholders of Charter Real Estate Investment Trust (“Charter”) will be held at the Toronto Board of Trade in Toronto, Ontario, on Wednesday, June 24, 2009, at 2:00 p.m. (Toronto time), for the following purposes, namely:

- (a) to receive and consider the consolidated financial statements of Charter for the year ended December 31, 2008, together with the report of the auditors thereon;
- (b) to elect trustees of Charter for the ensuing year;
- (c) to appoint the auditors for the ensuing year and to authorize the trustees to fix their remuneration;
- (d) to pass an ordinary resolution approving the amended and restated unit option plan for Charter, all as more particularly set forth in the accompanying Management Information Circular;
- (e) to pass a special resolution authorizing certain amendments to the declaration of trust of Charter dated March 27, 2007, all as more particularly set forth in the accompanying Management Information Circular; and
- (f) to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Only holders of units of record at the close of business on May 20, 2009 (the “Record Date”) of Charter are entitled to notice of and to attend the Meeting or any adjournments or postponements thereof and to vote thereat.

Unitholders may vote in person at the Meeting or any adjournments or postponements thereof, or they may appoint another person (who need not be a unitholder) as their proxy to attend and vote in their place.

Unitholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it in accordance with the instructions contained in the accompanying Management Information Circular.

The Management Information Circular relating to the business to be conducted at the Meeting accompanies this Notice. Please complete and return the form of proxy provided to you in accordance with the instructions provided therein.

Unitholders of Charter may obtain the most recent annual financial statements, interim financial statements, annual information form and other additional information relating to Charter at no cost by either accessing our website at www.charterreit.com, or the SEDAR website at www.sedar.com or you can write to the following address and request copies: Justin Cohen, 130 King Street West, Suite 2810, P.O. Box 104, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com.

DATED at Toronto, Ontario this 22nd day of May, 2009.

BY ORDER OF THE BOARD OF TRUSTEES

“John F. Driscoll”

John F. Driscoll

Chairman and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the "Circular") is furnished to unitholders of Charter Real Estate Investment Trust ("Charter" or the "REIT") in connection with the **solicitation by and on behalf of the management** of proxies to be used at the Annual and Special Meeting of Unitholders (the "Meeting") of Charter to be held at the Toronto Board of Trade in Toronto, Ontario, on Wednesday, June 24, 2009, commencing at 2:00 p.m. (Toronto time), and at any adjournment(s) or postponement(s) thereof, for the purposes set forth in the attached Notice of Annual and Special Meeting of Unitholders (the "Notice").

This Circular, the Notice, and the accompanying form(s) of proxy are being mailed to unitholders of record as of the close of business on May 20, 2009. Charter will bear all costs associated with the preparation and mailing of this Circular, the Notice, and the accompanying form(s) of proxy, as well as the cost of the solicitation of proxies. The solicitation will be primarily by mail; however, officers and regular employees of Charter may also directly solicit proxies (but not for additional compensation) personally, by telephone, by fax or by other means of electronic transmission. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies and will be reimbursed for their reasonable expenses in doing so. In March 2009, a copy of Charter's Annual Report for the year ended December 31, 2008 was mailed to each unitholder who requested that a copy be mailed to them. A copy of the Annual Report is also available on our website www.charterreit.com, from the SEDAR website (www.sedar.com) or you can write to the following address and request a copy: Justin Cohen, 130 King Street West, Suite 2810, P.O. Box 104, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com.

APPOINTMENT AND REVOCATION OF PROXIES

Registered Holders

The persons named in the accompanying form(s) of proxy are officers of Charter. **A unitholder has the right to appoint a person (who need not be a unitholder of Charter) as nominee to attend and act for and on such unitholder's behalf at the Meeting other than the management nominees named in the accompanying form(s) of proxy.** This right may be exercised either by striking out the names of the management nominees where they appear on the applicable form of proxy and by inserting in the blank space provided the name of the other person the unitholder wishes to appoint as proxyholder, or by completing, signing and submitting another proper form of proxy naming such other person as proxyholder.

A unitholder who has been given a proxy, in addition to revocation in any other manner permitted by applicable law in the Province of Ontario, may revoke the proxy within the time periods described in this Circular by an instrument in writing executed by the unitholder or by his/her attorney authorized in writing or, if the unitholder is a body corporate, by a duly authorized officer or attorney thereof.

To be valid, proxies or instructions must be:

- returned by (a) mail to Computershare Investor Services Inc., attention: Proxy Department, 9th Floor, North Tower, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (b) fax to Computershare Investor Services Inc., attention: Proxy Department at 416-368-2502, or (c) personal delivery at the foregoing address, such that the proxies or instructions so returned arrive no later than 2:00 p.m. (Toronto time) on June 22, 2009; or
- delivered to the Chair of the Meeting prior to the commencement of the Meeting; or
- if the Meeting is adjourned or postponed, (a) returned to Computershare at the address or fax number noted above such that the proxies or instructions so returned arrive at least 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any adjourned or postponed Meeting at which the proxy or instructions are to be used, or (b) delivered by hand to the Chair of the Meeting before the commencement of such adjourned or postponed Meeting.

Non-Registered Holders

Only registered holders, or the persons that they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, units beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the units, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of registered plans; or
- (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant.

In accordance with applicable Canadian securities laws, the REIT will be distributing copies of the Notice, this Circular and, the accompanying form(s) of proxy (collectively, the “meeting materials”) to the depository and intermediaries for further distribution to Non-Registered Holders. Intermediaries are required to forward the meeting materials to Non-Registered Holders and receive voting instructions from them unless a Non-Registered Holder has waived the right to receive the meeting materials. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive the meeting materials will either:

- (a) be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions set out on the voting instruction form (which may, in some cases, permit the completion of the voting instruction form by telephone); or
- (b) less typically, be given a proxy which has already been signed by the intermediary (usually by way of a facsimile, stamped signature) which is restricted as to the number of units beneficially owned by the Non-Registered Holder, but which is otherwise uncompleted. In this case, the Non-Registered Holder who wishes to submit the proxy should otherwise properly complete and deposit it with Computershare Investor Services Inc. or the Chair of the Meeting, as described above. This proxy need not be signed by the Non-Registered Holder.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the units which they beneficially own. Should a Non-Registered Holder who receives a proxy signed by the intermediary wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the name of the Non-Registered Holder (or such other person) in the blank space provided. A Non-Registered Holder who receives a voting instruction form should follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their intermediaries and their intermediaries’ service companies.**

A Non-Registered Holder may revoke a voting instruction form (or proxy) or a waiver of the right to receive the meeting materials given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of a voting instruction form (or proxy) or a revocation of a waiver of the right to receive the meeting materials that is not received by the intermediary at least seven days prior to the Meeting.

VOTING OF PROXIES

The units represented by any valid proxy in the accompanying form(s) of proxy will be voted for, against or withheld from voting for, as applicable: (a) the election of Trustees, (b) the re-appointment of the auditor, based on the recommendation of the audit committee (the “Audit Committee”) of the board of Trustees of the REIT (the “Board”), (c) the authorization of the Audit Committee to fix the remuneration of the auditor, (d) the amended and restated unit option plan for the REIT, and (e) the special resolution authorizing certain amendments to the declaration of trust of Charter dated March 27, 2007 (the “Declaration of Trust”), all in

accordance with the instructions of the unitholder on any ballot that may be called for, and if the unitholder specifies a choice with respect to any matter to be acted upon, the units will be voted accordingly. In the absence of any such specific instructions, such units will be voted by the management representatives IN FAVOUR OF the matters set forth in the proxy.

The accompanying form(s) of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to such other business or matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, Charter is not aware of any such amendments or variations or any other matters to be addressed at the Meeting.

QUORUM

At any meeting of unitholders, a quorum will consist of two or more persons present in person either holding personally or representing as proxies in the aggregate at least 10% of the votes attached to all outstanding units of the REIT (“Units”). In the event of such quorum not being present at the appointed place on the date for which the Meeting is called within 30 minutes after the time fixed for the holding of such Meeting, the Meeting will stand adjourned to a day not less than seven days later and to such place and time as may be appointed by the Chair of the Meeting.

RECORD DATE

The Board has fixed the close of business on May 20, 2009 as the record date (the “Record Date”) for the Meeting. Only unitholders of record at the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting, except that (i) in accordance with applicable law, a transferee of Units acquired after the Record Date shall be entitled to vote at the Meeting if such transferee produces properly endorsed Unit certificates or otherwise establishes ownership of such Units and has demanded in writing, not later than ten days before the day of the Meeting, that the name of such transferee be included on the list of unitholders entitled to vote at the Meeting; and (ii) a holder of Units after the Record Date in connection with the exercise of Unit options or conversion rights to acquire such Units shall be entitled to vote at the Meeting in person or by proxy if such holder establishes ownership of such Units to the satisfaction of the Secretary of the REIT or the Chair of the Meeting prior to the Meeting or any adjournment(s) thereof.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of this Circular, there were issued and outstanding 18,282,913 Units of the REIT. A holder of Units is entitled to one vote for each Unit held.

To the knowledge of the Board, the following persons beneficially own or exercise control or direction over Units carrying approximately 10% or more of the votes attached to the issued and outstanding Units:

Name	Number of Units beneficially owned or over which control or direction is exercised	Percentage of Total Units
C.A. Bancorp Inc.	6,047,095	33.1%
Sentry Select Capital Corp.	3,386,654	18.5%

MATTERS TO BE CONSIDERED AT THE MEETING

Financial Statements and Auditor’s Report

Management, on behalf of the Board, will submit to the unitholders at the Meeting the consolidated financial statements of the REIT for the year ended December 31, 2008 and the Auditor’s Report thereon, but no vote by the unitholders with respect thereto is required or proposed to be taken. The consolidated financial statements and Auditor’s Report are included in Charter’s 2008 Annual Report. Unitholders who requested that a copy be mailed to

them were mailed a copy in March 2009. A copy of the Annual Report is also available on our website www.charterreit.com, from the SEDAR website (www.sedar.com) or you can write to the following address and request a copy: Justin Cohen, 130 King Street West, Suite 2810, P.O. Box 104, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com.

Election of Trustees

The Board is authorized to determine from time to time, by resolution, the number of Trustees of the REIT and the number of Trustees to be elected at the annual meeting of the unitholders of the REIT, such number being within the minimum and maximum numbers provided for in the Declaration of Trust. The Board has set the number of Trustees of the REIT at five. As of the date of this Circular, the Board consisted of John F. Driscoll, Janet Graham, John van Haastrecht, Saul Shulman and Richard J. Zarzeczny. The term of office of each Trustee expires at the time of the Meeting unless successors are not elected, in which case the Trustees remain in office until their successors are elected or appointed in accordance with applicable law and the Declaration of Trust.

Pursuant to the terms of a management agreement (the "Management Agreement") between the REIT and C.A. Realty Management Inc. (the "Manager"), the Manager has the right to nominate two individuals to stand for election as Trustees of the REIT (such number of individuals to be nominated by the Manager will be proportionately adjusted to reflect any increase or decrease in the number of Trustees). The nominees of the Manager at the Meeting shall be John F. Driscoll and Richard J. Zarzeczny.

Management proposes to nominate, and the persons named in the accompanying form of proxy will vote for (in the absence of specifications or instructions to withhold from voting on the proxy), the election of the five persons whose names are set forth below, but will not vote for a greater number of persons than the number of nominees named in the form of proxy. Management does not contemplate that any of the nominees will be unable to serve as a Trustee. If, as a result of circumstances not now contemplated, any nominee is unavailable to serve as a Trustee, the proxy will be voted for the election of such other person or persons as management may select. Each Trustee elected will hold office until the next annual meeting of unitholders, or until his/her respective successor is elected or appointed in accordance with applicable law and the Declaration of Trust.

The following table sets forth information with respect to each of the management nominees for Trustee, including the number of securities of the REIT beneficially owned, directly or indirectly, or over which control or direction is exercised by each such nominee, as at the date of this Circular:

JOHN F. DRISCOLL ⁽¹⁾⁽²⁾ Toronto, Ontario Age: 67 <i>Chairman, Chief Executive Officer and Trustee of the REIT</i>	<p>John F. Driscoll is the Chairman of the Board of Trustees and Chief Executive Officer of the REIT and the Chairman and Chief Executive Officer of C.A. Bancorp Inc. In 1988, Mr. Driscoll founded Petrofund Energy Trust and was its Chairman from 1988 until it was sold in June 2006 for \$2.99 billion to Penn West Energy Trust to create the largest conventional oil and gas trust in North America with an enterprise value of more than \$11 billion. Mr. Driscoll is the founding President, Chairman and Chief Executive Officer of Sentry Select Capital Inc. and also founded, and has been Chairman of, NCE Resources Group since 1984 and is the Chairman of Inter Pipeline Fund since October 2002. Mr. Driscoll has been the Chairman of Endeavour Energy Inc., a junior oil and gas exploration and production company, since its founding in 2002. Mr. Driscoll has been President of J.F. Driscoll Investment Corp. since 1981, a company specializing in investment management and related advisory and consulting services.</p> <p>Mr. Driscoll received his Bachelor of Science degree from the Boston College Business School and attended the New York Institute of Finance for advanced business studies. Mr. Driscoll has more than 35 years of diversified business experience. Mr. Driscoll is a member of the CFA Institute and has attained the professional manager designation with the Canadian Institute of Management. He has founded numerous public partnerships as well as public and private energy and investment companies. Mr. Driscoll was a member of the Royal Ontario Museum Foundation Board of Directors from January 2001 to February 2008 and served as its Vice-Chair from June 2003 to February 2008.</p>
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Securities Owned/Controlled		
Units		1,382,733
Unit Options		249,500
Board and Committees		2008 Attendance at Meetings⁽³⁾
Board		7/7
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
Alliance Split Income Trust	2004 – 2008	-
C.A. Bancorp Inc. (formerly Masthead Resources Ltd.)	2005 – Present	-
Canadian Income Management Trust	2005 – Present	-
Canadian Income Management Inc.	2005 – Present	-
CAPVEST Income Corp.	2005 – Present	-
Charter Real Estate Investment Trust (conversion from Charter Realty Holdings Ltd.)	2005 – Present	-
Commercial and Industrial Securities Income Trust	2002 – 2008	-
Diversified Income Trust II	2002 – 2008	-
Diversified Preferred Share Trust	2005 – Present	-
Global Alternative Investments Inc.	2006 – Present	Member of the Audit Committee
Global DiSCS Trust 2004-1	2006 – Present	-
Inter Pipeline Fund	2002 – Present	-
Multi Select Income Trust	2004 – Present	-
NCE Diversified Flow-Through (07) Limited Partnership	2006 – 2009	-
NCE Diversified Flow-Through (07-2) Limited Partnership	2007 – 2009	-
NCE Diversified Flow-Through (08) Limited Partnership	2008 – Present	-
NCE Diversified Flow-Through (09) Limited Partnership	2008 – Present	-
Oil Sands and Energy Mega- Projects Trust	2006 – Present	-
Oil Sands Split Trust	2005 – Present	-
Petrofund Energy Trust (NCE Petrofund & NCE Energy Trust Amalgamation)	2002 – 2006	-
Precious Metals and Mining Trust	2005 – Present	-
Premier Value Income Trust	2005 – Present	-
PRO-VEST Growth & Income Fund	2004 – Present	-
Select 50 S-1 Income Trust	2003 – Present	-
Select 50 S-1 Income Trust II	2003 – 2008	-
Sentry Select 40 Split Income Trust	2006 – 2008	-
Sentry Select Blue-Chip Income Trust	2001 – Present	-
Sentry Select China Fund	2007 – 2009	-
Sentry Select Commodities Income Trust	2005 – Present	-

Other Public Board Directorships During Last Five Years	Other Board Committee Memberships of Public Entities	
Sentry Select Diversified Income Fund (formerly Sentry Select Diversified Income Trust)	1997 – Present	-
Sentry Select Focused Growth & Income Trust	2001 – Present	-
Sentry Select Global Index Income Trust	2001 – Present	-
Sentry Select Lazard Global Listed Infrastructure Fund	2007 – Present	-
Sentry Select MBS Adjustable Rate Income Fund II	2005 – Present	-
Sentry Select Primary Metals Corp.	2007 – Present	-
Sentry Select Total Strategy Fund	2006 – 2009	-
Strategic Energy Fund	2002 – 2009	-
Sentry Select Global Real Estate Fund	2007 – Present	-
C.A. Bancorp Canadian Realty Finance Corporation	2008 – Present	-
C.A. Bancorp Realty Finance LP	2008 – Present	
130/30 Mining LP	2008 – Present	
SS FIDAC U.S. Mortgage Trust	2005 – 2008	
Mortgage Backed Securities Trust	2003 – 2007	
MBS Adjustable Rate Income Fund	2004 – 2007	
SEF Private Issuers Trust	2009 – Present	
Universal Infrastructure Corp.	2006 – Present	Member of the Audit Committee

JANET GRAHAM ⁽⁴⁾⁽⁵⁾	Janet Graham is a Trustee of the REIT. Since August 2002, Ms. Graham has been a Managing Director of IQ Alliance Incorporated, a Toronto-based real estate advisory services firm. Prior to joining IQ Alliance Incorporated, Ms. Graham was an independent consultant for a number of years, delivering real estate related financial advisory services to major corporate clients. Prior to March 1996, Ms. Graham held senior positions at a Canadian chartered bank and its affiliated investment bank for 15 years specializing in corporate finance and corporate lending to real estate and other companies. Ms. Graham is also a member of the Board of Directors of Crystal River Capital, Inc., a public Maryland corporation and a member of the Board of Directors of Toronto Waterfront Revitalization Corporation, a corporation without share capital. Ms. Graham is also a former trustee of IPC US Real Estate Investment Trust, a publicly traded Canadian real estate investment trust.	
Toronto, Ontario		
Age: 53		
Trustee of the REIT	Ms. Graham holds a Bachelor of Applied Science from Guelph University and a Master of Business Administration from York University and is a chartered accountant.	
Securities Owned/Controlled		
Units	12,350	
Unit Options	50,000	
Board and Committees		2008 Attendance at Meetings ⁽³⁾
Board	7/7	
Audit Committee	4/4	
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
Crystal River Capital, Inc.	2005 – Present	Member of the Audit Committee Member of the Compensation Committee Member of the Nominating and Corporate Governance Committee
IPC US REIT	2003 – 2007	Member of the Audit Committee

JOHN VAN HAASTRECHT ⁽⁵⁾	John van Haastreht is a Trustee of the REIT. Mr. van Haastreht is currently a Chartered Director and is the President of Vanreal Ltd., an operator and developer of commercial retail shopping centres that was founded by Mr. van Haastreht in 2001. Prior to that, Mr. van Haastreht was a trustee and the President and Chief Executive Officer of Morguard Real Estate Investment Trust, a publicly traded real estate investment trust. In addition to his business activities, Mr. van Haastreht is also President of the Board of the Royal Military College Foundation.	
Toronto, Ontario		
Age: 65		
Trustee of the REIT	Mr. van Haastreht graduated from the Royal Military College with an Applied Science Degree.	
Securities Owned/Controlled		
Units	26,440	
Unit Options	50,000	
Board and Committees		2008 Attendance at Meetings ⁽³⁾
Board	7/7	
Audit Committee	4/4	
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
-		-

<p>SAUL SHULMAN⁽⁵⁾</p> <p>Toronto, Ontario</p> <p>Age: 70</p> <p>Trustee of the REIT</p>	<p>Saul Shulman is a Trustee of the REIT. Since January 1, 2005 Mr. Shulman has been the Chief Executive Officer of MLG Management Inc. Prior to this, Mr. Shulman was a partner at Goodman and Carr LLP for 39 years. He is also a trustee of Great Lakes Hydro Income Fund, a hydro company, a director of Tricon Capital Group Inc., a leading provider of equity and mezzanine loans to North America's real estate development industry and a director of 1281216 Ontario Inc. (Castlemore Golf & Country Club/Intracorp Developments Ltd.), a residential developer. He also serves as a chairman for a number of private companies. Mr. Shulman is a former trustee of Summit Real Estate Investment Trust (now ING Real Estate Investment Trust), a public real estate investment trust and has previously held directorship positions with: Brookfield Asset Management, a public real estate, hydro and asset management company; Brookfield Power Inc., a power operation; and JDS Investment Limited, a public real estate company. In 1983, Mr. Shulman was appointed as Special Counsel to the Board of Directors of Mascan Corp. (the Board was appointed by the Supreme Court of Ontario), a publicly traded property developer.</p> <p>Mr. Shulman earned a law degree from Osgoode Hall in 1963 and was appointed Queen's Counsel in 1984. He also earned a Bachelor of Commerce degree from the University of Windsor in 1960.</p>	
Securities Owned/Controlled		
Units		-
Unit Options		-
Board and Committees		2008 Attendance at Meetings ⁽³⁾
Board		N/A ⁽⁶⁾
Audit Committee		N/A ⁽⁶⁾
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
Great Lakes Hydro Income Fund	2009 – Present	Member of the Audit Committee
Summit Real Estate Investment Trust	1985 – 2006	Member of the Investment Committee Member of the Audit Committee
Brookfield Asset Management Inc.	1997 – 2004	-

RICHARD J. ZARZECZNY⁽²⁾	Richard J. Zarzeczny is a Trustee of the REIT and a director of C.A. Bancorp Inc. Since 1984, Mr. Zarzeczny has been president of Canadian Enerdata Limited, an energy and economic consulting firm specializing in oil and gas industry analysis and price forecasting. He is also the publisher/editor of the Canadian Gas Price Reporter, the industry benchmark for Canadian natural gas prices and price indices.	
Stouffville, Ontario		
Age: 59	Mr. Zarzeczny graduated from Simon Fraser University in 1980 with a Master of Arts degree in Economics specializing in econometrics and in 1975 received a Master of Arts degree in Mathematics from the University of Regina.	
Trustee of the REIT		
Securities Owned/Controlled		
Units	5,000	
Unit Options	55,000	
Board and Committees		2008 Attendance at Meetings⁽³⁾
Board	7/7	
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
C.A. Bancorp Inc.	2005 – Present	Chair/Member of the Audit Committee Chair of the Independent Committee (2009 – Present) Member of the Corporate Governance, Compensation & Nominating Committee (2006 – Present)
Strategic Energy Fund	2002 – 2009	Member of the Audit Committee
Endev Energy Inc.	2002 – 2008	Member of the Audit Committee and Reserves Committee
Capvest Income Corp.	2005 – 2009	Chair of the Audit Committee Member of the Corporate Governance and Nomination Committee (2006 – 2009)
Canadian Income Management Inc.	2005 – Present	Member of the Audit Committee
Sentry Select Total Strategy Fund	2006 – 2009	-
Global Alternative Investments Inc.	2006 – Present	Member of the Audit Committee
Universal Infrastructure Corp.	2006 – Present	Member of the Audit Committee
Sentry Select Primary Metals Corp.	2007 – Present	Chair of the Audit Committee Member of the Corporate Governance Committee (2007 – Present)
NCE Diversified Management Limited Partnership (07)	2006 – 2009	-
NCE Diversified Management Limited Partnership (07-2)	2007 – 2009	-
NCE Diversified Management Limited Partnership (08)	2007 – Present	-
NCE Diversified Management Limited Partnership (09)	2008 – Present	-

Notes:

- (1) Chair of the Board of Trustees.
- (2) Nominee of the Manager.
- (3) Attendance figures reflect the attendance at meetings of the Board of Trustees of the REIT held in 2008.
- (4) Chair of the Audit Committee.
- (5) Member of the Audit Committee.
- (6) Mr. Shulman was appointed to the Board of Trustees on March 24, 2009.

Re-Appointment of Auditor

At the Meeting, unitholders will be asked to re-appoint Deloitte & Touche LLP as the auditor of the REIT, based on the recommendation of the Audit Committee and the Board. Deloitte & Touche LLP has been the auditor of the REIT since May 2007 and prior to that, to the REIT's predecessor, Charter Realty Holdings Ltd., since incorporation in 2005. The persons named in the accompanying form of proxy will, in the case of a ballot and in the absence of specifications or instructions to withhold from voting on the form of proxy, vote for the re-appointment of Deloitte & Touche LLP as the auditor of the REIT to hold office until the next annual meeting of unitholders of the REIT and to authorize the Audit Committee to fix the auditor's remuneration.

Representatives of Deloitte & Touche LLP are expected to attend the Meeting, will have an opportunity to make a statement (if they so desire) and are expected to be available to respond to appropriate questions.

Amended and Restated Unit Option Plan

On May 6, 2008, unitholders ratified the amended and restated unit option plan (the "Unit Option Plan") implemented by the Board of Trustees. The Unit Option Plan provides that the maximum number of Units that may be reserved and set aside for issuance under the plan shall not exceed 10% of the issued and outstanding Units at the time of grant. As a result of this "rolling cap", the Unit Option Plan must be approved by unitholders on an annual basis pursuant to the policies of the TSX Venture Exchange. For a description of the key terms of the Unit Option Plan, please see "Statement of Executive Compensation –Unit Option Plan". At the Meeting, unitholders will be asked to approve the following ordinary resolution of unitholders approving the Unit Option Plan:

BE IT RESOLVED THAT:

1. the unit option plan of Charter described in Charter's Management Information Circular for this annual and special meeting of unitholders (the "Unit Option Plan") be approved; and
2. any one trustee or officer of Charter be and is hereby authorized, for and on behalf of Charter, to execute and deliver any and all documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action and the Trustees are hereby authorized to grant from time to time options in accordance with the provisions of the Unit Option Plan and the policies of the TSX Venture Exchange.

The persons named in the accompanying form of proxy will, in the case of a ballot and in the absence of specifications or instructions to vote against the Unit Option Plan on the form of proxy, vote for the approval of the Unit Option Plan.

Potential Amendments to the Declaration of Trust

At the Meeting, unitholders will be asked to vote on the following special resolution, with or without variation:

BE IT RESOLVED THAT:

1. the amendments to the declaration of trust of Charter dated March 27, 2007 (the "Declaration of Trust") to authorize Charter, in the event that the Trustees determine such amendments to be desirable, to create and issue a new class of preferred equity securities ("Preferred Units"), issuable in unlimited series, substantially as described in this Circular, and such additional and/or alternative amendments to the Declaration of Trust that the Trustees determine to be necessary or advisable from time to time to facilitate the authorization and issuance of Preferred Units, be and are hereby approved and, when so amended and/or restated by the Trustees from time to time, the Declaration of Trust, as so amended and/or restated, shall be the declaration of trust of Charter approved by this resolution;

2. notwithstanding that this resolution has been passed, the Trustees of Charter may, without any further notice to or approval of the holders of trust units or special voting units of Charter, revoke this resolution at any time prior to the amendments to and/or restatements of the Declaration of Trust or decide not to proceed with the amendments and/or restatements of the Declaration of Trust; and
3. any one trustee or officer of Charter be and is hereby authorized, for and on behalf of Charter, to execute and deliver any and all documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

Background to the Proposed Amendments to the Declaration of Trust

Based on consultations with investment bankers, the Trustees are of the view that a security bearing a priority return to the Units may be attractive to investors and may increase Charter's opportunity to access capital in the current economic and market environment. In the United States, preferred equity is a source of financing that plays a substantial role in the capital structure of a large number of publicly-traded real estate investment trusts. In Canada, preferred equity is regularly issued by Canada's six largest chartered banks and investors have shown consistent demand for these offerings. In the current economic and market environment, securities bearing a preferred return have emerged as a type of investment attractive to investors. Such securities satisfy investors' desire for a specified yield and reduced risk by virtue of their priority over the common equity of the issuer.

Moreover, as a Canadian real estate investment trust, Charter is well positioned to offer preferred equity in a manner that may be highly attractive to taxable Canadian investors. All of Charter's distributions to unitholders in 2008 consisted of tax-deferred returns of capital, thereby significantly enhancing a unitholder's after-tax yield on their investment. In the event Preferred Units are issued, income and returns of capital would be allocated to the Units and Preferred Units on the same proportionate basis. Accordingly, Charter believes that its current tax attributes will enable it to issue Preferred Units that will pay distributions on a fully or partially tax-deferred basis for the foreseeable future. As an example, based on 2009 top marginal tax rates for an individual resident in Ontario and assuming all distributions are tax-deferred returns of capital, the after-tax return on a Preferred Unit would be approximately 43% higher than interest income from a bond or debenture with an equivalent pre-tax return.

Charter, after consulting with investment bankers, believes that Preferred Units would be attractive to investors given that they would offer investors certain characteristics of a fixed income security as well as a distribution yield on a tax-deferred basis. Charter believes that Preferred Units may lower its cost of capital thereby allowing it to pursue value creation for its unitholders through accretive acquisitions.

Charter's ability to maintain and create value for its unitholders is dependent, in part, on its ability to raise capital from public markets at a reasonable cost and in a timely manner. In the current economic and market environment, despite its consistent operational performance, attractive distribution yield, strong balance sheet and conservative payout ratio, Charter has seen its unit price decline such that its cost of equity is extremely high. At the same time, the quantity and quality of attractive acquisition opportunities that Charter observes in the marketplace continues to increase. Charter believes that it could create unitholder value by executing on some of these opportunities, although it is reluctant to do so unless it can fund the equity component of such acquisitions with equity capital as it believes that using incremental borrowing from creditors could expose unitholders to inappropriate levels of financial risk. Charter has therefore been exploring equity financing alternatives that would lower its cost of capital.

After careful consideration of all of the above and consultations with its investment banking, legal and accounting advisors, Charter believes that potential amendments to the Declaration of Trust so as to permit the issuance of Preferred Units is in the best interest of its unitholders. The provision for the issuance of preferred units will provide Charter with greater flexibility to actively pursue value enhancing opportunities and acquisitions by providing Charter with greater flexibility in raising capital.

Charter is currently an open-ended trust. In connection with authorizing the issuance of Preferred Units, the Declaration of Trust may also be amended to convert to a closed-ended trust, which would remove unitholders' rights of redemption to ensure that Charter and/or the Preferred Units are characterized in the appropriate manner

from a tax, accounting or other relevant perspective (e.g., ensuring that Preferred Units that would otherwise be characterized as equity for accounting purposes are not recharacterized as debt simply because of unitholders' rights of redemption). In such circumstances, Charter will cease to qualify as an open-ended trust. Instead, if such proposed amendments to the Declaration of Trust are implemented, Charter intends to qualify as a closed-ended trust under paragraph 108(2)(b) of the *Income Tax Act* (Canada) (the "Tax Act") in order that it will continue to qualify as a "mutual fund trust" for purposes of the Tax Act. This means that Charter must satisfy, throughout each relevant period, a number of conditions including, without limitation, the following:

- (i) at least 80% of Charter's assets must consist of shares, cash or bonds, debentures, mortgages, notes or other similar obligations, marketable securities or Canadian real estate;
- (ii) not less than 95% of its income (computed without regard to any distributions) for each year must be derived from, or from the disposition of, investments described in (i); and
- (iii) not more than 10% of Charter's assets may consist of shares, bonds or securities of any one corporation or debtor.

Given Charter's intention to satisfy certain asset and revenue based tests in order to qualify as a "real estate investment trust" for purposes of the Tax Act, the Trustees are of the view that satisfying the conditions of a closed-ended trust will not result in any material restrictions on the current activities of Charter. As well, given the fact that the current redemption right offered to unitholders is based on a discounted market price, subject to a monthly cap, the Trustees are also of the view that becoming a closed-ended trust will not result in any material restrictions for unitholders. Trading on the TSX Venture Exchange would continue as the primary mechanism for unitholders to dispose of their Units.

Prior to implementing any proposed amendments to the Declaration of Trust, Charter intends to obtain an advance tax ruling from the Canada Revenue Agency confirming certain tax consequences of the amendments to Charter and the unitholders. Charter will not proceed with the proposed amendments unless the Canada Revenue Agency confirms in its ruling that, among other things, the proposed amendments will not, in and of themselves, result in a disposition by existing unitholders of the Units or result in a disposition by Charter of its property. Furthermore, the proposed resolution provides that, notwithstanding that the resolution has been passed, the Trustees of Charter may, without any further notice to or approval, revoke the resolution at any time prior to the amendments to and/or restatements of the Declaration of Trust or decide not to proceed with the amendments and/or restatements of the Declaration of Trust.

Details of Amendments

The material amendments that would be made to the Declaration of Trust should the Trustees decide, are as follows:

- (a) **Redemption.** The current redemption right allows a unitholder to require Charter at any time on demand to redeem their Units. Upon such redemption, all of such unitholder's rights to and under the Units tendered are surrendered, and the unitholder is entitled to receive a price per Unit as determined by a discounted market price formula, subject to a monthly aggregate cash cap for all Units tendered in such month of \$50,000. The redemption price payable by Charter is to be satisfied by way of a cash payment or, in certain circumstances, including where such payment would cause the monthly cash cap to be exceeded, by way of an *in specie* distribution (that is, a proportionate distribution of unsecured subordinated promissory notes of subsidiaries of Charter or of itself). The Declaration of Trust would be amended to remove the redemption right attaching to the Units. Trading on the TSX Venture Exchange would continue as the primary mechanism for unitholders to dispose of their Units.
- (b) **Issuance of Preferred Units.** The Declaration of Trust would be amended to authorize the creation of the Preferred Units issuable in one or more series. The Trustees would be able to fix from time to time before such issue the number of Preferred Units which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Units including, without limiting the generality of the foregoing, any voting rights, the

rate or amount of distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the Trust, and any sinking fund or other provisions. The Trustees would take into account prevailing market conditions at the time of any issuance of Preferred Units.

- (c) **Cash Distributions.** The Declaration of Trust would be amended to reflect that cash distributions are payable to holders of Units only after payment in full of the distributions to which the holders of Preferred Units are entitled. For so long as any Preferred Units remain issued and outstanding, Charter shall not pay or declare payable any cash amount to holders of Units unless and until the distribution entitlements of the Preferred Units have been paid in full.
- (d) **Income Allocation.** The Declaration of Trust would be amended to change the income allocation provision so that it applies to all Units and Preferred Units *pro rata* on the basis of distributions paid.
- (e) **Distributions Upon Liquidation, Dissolution or Winding-Up of Charter.** The Declaration of Trust would be amended to change the distributions to which holders of Units are entitled upon the liquidation, dissolution or winding-up of Charter to the amount of the net assets of Charter remaining after payment of all liabilities thereof and the liquidation entitlements to which the Preferred Units are entitled. The Preferred Units of each series shall, with respect to the payment of distributions and the distribution of assets of Charter or return of capital in the event of liquidation, dissolution or winding-up of Charter, whether voluntary or involuntary, or any other return of capital or distribution of assets of Charter among its unitholders for the purpose of winding-up its affairs, be entitled to preference over the Units.
- (f) **Other Amendments.** Certain provisions contained in the Declaration of Trust would be required to be amended as a consequence of creating the Preferred Units, to clarify the distinctions between the classes of units, and to make certain other amendments as the Trustees determine are appropriate to clarify or address minor practical issues which have arisen from time-to-time since the Declaration of Trust was last amended.

In order to be effective, the resolution approving amendments to the Declaration of Trust must be approved by special resolution.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Pursuant to the Management Agreement, the Manager provides strategic advisory, asset management and administrative services to the REIT, subject to the overriding supervision of the Board. The Manager provides the REIT with a management team that has significant experience in all aspects of real property asset management, including leasing and tenant relations, property acquisitions and dispositions, real estate and corporate financing and development, redevelopment and construction. The REIT currently has no employees and bears no costs with respect to any staff. All staff, including the Named Executive Officers (as defined below) are paid through the Management Agreement. All costs associated with the current executive management team are either borne by the Manager or by Sentry Select Capital Inc. (“Sentry Select”) on behalf of the Manager.

The Trustees have discretion over grants made to officers or employees of the REIT under the Unit option plan which also forms part of an employee’s or officer’s total compensation.

In accordance with the terms of the Management Agreement, the Manager is required to consult with the independent Trustees with regard to compensation decisions for executives who devote substantially all of their time to the business of the REIT. This process helps ensure that the executive officers are compensated adequately, in order to attract, motivate and retain key personnel which is the key objective of the compensation program for the Named Executive Officers.

The elements of compensation for the Named Executive Officers who devote substantially all of their time to the business of the REIT generally consist of the following: (i) base salary; (ii) short-term incentives in the form of a cash bonus; and (iii) long-term incentives in the form of Unit options. These three elements help to motivate key personnel both in the short-term and long-term with a long-term alignment with unitholders. The base salaries and short-term incentives are borne by the Manager through the mechanics of the Management Agreement. The long-term incentives in the form of Unit options are borne by the REIT. With respect to base salary, there is no formal process in place (other than the consultation with the independent Trustees mentioned above) to adjust the base salaries. The base salaries paid to the Named Executive Officers rewards their respective skills, capabilities, knowledge and experience and level of responsibility. In light of current economic conditions, no salary increases have been awarded for the Named Executive Officers in 2009. With respect to the short-term cash incentives, generally the Named Executive Officers who devote substantially all of their time to the business of the REIT are eligible to receive an annual bonus that is tied to the Management Agreement fees paid, with a guaranteed minimum bonus payable. The bonuses are paid within 90 days following the REIT's fiscal year and are designed to reward the achievement of individual and corporate performance. With respect to the Unit options, the Trustees review the possibility of grants annually. The grant of options is designed to encourage long-term ownership in the REIT and also align the interests of the Named Executive Officers with unitholders. The Board of Trustees has complete discretion over grants made to officers or employees of the REIT under the Unit Option Plan (discussed below).

Summary Compensation Table⁽¹⁾

The following table sets forth a summary of all compensation earned during fiscal 2006, 2007 and 2008 by the Chief Executive Officer, President & Chief Operating Officer, Chief Financial Officer and Charter's two other most highly compensated executive officers (collectively, the "Named Executive Officers") whose services are provided by the Manager.

Name and Principal Position	Year	Salary (\$) ⁽²⁾	Option-Based Awards (\$)	Non-Equity Annual Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$)	Total Compensation (\$)
JOHN F. DRISCOLL ⁽³⁾ Chairman and Chief Executive Officer	2008	-	-	-	-	-
	2007	-	83,178	-	-	83,178
	2006	-	-	-	-	-
ARI SILVERBERG ⁽⁴⁾⁽⁵⁾ President & Chief Operating Officer	2008	210,000	-	60,000	-	270,000
	2007	200,000	116,423	93,350	-	409,773
	2006	61,872	12,228	35,000	12,072	121,172
FLORIANA CIPOLLONE ⁽⁶⁾ Chief Financial Officer	2008	170,000	-	40,000	-	210,000
	2007	151,846	78,435	40,000	-	270,281
	2006	-	-	-	-	-
STEVE RONALD ⁽⁷⁾ Vice President, Acquisitions	2008	150,000	-	20,000	-	170,000
	2007	84,583	46,980	20,000	-	151,563
	2006	-	-	-	-	-
SANDRA WILSON ⁽⁸⁾ Vice President, Accounting and Reporting	2008	171,215	-	-	-	171,215
	2007	83,711	-	-	-	83,711
	2006	-	-	-	-	-

Notes:

- (1) Under a plan of arrangement under section 182 of the Business Corporations Act (Alberta) (the "Plan of Arrangement"), Charter Realty Holdings Ltd. converted to a real estate investment trust and became the REIT on May 10, 2007. The disclosure in the foregoing Summary Compensation Table relating to the period before such date is in respect of Charter Realty Holdings Ltd., the predecessor to the REIT ("Charter Realty"). Charter Realty was incorporated under the laws of the province of Alberta on March 29, 2005.
- (2) The compensation disclosed herein to the identified individual was paid by Sentry Select (on behalf of the Manager), and represents that amount of the individual's total compensation which was attributable to services rendered to the REIT and Charter Realty, on the basis of the proportion of the individual's time which was dedicated to the business and affairs of the REIT and Charter Realty in the individual's capacity as an officer during the fiscal years ended December 31, 2006, 2007 and 2008. Each of Mr. Silverberg, Ms. Cipollone, Mr. Ronald and Ms. Wilson devoted all of their time to the affairs of the REIT and Charter Realty. None of the compensation paid to Mr. Driscoll in 2006, 2007 and 2008 by Sentry Select was attributable to services provided by Mr. Driscoll to the REIT and Charter Realty as the amount of time devoted to the REIT's or Charter Realty's affairs by him, as compared to the amount of time he devoted to the business of Sentry Select, was not material.
- (3) John F. Driscoll was appointed Chairman on March 27, 2007. Prior to this date, but after February 28, 2007, Mr. Driscoll was Chief Executive Officer. Prior to February 28, 2007, Mr. Driscoll was President and Chief Executive Officer.
- (4) Ari Silverberg commenced employment with Charter Realty on September 5, 2006 as Chief Operating Officer and the compensation disclosed for fiscal 2006 represents Mr. Silverberg's compensation from that date.
- (5) Ari Silverberg was appointed President & Chief Operating Officer on February 28, 2007.
- (6) Floriana Cipollone joined Charter Realty on January 8, 2007 on a contract basis (the contract being replaced by an employment agreement on April 1, 2007). On February 28, 2007, Ms. Cipollone was appointed Chief Financial Officer. Ms. Cipollone's compensation for 2007 relates to the period from January 8, 2007.
- (7) Steve Ronald commenced employment with the REIT on June 4, 2007 and the compensation disclosed for 2007 represents Mr. Ronald's compensation from that date. Mr. Ronald's employment with the REIT ended in February 2009.
- (8) Sandra Wilson has been working with the REIT on a contract basis since July 2007 and the compensation disclosed for 2007 represents amounts paid to Ms. Wilson for time worked from that date. Ms. Wilson's contract with the REIT ended in March 2009.

Outstanding Unit-Based Awards and Option-Based Awards

The following table provides a summary of Unit-based awards for each Named Executive Officer outstanding at December 31, 2008.

Name	Option-Based Awards			
	Number of Units Underlying Unexercised Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)
JOHN F. DRISCOLL Chairman and Chief Executive Officer	249,500	7,500 - \$2.00 32,000 - \$2.00 200,000 - \$3.45	Sept. 15, 2010 Feb. 26, 2012 Sept. 5, 2012	– – –
ARI SILVERBERG President and Chief Operating Officer	353,500	18,500 - \$2.40 35,000 - \$2.00 300,000 - \$3.45	Oct. 19, 2011 Feb. 26, 2012 Sept. 5, 2012	– – –
FLORIANA CIPOLLONE Chief Financial Officer	240,000	10,000 - \$2.00 230,000 - \$3.45	Feb. 28, 2012 Sept. 5, 2012	– –
STEVE RONALD ⁽²⁾ Vice President, Acquisitions	150,000	\$3.45	Sept. 5, 2012	–
SANDRA WILSON Vice President, Accounting and Reporting	–	–	–	–

Notes:

- (1) All options have a term of five years and vest in equal proportions as follows: One third immediately on the date of grant, one third on the first anniversary date from the date of grant and one third on the second anniversary date from the date of grant.
- (2) As a result of Mr. Ronald's employment with Charter ending in February 2009, Mr. Ronald will have 90 days to exercise his options, which period ends on May 28, 2009. Any options unexercised at this date will be cancelled.

Incentive Plan Awards – Value Vested or Earned During Year Ended December 31, 2008

The following table provides a summary of the value vested or earned for incentive plan awards for each Named Executive Officer during the fiscal year ended December 31, 2008.

Name	Option-Based Awards – Value Vested During Fiscal 2008 (\$)	Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2008 (\$)
JOHN F. DRISCOLL Chairman and Chief Executive Officer	1,067	–
ARI SILVERBERG President and Chief Operating Officer	1,167	60,000
FLORIANA CIPOLLONE Chief Financial Officer	–	40,000
STEVE RONALD Vice President, Acquisitions	–	20,000
SANDRA WILSON Vice President, Accounting and Reporting	–	–

Unit Option Plan

Charter's Unit Option Plan authorizes the REIT to grant options for the purchase of Units ("Unit Options") to any employee, officer, Trustee or director of the REIT or its subsidiaries; any employee of the Manager; and any consultant of the REIT and its subsidiaries to whom Unit Options can be granted in reliance on a prospectus and registration exemption under applicable securities laws ("Eligible Persons", and each such person holding Unit

Options and participating in the Unit Option Plan is hereinafter referred to as an “Optionee”). The number of Unit Options issuable under the Unit Option Plan is subject to the following restrictions:

- (a) No single Optionee may be granted Unit Options to purchase a number of Units equalling more than 5% of the issued Units in any one 12-month period.
- (b) Unit Options shall not be granted if the exercise thereof could result in the issuance of more than 2% of the issued Units in any one 12-month period to any one consultant of the REIT or its subsidiaries.
- (c) Unit Options shall not be granted if the exercise thereof could result in the issuance of more than 2% of the issued Units in any one 12-month period to persons employed to provide “Investor Relations Activities” (as such terms are defined in the policies of the applicable stock exchange) for the REIT. Unit Options granted to consultants performing Investor Relations Activities for the REIT will contain vesting provisions such that vesting occurs over at least 12 months with no more than 25% of the options vesting in any three month period.
- (d) The number of Units reserved for issuance under the Unit Option Plan to Eligible Persons, at any time, cannot exceed 10% of issued and outstanding Units.

The Unit Option Plan provides that the terms of the Unit Options granted and the Unit Option prices shall be fixed by the Trustees subject to the price and other restrictions imposed by the relevant regulatory authorities, but shall not be less than the market price per Unit at the time of grant less the permissible discount permitted by the rules of any stock exchange or other regulatory body having jurisdiction. Unit Options granted under the Unit Option Plan are not transferable or assignable. Unit Options granted under the Unit Option Plan shall be for a term determined by the Trustees but in any event must be exercisable for a period not in excess of five years. Unit Options granted under the Unit Option Plan shall vest in such a manner as determined by the Trustees and the exercise price must be paid in full upon exercise of the Unit Option. Notwithstanding the preceding sentence, the Unit Option Plan provides for the automatic vesting of options in the event (i) there is a direct or indirect change in control of Charter, or (ii) an employee is terminated without cause or resigns for good reason in connection with a change in control of the Manager. The administration and operation of the Unit Option Plan may be delegated by the Board of Trustees to a committee of the Trustees, any officer of the REIT or to a duly appointed manager of the affairs of the REIT.

If an Optionee ceases to be an Eligible Person for any reason other than death, retirement or permanent disability, the Optionee will have a period not in excess of 90 days from the date the person ceased to be an Eligible Person to exercise Unit Options held to the extent that the Optionee was entitled to exercise the Unit Options at the date of such cessation. In the event of death of the Optionee, Unit Options previously granted are exercisable for a period not in excess of 180 days from the date of death to the extent that the Optionee was entitled to exercise the Unit Option at the date of death. In the event of termination of employment by reason of retirement or disability, the Optionee will have a period not in excess of 90 days from the date the person ceased to be an Eligible Person to exercise the Unit Options held to the extent that the Optionee was entitled to exercise the Unit Options at the date of such cessation, provided that if the Optionee dies during such period, then such period shall be extended for 90 days following death. Notwithstanding the foregoing, Unit Options granted to an Optionee engaged or employed by the REIT in Investor Relations Activities must expire within 30 days after the Optionee ceases to be engaged or employed by the REIT to provide Investor Relations Activities. The Trustees may at any time discontinue the Unit Option Plan and, subject to applicable regulatory approval, may amend the terms of the Unit Option Plan, provided that no amendment may be made without the consent of an Optionee, if it in any manner adversely affects an Optionee’s rights under any option previously granted to such Optionee under the Unit Option Plan.

Termination of Employment, Change of Control and Employment Contracts

Ari Silverberg and Floriana Cipollone have entered into employment agreements with Sentry Select (on behalf of the Manager). Ari Silverberg’s employment agreement became effective September 5, 2006 and Floriana Cipollone’s employment agreement became effective April 1, 2007.

The employment agreement of Ari Silverberg provides for a base salary of \$210,000 per year (reviewable annually). Mr. Silverberg's bonus consists of a guaranteed minimum bonus of \$60,000 per year and remaining bonus tied to: (i) monies raised; and (ii) fees paid to the Manager under the Management Agreement. The employment agreement of Floriana Cipollone provides for a base salary of \$170,000 per year (reviewable annually). Ms. Cipollone's bonus consists of a guaranteed minimum bonus of \$35,000 per year and remaining bonus tied to fees paid to the Manager under the Management Agreement.

The employment agreements for Mr. Silverberg and Ms. Cipollone are for indefinite terms and continue until terminated in accordance with the provisions for termination contained therein. Each of the employment agreements may be terminated on the death of the Named Executive Officer or for just cause. The employment agreements further provide that in any other case of termination of the employment agreement, there will be a lump-sum payment of six months' base salary (until two years of service have been completed) or nine months' base salary (after two years of service have been completed). The following are the amounts of the severance payments that would have been made to Mr. Silverberg and Ms. Cipollone in the event of the termination of employment (for any reason other than death or just cause) as of December 31, 2008: Ari Silverberg \$157,500 and Floriana Cipollone \$85,000. As a result of Mr. Ronald's employment ending in February 2009, Mr. Ronald was paid \$81,346. Ms. Wilson received no payment as a result of her contract ending in March 2009.

In the event of termination of the Management Agreement by (i) the REIT following a change of control of the Manager or its parent or (ii) the Manager following a change of control of the REIT, and in the event of termination of the Management Agreement by either party under certain other circumstances, the REIT is obligated to make an offer to employ the Named Executive Officers who devote substantially all of their time to the business of the REIT, in a similar position with similar responsibilities at the same compensation and on terms and conditions substantially similar to the terms under which such individuals were employed at the time of termination of the Management Agreement. Should those individuals not accept the offers of employment and whose employment with the Manager, or the entities providing services to the Manager in order to permit the Manager to fulfil its obligations under the Management Agreement, is terminated, then the REIT is required to pay severance costs to those individuals.

In addition, on a change of control of the REIT, or when an employee is terminated without cause or resigns for good reason in connection with a change of control of the Manager, options in the REIT automatically vest.

Compensation of Trustees

The following table presents the details of all compensation provided to the Trustees for the year ended December 31, 2008.

Name	Fees Earned (\$)	Option-Based Awards	Non-Equity Incentive Plan Compensation	Total (\$)
JANET GRAHAM	34,500	–	–	34,500
JOHN VAN HAASTRECEHT	32,500	–	–	32,500
TIMOTHY UNWIN ⁽¹⁾	31,000	–	–	31,000
RICHARD J. ZARZECZNY	28,500	–	–	28,500

Notes:

(1) Timothy Unwin resigned as a Trustee of the REIT on February 27, 2009. Saul Shulman replaced him on March 24, 2009.

Each of the Trustees who are not officers of the REIT receive from the REIT an annual retainer in the amount of \$20,000 per year plus a fee of \$1,000 for each meeting of the Board attended. The chair of the Audit Committee receives an extra \$500 for each meeting of the Audit Committee attended. Trustees are also reimbursed for

reasonable travel and other expenses incurred by them in attending meetings of the Board or any committee meeting. The Trustees may also be granted Unit Options from time to time.

The following table provides a summary of Unit-based awards for each Trustee outstanding at December 31, 2008.

Name	Option-Based Awards			
	Number of Units Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)
JANET GRAHAM	50,000	\$3.45	Sept. 5, 2002	–
JOHN VAN HAASTRECEHT	50,000	\$3.45	Sept. 5, 2012	–
TIMOTHY UNWIN ⁽¹⁾	50,000	\$3.45	Sept. 5, 2012	–
RICHARD J. ZARZECZNY	55,000	2,000 - \$2.00 3,000 - \$2.00 50,000 - \$3.45	Sept. 15, 2010 Feb. 26, 2012 Sept. 5, 2012	– – –

Notes:

- (1) Timothy Unwin resigned as a Trustee of the REIT on February 27, 2009 and as a result, Mr. Unwin will have 90 days to exercise his options, which period ends on May 28, 2009. Any options unexercised at this date will be cancelled.

MANAGEMENT CONTRACTS

The REIT is managed by the Manager pursuant to the Management Agreement. The registered office of the Manager is located at The Exchange Tower, 130 King Street West, Suite 2810, Toronto, ON M5X 1A4. The initial term of the Management Agreement is for a five-year period, expiring on March 27, 2012. Upon expiry of the initial term, the Management Agreement will renew automatically for successive three-year terms, unless terminated in accordance with its terms. The terms of the Management Agreement are described in full under the heading “Asset Management of the REIT – Management Agreement”, in the REIT’s Annual Information Form dated February 27, 2009, which section is hereby incorporated by reference into this Circular.

Information regarding the directors and officers of the Manager is set forth in the chart below:

Directors and Officers of C.A. Realty Management Inc.

Name	Position	Province of Residence
JOHN F. DRISCOLL	Director, Chairman and Chief Executive Officer	Ontario
MARK GARDHOUSE	Director and President	Ontario
ARI SILVERBERG	Chief Operating Officer	Ontario
PAOLO DELUCA	Chief Financial Officer	Ontario
FLORIANA CIPOLLONE	Vice-President - Finance	Ontario
RYAN CAUGHEY	Corporate Secretary	Ontario

The Manager is a wholly-owned subsidiary of C.A. Bancorp Inc. C.A. Bancorp Inc. is also a significant unitholder of the REIT. Information regarding the directors and officers of C.A. Bancorp Inc. is set forth in the chart below:

Directors and Officers of C.A. Bancorp Inc.

Name	Position	Province of Residence
JOHN F. DRISCOLL	Director, Chairman and Chief Executive Officer	Ontario
TIM UNWIN	Director	Ontario
FRANK POTTER	Director	Ontario
RICHARD J. ZARZECZNY	Director	Ontario
PAUL HAGGIS	Director	Alberta
MARK GARDHOUSE	President and Director	Ontario
MICHAEL LOVETT	Managing Director, Real Estate Capital	Ontario
PAOLO DELUCA	Chief Financial Officer	Ontario
KURT BRANDS	Vice-President, Corporate Development	Ontario
HELEN MARTIN	General Counsel	Ontario
RYAN CAUGHEY	Corporate Secretary	Ontario

Pursuant to the Management Agreement, management fees of \$396,029 for the year ended December 31, 2008 were paid and payable to the Manager. Also pursuant to the Management Agreement, total acquisition fees of \$210,100 were paid to the Manager in connection with the acquisitions of Place Val Est and the Canadian Tire properties.

INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND SENIOR OFFICERS

None of the Trustees, executive officers or senior officers of the REIT or their respective associates were indebted at any time during fiscal 2008 to the REIT or its subsidiaries in connection with the purchase of the REIT's securities, excluding routine indebtedness or indebtedness that has been entirely repaid. As of the date of this Circular, there was no indebtedness to the REIT and its subsidiaries, excluding routine indebtedness, owing by present and former Trustees, officers and employees of the REIT and its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

John F. Driscoll is a Trustee and Chief Executive Officer of the REIT and is a director and officer of the Manager. The Manager is a wholly-owned subsidiary of C.A. Bancorp Inc. Mr. Driscoll currently owns approximately 12.0% of the outstanding voting shares of C.A. Bancorp Inc. and is a director and Chief Executive Officer of C.A. Bancorp Inc. Richard Zarzeczny is a Trustee of the REIT. Mr. Zarzeczny is also a director of C.A. Bancorp Inc. Ari Silverberg, Floriana Cipollone and Ryan Caughey are officers of the REIT and officers of the Manager. Ryan Caughey is also an officer of C.A. Bancorp Inc. C.A. Bancorp Inc. is the owner of the Manager, which is a party to the Management Agreement with the REIT. Both the Manager and C.A. Bancorp Inc. entered into a non-competition agreement with the REIT on March 27, 2007, the terms of which are described in the REIT's annual information form dated February 27, 2009 under the heading "Asset Management of the REIT – Non Competition Agreement".

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Charter has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and to ensure that the Board functions independently of management. Exhibit "A" sets forth the REIT's statement of corporate governance practices. Exhibit "B" sets out the mandate of the Board.

TRUSTEES' AND OFFICERS' LIABILITY INSURANCE AND INDEMNIFICATION

The REIT maintains insurance coverage for the Trustees and officers of the REIT for eligible claims arising during the course of their duties. The annual policy limit for the 2008/2009 term was \$5,000,000. Under the policy, the insurer will pay on behalf of the REIT for eligible claims against the Trustees, directors and officers in circumstances where the REIT is permitted or required to provide indemnification. Claims that are indemnified by the REIT are subject to the policy deductible of \$75,000. In addition, the insurance will pay on behalf of the individual Trustees, directors and officers eligible claims in the instance where the REIT is not in a position to provide indemnification. No deductible applies in this case. The insurance coverage has certain exclusions including, but not limited to, those acts determined to be deliberately fraudulent or dishonest or to have resulted in unauthorized personal profit or advantage. The REIT also maintains additional insurance coverage for the non-executive Trustees of the REIT (over and above the insurance described above) for eligible claims arising during the course of their duties. The additional annual policy limit for the 2008/2009 term was \$2,000,000. The \$2,000,000 of coverage for the non-executive Trustees is excess of the underlying insurance coverage of \$5,000,000 for the Trustees and officers of the REIT described above and is subject to the same terms and conditions. The cost of both insurances is borne by the REIT and was \$64,160 for the 2008/2009 annual policy term. The Trustees and officers have also entered into contractual indemnities with regard to the above indemnification obligations.

AUDIT COMMITTEE INFORMATION

The REIT has an Audit Committee to assist the Board in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of the REIT, the adequacy of internal accounting controls and procedures and the quality and integrity of financial statements.

Audit Committee Charter

Exhibit "C" sets out the full text of the charter of the Audit Committee.

Composition and Education

At the date of this Circular, the Audit Committee was composed of the persons named in the table below. The education and experience of each Audit Committee member that is relevant to such members' responsibilities as a member of the Audit Committee are also set out below.

Name	Relevant Education and Experience
JANET GRAHAM	<ul style="list-style-type: none">• Former trustee of IPC US Real Estate Investment Trust, a publicly traded Canadian real estate investment trust.• Director of Crystal River Capital, Inc., a public Maryland corporation formed in January 2005 for the purpose of acquiring and originating a diversified portfolio of commercial and residential real estate assets and structured finance investments.• Master of Business Administration degree from York University.• Chartered Accountant.
JOHN VAN HAASTRECHT.....	<ul style="list-style-type: none">• President of Vanreal Ltd., an operator and developer of commercial retail shopping centres.• Former trustee and President and Chief Executive Officer of Morguard Real Estate Investment Trust, a publicly traded real estate investment trust.• Applied Science degree from Royal Military College.
SAUL SHULMAN	<ul style="list-style-type: none">• Chief Executive Officer of MLG Management Inc.• Director of Tricon Capital Group Inc., a leading provider of equity and mezzanine loans to North America's real estate development industry.• Former Trustee of Summit Real Estate Investment Trust (now ING Real Estate Investment Trust), a public real estate investment trust.• Bachelor of Commerce degree from the University of Windsor.• Bachelor of Laws degree from Osgoode Hall.

The Board has determined that each member of the Audit Committee is "independent" and "financially literate" as defined in Multilateral Instrument 52-110 – *Audit Committees*.

Reliance on Certain Exemptions

At no time since May 10, 2007 (the date of formation of the REIT) has the REIT relied on any exemptions set forth in National Instrument 52-110 — *Audit Committees*.

Pre-approval Policies and Procedures

The Audit Committee approves, on a case by case basis, all non-audit services provided to the REIT thereof by the REIT's external auditors, Deloitte & Touche LLP.

External Auditor Service Fees (By Category)

The fees paid or payable by the REIT to Deloitte & Touche LLP, the REIT's external auditors, for the periods noted below for audit and non-audit services were as follows:

	<u>2008</u>
Deloitte & Touche LLP	
Audit Fees ⁽¹⁾	\$152,590
Audit-Related Fees ⁽²⁾	15,900
Tax Fees ⁽³⁾	25,000
All Other Fees ⁽⁴⁾	-
Total	<u>\$193,490</u>

Notes:

- (1) This category is intended to capture all fees in respect of services performed in order to comply with Canadian generally accepted auditing standards ("GAAS"). In some cases, these may include an appropriate allocation of fees for tax services or accounting consultations, to the extent such services were necessary to comply with GAAS. This category includes matters relating to the REIT's initial public offering and the conversion of Charter Realty to the REIT.
- (2) This category generally consists of fees in respect of assurance and related services reasonably related to the performance of the audit or review of the financial statements not reported under "audit fees". Included are such things as employee benefit plan audits, due diligence relating to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation, and consultation concerning financial accounting and reporting standards.
- (3) This category includes all fees in respect of services performed by the auditors' tax professionals, except those services required in order to comply with GAAS which are included under "audit fees". Tax services include tax compliance, tax planning and tax advice furnished in connection with Charter Realty's conversion to the REIT.
- (4) This category captures fees in respect of all services not falling under any of the foregoing three categories.

OTHER MATTERS

Management is not aware of any amendments or variations to matters identified in the Notice or of any other matters that are to be presented for action at the Meeting other than those described in the Notice.

Information stated in this Circular is dated as at May 22, 2009 except where otherwise indicated.

ADDITIONAL INFORMATION

Additional information relating to the REIT is available on SEDAR at www.SEDAR.com and financial information relating to the REIT is provided in the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2008.

To request copies of the REIT's financial statements and MD&A, unitholders may contact the REIT's Secretary directly.

APPROVAL BY THE TRUSTEES

The contents of this Circular and the sending thereof to the unitholders have been approved by the Board of Trustees.

Dated: May 22, 2009

BY ORDER OF THE BOARD OF TRUSTEES

“John F. Driscoll” (signed)
Chairman and Chief Executive Officer

EXHIBIT “A”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

While the business and affairs of Charter Real Estate Investment Trust (“Charter”) are managed by the Board of Trustees (the “Board”), Charter has delegated responsibility for managerial and executive oversight and certain administrative services to C.A. Realty Management Inc. (the “Manager”) pursuant to the management agreement dated March 27, 2007 (the “Management Agreement”).

Until such time as a separate committee is formed to deal specifically with such matters, the Board as a whole shall be responsible for addressing issues relating to the corporate governance of the REIT, including the engagement of officers of Charter (in accordance with the Management Agreement), board composition and general corporate governance practices.

National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* set out requirements and best practice standards for effective corporate governance. These rules require all reporting issuers in Canada to disclose their corporate governance practices. The REIT is pleased to make the following disclosure regarding its governance practices:

Mandate of the Board of Trustees

The Board is responsible for the stewardship of Charter and for the supervision of the management of the business and affairs of Charter. The Board’s general responsibilities are set out in the Board’s mandate, which is attached as Exhibit “B”.

Composition of the Board

The Board annually reviews the independence of the Trustees. The Board reviews the Trustees’ employment status, other board memberships, shareholdings and business relationships to determine whether there are any relationships which might interfere with a Trustee’s ability to make an independent judgment.

Although Charter does not have a lead Trustee, three of the five current members of the Board are independent under applicable securities laws. Mr. John F. Driscoll (the Chair of the Board) is not independent because he is Charter’s Chief Executive Officer and a nominee of the Manager. Mr. Richard Zarzeczny is not independent because he is a nominee of the Manager and a director of C.A. Bancorp Inc. (parent company to the Manager).

Some meetings of the Board may be followed by an “in camera” session where non-independent Trustees and management do not attend. Additionally, the Board may also hold meetings from time to time at which non-independent Trustees and members of management are not in attendance.

Board Committees

To assist in the discharge of its responsibilities, the Board has established the Audit Committee. All of the members of the Audit Committee are “independent” within the meaning of applicable securities laws. The Audit Committee operates pursuant to a written charter and meets “in camera” at each meeting. Other committees may be established by the Board from time to time as circumstances require.

Nomination of Trustees

In lieu of delegating such tasks to a corporate governance and nominating committee, the Board as a whole has the responsibility of identifying individuals qualified to become new Trustees of Charter and recommending to the Board the Trustees to be nominated for election at annual meetings of unitholders.

In evaluating the competencies and skills of potential new Trustees, the Board considers: (a) the competencies and skills the Board, as a whole, should possess; (b) the competencies and skills each existing Trustee possesses; and (c) the personality and skills each new nominee would bring to the Board.

Position Descriptions

The Board has developed position descriptions outlining the accountabilities for the Chair, the Chair of the Audit Committee and the Chief Executive Officer.

Orientation and Continuing Education of New Trustees

The Board may, as appropriate, provide orientation opportunities for new Trustees to familiarize them with Charter and its business. A comprehensive orientation program would be developed with a goal of assisting new Trustees in understanding: (a) the role of the Board and its committees; (b) the contribution individual Trustees are expected to make (including the commitment of time and energy that Charter expects from its Trustees); and (c) the nature and operation of Charter's business.

The Board may, as appropriate, provide continuing education opportunities to assist Trustees in maintaining or enhancing their skills and abilities as Trustees and in ensuring that their knowledge and understanding of Charter's business remains current.

Compensation

All costs associated with the current executive management team are borne by the Manager. In accordance with the terms of the Management Agreement, the Manager is required to consult with the independent members of the Board with regard to compensation decisions for executives who devote substantially all of their time to the business of Charter. The Board may, as appropriate: (a) administer Charter's equity-based compensation plans; (b) review Charter's compensation disclosure in public documents; and (c) consider Trustee compensation to ensure that it meets the objective of properly aligning the interests of Trustees with the long-term interests of Charter.

Ethical Business Conduct

Charter is strongly committed to conducting its business in a lawful and ethical manner. The Board has adopted a written Code of Business Conduct and Ethics (the "Code") for Trustees, officers and employees. The Code describes confidential reporting procedures which may be used by personnel to communicate good faith concerns about any violation of the Code or related policies and guidelines. A copy of the Code may be obtained at any time upon request to Charter at 130 King St. West, Suite 2240, Toronto, Ontario, M5X 1A4, Tel. (416) 364-5705.

The Code, the mandate of the Board, as well as a number of other policies implemented by Charter, including insider trading and whistleblowing policies, serve to promote and encourage a culture of ethical business conduct within Charter.

Assessments

In lieu of delegating such tasks to a corporate governance and nominating committee, the Board as a whole conducts, at least annually, a self-evaluation of the Board's powers, mandate, performance and membership that will be discussed with the Board after the end of each fiscal year. This evaluation focuses on the contribution of the Board to Charter and specifically focuses on areas in which Trustees and management believe that the contribution of the Board could be improved. Each committee of the Board is also reviewed by the Board, at least annually.

CEO and CFO Certification of Financial Statements

Charter's Chief Executive Officer and Chief Financial Officer certify the annual financial statements and quarterly financial statements as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

Communication Policies

Policies have been established relating to the treatment and disclosure of information about Charter on a timely, accurate, understandable and broadly disseminated basis. Information relating to Charter is reviewed by senior management and others as required, for a determination of materiality and, if appropriate, public disclosure. Charter has reviewed its disclosure policies and practices to ensure full, fair and timely disclosure of information. Charter communicates with individual unitholders, institutional investors and financial analysts through its senior management.

EXHIBIT “B”

MANDATE OF THE BOARD OF TRUSTEES OF CHARTER REAL ESTATE INVESTMENT TRUST¹

The purpose of this mandate is to set out the mandate and responsibilities of the board of trustees of Charter Real Estate Investment Trust (the “**Issuer**”).

1. **Composition**

The board of trustees shall be constituted with a majority of individuals who qualify as “independent” as defined in National Instrument 52-110 – *Audit Committees*.

2. **Responsibilities of the Board of Trustees**

The board of trustees is responsible for the stewardship of the Issuer and in that regard shall be specifically responsible for:

- (i) adopting a strategic planning process and approving, on at least an annual basis, a budget, and evaluating and discussing a strategic plan for the upcoming year which takes into account, among other things, the opportunities and risks of the Issuer’s business and investments;
- (ii) to the extent feasible under the management agreement (the “**Management Agreement**”) with C.A. Realty Management Inc. (the “**Manager**”), satisfying itself as to the integrity of the Chief Executive Officer, President & Chief Operating Officer and Chief Financial Officer of the Issuer and the Manager (collectively, “**Management**”) and that such officers create a culture of integrity throughout the organization;
- (iii) the identification of the principal risks of the Issuer’s business and ensuring the implementation of appropriate systems to manage these risks;
- (iv) succession planning;
- (v) adopting a disclosure policy which enables the Issuer to communicate effectively and addresses how the Issuer interacts with all of its stakeholders, including analysts and the public, contains measures for the Issuer to avoid selective disclosure and is reviewed at such intervals or times as the board deems appropriate;
- (vi) ensuring the integrity of the Issuer’s internal control and management information systems;
- (vii) establishing and maintaining a standing audit committee of the board of trustees (the “**Audit Committee**”);
- (viii) reviewing and reassessing the adequacy of the terms of reference of the Audit Committee at such intervals or times as the board deems appropriate;
- (ix) receiving recommendations of the Audit Committee respecting, and reviewing and approving, the audited, interim and any other publicly announced financial information of the Issuer;
- (x) developing the Issuer’s approach to governance, including developing a set of governance principles and guidelines that are specifically applicable to the Issuer;

¹ This mandate is based largely on National Policy 58-201 - *Corporate Governance Guidelines* (the “**Policy**”).

- (xi) implementing a process for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual trustees;
- (xii) implementing a process for examining the size of the board of trustees and undertaking, where appropriate, a program to establish a board size which facilitates effective decision-making;
- (xiii) implementing a process for reviewing the adequacy and form of compensation of trustees and ensuring that compensation realistically reflects the responsibilities and risk involved in being a trustee;
- (xiv) meeting regularly with Management to receive reports respecting the performance of the Issuer, new and proposed initiatives, the Issuer's business and investments, Management concerns and any areas of concern involving the Issuer;
- (xv) meeting regularly without Management; and
- (xvi) to the extent necessary and permitted under the Management Agreement, supervising the Manager and considering approvals required thereunder.

While the board of trustees is called upon to "manage" the business and affairs of the Issuer, the Issuer has delegated responsibility for managerial and executive oversight and certain administrative services to the Manager pursuant to the Management Agreement. The board of trustees is responsible for the on-going strategic planning process of the Issuer, approving the goals of the business and the strategies and policies within which it is managed, and then stepping back and evaluating Management's performance. Reciprocally, Management keeps the board of trustees fully informed of the progress of the Issuer and its subsidiaries towards the achievement of their established goals and of all material deviations from the goals or objectives and policies established by the board of trustees in a timely and candid manner.

It is recognized that every trustee in exercising powers and discharging duties must act honestly and in good faith with a view to the best interest of the Issuer. Trustees must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, trustees are expected to carry out their duties in accordance with policies adopted by the board of trustees from time to time, the current policy being annexed hereto as Appendix A.

It is expected that Management will co-operate in all ways to facilitate compliance by the board of trustees with its legal duties by causing the Issuer and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information to the board of trustees that may affect such compliance.

3. Responsibilities of Chair

The role and responsibilities of the Chair of the board of trustees are set out below:

- (i) the Chair shall be expected to attend and chair meetings of the board of trustees of the Issuer and unitholders of the Issuer;
- (ii) the Chair shall not be expected to and shall not perform policy making functions other than in his or her capacity as a trustee of the Issuer. The Chair shall not have the right or entitlement to bind the Issuer in his or her capacity as Chair;
- (iii) the Chair shall provide direction with respect to the dates and frequencies of board meetings and related committee meetings;

- (iv) the Chair shall ensure that the board understands the boundaries between board and Management responsibilities; and
- (v) the Chair shall ensure that the board of trustees carries out its responsibilities effectively, which will involve the board meeting on a regular basis without management present and may involve assigning responsibility for administering the board's relationship with Management to a committee of the board.

4. Corporate Governance

Until such time as a separate committee is formed to deal specifically with such matters, the board of trustees as a whole shall be responsible for addressing issues relating to the corporate governance of the Issuer, including the engagement of officers of the REIT (in accordance with the Management Agreement), board composition and general corporate governance practices as follows:

With respect to the engagement of senior Management, and taking into consideration the REIT's external management arrangements and the limitations set forth in the Management Agreement, the board may, as appropriate:

- (i) consult with the Manager regarding the compensation of those executives that devote substantially all of their time to the Issuer;²
- (ii) at least annually, review and approve the position description of the Chief Executive Officer and the corporate goals and objectives relevant to the Chief Executive Officer;
- (iii) review and make recommendations to the board of trustees with respect to the compensation of trustees, including incentive compensation plans;
- (iv) approve awards to trustees, officers, employees and consultants of options, and any other equity-based and other incentives, pursuant to the board of trustees' approval of total periodic awards under any of the Issuer's Unit Option Plan, and any other incentive compensation and equity-based plans;
- (v) review key human resources policies (including, without limitation, those relating to management development, succession planning, pay and employment equity, retirement benefits, and long-term incentives and programs) in place and under development and their consistency with the strategy of the Issuer;
- (vi) review management's policies and practices for ensuring that the Issuer complies with legal prohibitions, disclosure and other requirements on making or arranging for personal loans and amending or extending any such loans or arrangements; and
- (vii) select, engage and compensate any outside compensation, nomination or other consultant the board determines to be necessary to permit it to carry out its duties.

With respect to the board composition matters, the board of trustees may, as appropriate:

- (i) review annually the competencies, skills and personal qualities required of board members, as a whole, in light of relevant factors, including:
 - a. the objective of adding value to the Issuer in light of the opportunities and risks facing the Issuer and the Issuer's proposed strategies,

² Section 6.2 of the Management Agreement states that compensation matters should be addressed by the independent trustees.

- b. the need to ensure, to the greatest extent possible, that a majority of the board is comprised of individuals who meet the independence requirements of the applicable regulatory, stock exchange and securities law requirements or other guidelines, and
 - c. the policies of the board with respect to board member tenure, retirement and succession and board member commitments;
- (ii) establish and oversee an appropriately comprehensive orientation program for new board members in order to familiarize them with the Issuer and its business (including the Issuer's reporting and corporate structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, management and the external auditors);
 - (iii) provide continuing education opportunities for trustees, as appropriate, that shall, among other things, assist trustees to maintain or enhance their skills and abilities as trustees, and assist trustees in ensuring that their knowledge and understanding of the Issuer's business remains current;
 - (iv) seek individuals qualified (in context of the needs of the Issuer and any formal criteria established by the board) to become members of the board for recommendation to the board, including whether prospective nominees are able to devote sufficient time and resources to their duties as board members;
 - (v) review and recommend to the board the membership and allocation of board members to the various committees of the board;
 - (vi) establish procedures for the receipt of comments from all board members to be included in an annual assessment of the board's performance, including individual contributions;
 - (vii) at least annually, review and, if necessary, make recommendations to the board with respect to the compensation of board members, the Chair, and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming;
 - (viii) appoint and, if appropriate, terminate any search firm to be used to identify board candidates and any compensation consultant to be used to assist in the evaluation of board compensation and to approve the search firm's and compensation consultant's fees and other retention terms;

With respect to corporate governance and compliance, the board may, as appropriate:

- (i) review the size of the board and the number of board members who are independent for the purpose of applicable regulatory, stock exchange and securities law requirements or guidelines and Issuer policies regarding board member independence;
- (ii) review the adequacy of the corporate governance practices of the Issuer;
- (iii) review the practices of the board (including separate meetings of non-management board members) to identify improvements in corporate governance practices;
- (iv) review the powers, mandates and performance, and the membership of the various committees of the board;
- (v) review the relationship between senior Management and the board with a view to ensuring that the board is able to function independently of Management; and
- (vi) review with the Manager the succession plans relating to the position of the Chief Executive Officer and other senior positions with respect to the selections of individuals to occupy these positions.

5. Decisions Requiring Prior Approval of the Board of Trustees

Approval of the board shall be required for:

- (i) the payment of distributions;
- (ii) significant acquisitions/dispositions;
- (iii) related party transactions;
- (iv) the public dissemination of any financial information;
- (v) the issuance or repurchase of securities of the Issuer;
- (vi) the terms of reference of committees of the board; and
- (vii) any other matter that would give rise to a “material change” to the Issuer.

In considering related party transactions, when appropriate, the board of trustees will review a report of an independent financial advisor in making their decision. The foregoing list is intended to specify particular matters requiring board approval and is not intended to be an exhaustive list.

6. Measures for Receiving Unitholder Feedback

All publicly disseminated materials of the Issuer shall provide for a mechanism for feedback of unitholders.

7. Meetings

The board of trustees will meet not less than four times per year: three meetings to review quarterly results; and one prior to the issuance of the annual financial results of the Issuer. Unless otherwise set by the trustees, a quorum for the meetings shall be the greater of two and a majority of the trustees. From time to time trustees may be asked to participate in board retreats which may last one to three days.

8. Meeting Guidelines

Trustees will be expected to have read and considered the materials sent to them in advance of each meeting, and to be prepared to discuss the matters contained in such materials at the meeting. Administrative matters (e.g., bank signing resolutions, etc.) which require a vote will be batched for voting purposes. Trustees will be expected to ask questions relating to batched items in advance of the meeting. The notice of meeting will highlight significant matters to be dealt with at each meeting so that trustees can focus on reviewing the related materials. Management will be made accessible to trustees at board meetings and committee meetings to fulfill their obligations.

9. Remuneration

Remuneration shall be at a level which will attract and motivate professional and competent members.

10. Telephone Board Meetings

A trustee may participate in a meeting of the trustees or in a committee meeting by means of telephone, electronic or such other communications facilities as permit all persons participating in the meeting to communicate with each other and a trustee participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the board of trustees to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters telephone board meetings may be required to be

called in order for trustees to be in a position to better fulfill their legal obligations. Alternatively, management may request the trustees to approve certain matters by unanimous consent.

11. Expectations of Management

Management shall be required to report to the board of trustees at the request of the board on the performance of the Issuer, new and proposed initiatives, the Issuer's business and investments, management concerns and any other matter the board or its Chair may deem appropriate. In addition, the board expects Management to promptly report to the Chair any significant developments, changes, transactions or proposals respecting the Issuer or its subsidiaries.

APPENDIX A

POLICY OF PRACTICES FOR TRUSTEES

Attendance at Meetings

Each trustee is expected to have a very high record of attendance at meetings of the board of trustees, and at meetings of each committee on which the trustee sits. A trustee is expected to:

- (i) advise the Chair as to planned attendance at board and committee meetings shortly after meeting schedules have been distributed;
- (ii) advise the Chair as soon as possible after becoming aware that he or she will not be able to attend a meeting; and
- (iii) attend a meeting by conference telephone if unable to attend in person.

Preparation for Meetings

Trustees are expected to carefully review and consider the materials distributed in advance of a meeting of the board of trustees or a committee of the board of trustees. Trustees are also encouraged to contact the Chair and any other appropriate officers to ask questions and discuss agenda items prior to meetings.

Conduct at Meetings

Trustees are expected to ask questions and participate in discussions at meetings, and to contribute relevant insights and experience. In discussions at meetings, a trustee should:

- (i) be candid and forthright;
- (ii) not be reluctant to express views contrary to those of the majority;
- (iii) be concise and, in most circumstances, respect the time constraints of a meeting; and
- (iv) be courteous to and respectful of other trustees and guests in attendance.

Knowledge of the Issuer's Business

Trustees are expected to be knowledgeable with respect to the various fields and divisions of business of the Issuer. Although Management has a duty to keep the board of trustees informed about developments in the Issuer's business, trustees have a primary duty of care and diligence, which includes a duty of inquiry. Trustees should:

- ask questions of Management and other trustees/managers, at meetings and otherwise, to increase their knowledge of the business of the Issuer;
- familiarize themselves with the risks and challenges facing the business of the Issuer;
- read all internal memoranda and other documents circulated to the trustees, and all reports and other documents issued by the Issuer for external purposes;
- insist on receiving adequate information from Management with respect to a proposal before board approval is requested;

- familiarize themselves with the Issuer's competitors by, among other things, reading relevant news, magazine and trade journal articles; and
- familiarize themselves with the legal and regulatory framework within which the Issuer carries on its business.

Personal Conduct

Trustees are expected to:

- (i) exhibit high standards of personal integrity, honesty and loyalty to the Issuer;
- (ii) project a positive image of the Issuer to news media, the financial community, governments and their agencies, unitholders and employees;
- (iii) be willing to contribute extra efforts, from time to time as may be necessary including, among other things, being willing to serve on committees of the board; and
- (iv) disclose any potential conflict of interest that may arise with the business or affairs of the Issuer and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.

Independent Advice

In discharging its mandate the board shall have the authority to retain (and authorize the payment by the Issuer of) and receive advice from, special legal, accounting or other advisors and outside consultants if appropriate.

Other Trusteeships and Significant Activities

The Issuer values the experience trustees bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities also may present demands on a trustee's time and availability and may present conflicts or legal issues, including independence issues. No trustee should serve on the board of a competitor or of a regulatory body with oversight of the Issuer. Each trustee should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the trustee's time and availability for his or her commitment to the Issuer. Trustees should advise the chair and the Chief Executive Officer before accepting membership on other public company boards of trustees or any audit committee or other significant committee assignment on any other board of trustees, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the trustee's relationship to the Issuer.

APPENDIX B

DEFINITIONS

“**independent trustee**” means a trustee who has no direct or indirect material relationship with the Issuer.³

“**material relationship**” means a relationship which could, in the view of the board of trustees of the Issuer, be reasonably expected to interfere with the exercise of a member’s independent judgement. Without limiting the generality of the foregoing, the following individuals are considered to have a material relationship with the Issuer:⁴

- (a) an individual who is, or has been within the last three years, an employee or executive officer⁵ of the Issuer;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Issuer
- (c) an individual who:
 - (i) is a partner⁶ of a firm that is the Issuer’s internal or external auditor
 - (ii) is an employee of that firm, o
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Issuer’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Issuer’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Issuer’s audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and

³ For the purpose of the definitions of “independent trustee” and “material relationship” in this Appendix, “Issuer” includes a subsidiary entity of the Issuer and a parent of the Issuer, as applicable.

⁴ An individual will not be considered to have a material relationship with the Issuer solely because he or she had a relationship identified in this definition if that relationship ended before March 30, 2004 or, if such relationship was with a subsidiary entity of the Issuer or a parent of the Issuer, that relationship ended before June 30, 2005. An individual will not be considered to have a material relationship with the Issuer solely because the individual or his or her immediate family member has previously acted as an interim chief executive officer of the Issuer or acts, or has previously acted, as a chair or vice-chair of the board of trustees or of any board committee of the Issuer on a part-time basis.

⁵ An “executive officer” includes any individual who performs a policy-making function in respect of the entity.

⁶ A partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Issuer received, more than \$75,000 in direct compensation⁷ from the Issuer during any 12 month period within the last three years.⁸

⁷ Direct compensation does not include: (a) remuneration for acting as a member of the board of trustees or of any board committee of the Issuer; and (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Issuer if the compensation is not contingent in any way on continued service.

⁸ An individual who: (a) has a relationship with the Issuer pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Issuer or any subsidiary entity of the Issuer, other than as remuneration for acting in his or her capacity as a member of the board of trustees or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (b) is an affiliated entity of the Issuer or any of its subsidiary entities, is considered to have a material relationship with the Issuer. The indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by: (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or (b) an entity in which such individual is a partner, member, an officer such as a managing trustee occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Issuer or any subsidiary entity of the Issuer. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Issuer if the compensation is not contingent in any way on continued service.

EXHIBIT “C”

AUDIT COMMITTEE CHARTER
OF
CHARTER REAL ESTATE INVESTMENT TRUST

PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the board of trustees (the “**Board**”) of Charter Real Estate Investment Trust (the “**REIT**”) to assist in the oversight and evaluation of:

- the quality and integrity of the financial statements of the REIT;
- the internal control and financial reporting systems of the REIT;
- the compliance by the REIT with legal and regulatory requirements in respect of financial disclosure;
- the qualification, independence and performance of the REIT’s independent auditors;
- the performance of the REIT’s Chief Financial Officer; and
- any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

In addition, the Committee provides an avenue for communication between the independent auditor, financial management, other employees and the Board concerning accounting and auditing matters.

The Committee is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the REIT.

The Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the REIT’s financial statements or that those financial statements are in accordance with generally accepted accounting principles, or
- guaranteeing the report of the REIT’s independent auditor.

The fundamental responsibility for the REIT’s financial statements and disclosure rests with management. It is not the duty of the Committee to conduct investigations, to itself resolve disagreements (if any) between management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

REPORTS

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the REIT of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to:

- the quality or integrity of the REIT’s financial statements;

- compliance by the REIT with legal or regulatory requirements in respect of financial matters and disclosure;
- the performance and independence of the REIT's independent auditor;
- the effectiveness of systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the REIT; and
- the proper maintenance of accounting and other records.

The Committee shall also prepare, as required by applicable law, any audit committee report required for inclusion in the REIT's publicly filed documents.

COMPOSITION

The members of the Committee shall be three or more individuals who are appointed by the Board (and may be replaced) by the Board. Each of the members of the Committee shall meet the standards for independence required by applicable regulatory, stock exchange and securities law requirements and, without limitation, shall be financially literate (or acquire that familiarity within a reasonable period after appointment). This shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the REIT's financial statements. No member of the Committee shall accept (directly or indirectly) any consulting, advisory or other compensatory fee from the REIT, C.A. Realty Management Inc., and the REIT's subsidiaries or affiliates (collectively, the "**Charter Group**") (other than remuneration for acting in his or her capacity as a Trustee) or be an "affiliated person" of the Charter Group. (For this purpose, an "affiliate" of a person is a person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the first person.) Without the approval of the board, no member of the Committee shall concurrently serve on the audit committee of more than two other public companies or on the audit committee of a competitor or client.

RESPONSIBILITIES

Independent Auditors

The Committee shall:

- Recommend to the Board the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the REIT.
- Establish the compensation of the independent auditor.
- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and the Board.
- Oversee the independent auditor and, in the context thereof, require the independent auditor to report to the Committee (among other things) any disagreement between management and the independent auditor regarding financial reporting and the resolution of each such disagreement.
- Adopt policies and procedures for the pre-approval of the retention of the REIT's independent auditor for all audit and permitted non-audit services (subject to any restrictions on such services imposed by applicable legislation), including procedures for the delegation of authority to provide such approval to one or more members of the Committee.

- At least annually, review the qualifications, performance and independence of the independent auditor. In doing so, the Committee should, among other things, undertake the measures set forth in Schedule “A”.

The Audit Process, Financial Statements and Related Disclosure

The Committee shall, as it determines to be appropriate:

- Review with management and the independent auditor:
 - the planning and staffing of the audit by the independent auditor;
 - before public disclosure, the REIT’s annual audited financial statements and quarterly unaudited financial statements, the REIT’s accompanying disclosure of Management’s Discussion and Analysis (“**MD&A**”) and earnings press releases and make recommendations to the Board as to the approval and dissemination of those statements and disclosure;
 - the adequacy of the procedures for the review of the REIT’s public disclosure of financial information extracted or derived from the REIT’s financial statements, other than the public disclosure referred to in the immediately preceding paragraph;
 - financial information and any earnings guidance provided to analysts and rating agencies, recognizing that this review and discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made) and need not take place in advance of the disclosure of each release or provision of guidance;
 - any significant financial reporting issues and judgments made in connection with the preparation of the REIT’s financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the REIT’s financial statements;
 - all critical accounting policies and practices used;
 - all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
 - the use of “pro forma” or “adjusted” non-GAAP information;
 - the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise), on the REIT’s financial statements;
 - any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process in documents filed with applicable securities regulators;
 - the adequacy of the REIT’s internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel and any special steps adopted in light of any material control deficiencies; and

- the establishment, and periodic review, of procedures for the review of financial information extracted or derived from the REIT's consolidated financial statements.
- Review with management the REIT's guidelines and policies with respect to risk assessment and the REIT's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Review with the independent auditor:
 - the quality as well as the acceptability of the accounting principles that have been applied;
 - any problems or difficulties the independent auditor may have encountered during the provision of its audit-related services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to management and the REIT's response to that letter or communication; and
 - any changes to the REIT's significant auditing and accounting principles and practices suggested by the independent auditor and members of management.
- Review with management all related party transactions and the development of policies and procedures related to those transactions.
- Oversee appropriate disclosure of the Committee's charter, and other information required to be disclosed by applicable legislation, in the REIT's Annual Information Form and all other applicable disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from the REIT's securityholders.

Compliance

The Committee shall, as it determines appropriate:

- Review with the REIT's Chief Financial Officer, other members of management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the REIT's financial statements or accounting policies.
- Review with the REIT's Chief Financial Officer legal matters that may have a material impact on the financial statements or accounting policies
- Establish procedures (which are currently set out in the REIT's Whistleblower Policy) for:
 - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of the Charter Group with concerns regarding any accounting or auditing matters.
- Periodically review with management the need for an internal audit function.

Delegation

To avoid any confusion, the Committee responsibilities identified above are the sole responsibility of the Committee and may not be delegated to a different committee.

MEETINGS

The Committee shall meet at least quarterly and more frequently as circumstances require. All members of the Committee should strive to be at all meetings. The Committee shall meet separately, periodically, with management and the independent auditors and may request any officer or employee of the Charter Group or the REIT's outside counsel or independent auditor to attend meetings of the Committee or with any members of, or advisors to, the Committee. The Committee also may meet with the investment bankers, financial analysts and rating agencies that provide services to, or follow, the REIT. The Committee may form and delegate authority to individual members and subcommittees where the Committee determines it is appropriate to do so.

INDEPENDENT ADVICE

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the REIT, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

ANNUAL EVALUATION

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter.
- Review and assess the adequacy of its charter (including with respect to the procedures regarding the review of the REIT's public disclosure of financial information extracted or derived from the REIT's financial statements) and recommend to the Board any improvements to this charter that the Committee determines to be appropriate.

SCHEDULE "A"

Qualifications, Performance and Independence of Independent Auditor

- Review the experience and qualifications of the senior members of the independent auditor's team.
- Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.
- Review and approve clear policies for the hiring by the Charter Group of employees or partners or former employees or former partners of the current and former independent auditor.
- Review annual reports from the independent auditor regarding its independence and consider whether there are any non-audit services or relationships that may affect the objectivity and independence of the independent auditor and, if so, recommend that the Board take appropriate action to satisfy itself of the independence of the independent auditor.
- Obtain and review such report(s) from the independent auditor as may be required by applicable legal and regulatory requirements.