

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Annual Information Form

Year Ended December 31, 2014

March 30, 2015

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GLOSSARY OF TERMS

In this Annual Information Form, the following terms will have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

"**Acquired Issuer**" has the meaning ascribed to it under "Investment Guidelines and Operating Policies — Investment Guidelines".

"**Acquiring Person**" has the meaning ascribed to it under "Unitholders' Rights Plan — Acquiring Person".

"**Acquisition Fee**" has the meaning ascribed to it under "Arrangements with Welsh — Asset Management Agreement".

"**Advance Notice Provisions**" means the advance notice provisions contained in the Declaration of Trust, as more particularly described under "Declaration of Trust and Description of Units — Advance Notice Provisions".

"**affiliate**" has the meaning given to it in section 1.3 of National Instrument 45-106 — *Prospectus and Registration Exemptions*.

"**AFFO**" means adjusted funds from operations, as more particularly described under "Non-IFRS Measures".

"**Almanac**" means Almanac Realty Investors, LLC.

"**Almanac Entities**" means, collectively, Almanac and/or any of its affiliates.

"**Almanac Entitlement**" means the number of Class B Units beneficially owned directly or indirectly by Welsh that the Almanac Entities would be entitled to receive (assuming all convertible securities of Welsh held by the Almanac Entities at the Record Time were converted to equity of Welsh) on a liquidation of Welsh and the proportionate distribution of Welsh's assets, as determined at the Record Time (it being understood that the Almanac Entities will be deemed to beneficially own that number of Units and Class B Units beneficially owned directly or indirectly by Welsh that the Almanac Entities would be entitled to receive (assuming all convertible securities of Welsh held by the Almanac Entities at the Record Time were converted to equity of Welsh) on a liquidation of Welsh and the proportionate distribution of Welsh's assets); provided, for greater certainty, that to the extent the Almanac Entities directly or indirectly acquire any Class B Units or Units from Welsh or the dollar amount outstanding under the convertible securities of Welsh held by the Almanac Entities is otherwise reduced after the Record Time, the number of Class B Units or Units the Almanac Entities are deemed to beneficially own pursuant to the Almanac Entitlement will be reduced by such number of units so acquired or such reduction in the dollar amount outstanding under such convertible securities of Welsh.

"**AMA Initial Term**" means the initial five-year term of the Asset Management Agreement, as more particularly described under "Arrangements with Welsh — Asset Management Agreement".

"**Annual Information Form**" means this annual information form of the REIT.

"**Annual MD&A**" has the meaning ascribed thereto under "Assessment of the Properties — Building Condition Assessments".

"**April 2014 Offering**" has the meaning ascribed to it under "General Development of the Business — April 2014 Offering".

"**Asset Management Agreement**" means the asset management agreement dated April 26, 2013 between Welsh, the REIT and the Partnership as more particularly described under "Arrangements with Welsh — Asset Management Agreement".

"**Assumed Mortgages**" has the meaning ascribed thereto under "Debt Strategy and Indebtedness — Debt Composition".

"**Audit Committee**" means the audit committee of the Board.

"**BCA Reports**" has the meaning ascribed thereto under "Assessment of Properties — Building Condition Assessments".

"**Board**" or "**Board of Trustees**" means the board of trustees of the REIT.

"**Board Observer**" has the meaning ascribed thereto under "Arrangements with Welsh — Retained Interest — Board Nomination Rights".

"**Borrowing Base Properties**" means, collectively, 7401 Cahill Road, 325 Larsen Drive, 5200-5390 Ashland Way, 707 West County Road E, 500 Sumner Way, 25295 Guenther Road, 4350 & 4400 Baker Road, 224 North Hoover Road, 1500 Worldwide Boulevard, 2750 Earhart Court and 1962 Queenland Drive.

"**capitalization rate**" has the meaning ascribed thereto under "Non-IFRS Measures".

"**CBCA**" means the *Canada Business Corporations Act*.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CEVA**" means CEVA Logistics US, Inc.

"**Chair**" means the chair of the Board.

"**Class A Units**" means Class A partnership units of the Partnership, as more particularly described under "The Partnership — Partnership Units".

"**Class B Units**" means Class B partnership units of the Partnership, as more particularly described under "The Partnership — Partnership Units".

"**Code**" means the *United States Internal Revenue Code of 1986*, as amended.

"**Code of Conduct**" means the written code of conduct adopted by the REIT as of May 29, 2013, as more particularly described under "Governance of the REIT — Governance and Board of Trustees".

"**Compensation, Governance and Nominating Committee**" means the compensation, governance and nominating committee of the Board.

"**Competing Permitted Bid**" has the meaning ascribed to it under "Unitholders' Rights Plan — Permitted Bid Requirements".

"**Contributor**" has the meaning ascribed to it under "Arrangements with Welsh — Illinois Property Contribution Agreement"

"**CRA**" means the Canada Revenue Agency.

"**Declaration of Trust**" means the amended and restated declaration of trust of the REIT dated as of April 26, 2013, as may be amended or amended and restated from time to time.

"**Demand Distribution**" has the meaning ascribed to it under "Arrangements with Welsh — Retained Interest — Registration Rights".

"**Demand Registration Rights**" has the meaning ascribed to it under "Arrangements with Welsh — Retained Interest — Registration Rights".

"**Distribution Date**" means the monthly date on which distributions on Units may be made by the REIT pursuant to the REIT's distribution policy as described under "Distribution Policy".

"**DPSP**" means deferred profit sharing plan.

"**DRULPA**" means *Delaware Revised Uniform Limited Partnership Act*.

"**DTUs**" mean deferred trust units of the REIT granted pursuant to the first amended and restated deferred unit incentive plan of the REIT dated May 29, 2013.

"**EBITDA**" has the meaning ascribed to it under "Non-IFRS Measures".

"**ESFR**" means early suppression fast response.

"**Exempt Plans**" means, collectively, RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAs.

"**FAPI**" means "foreign accrual property income", as defined in the Tax Act.

"**FFO**" means funds from operations, as more particularly described under "Non-IFRS Measures".

"**FIRPTA**" means the *Foreign Investment in Real Property Tax Act of 1980*.

"**Flip-In Event**" has the meaning ascribed to it under "Unitholders' Rights Plan — Rights Exercise Privilege".

"**First Amendment to the Revolving Facility**" has the meaning ascribed to it under "Debt Strategy and Indebtedness — Debt Composition — Revolving Facility".

"**Georgia Property**" has the meaning ascribed to it under "General Development of the Business — Georgia Property Acquisition".

"**Georgia Property Acquisition**" has the meaning ascribed to it under "General Development of the Business — Georgia Property Acquisition".

"**GLA**" means gross leasable area.

"**Grandfathered Person**" has the meaning ascribed to it under "Unitholders' Rights Plan — Acquiring Person".

"**Gross Book Value**" means, at any time, the greater of (A) the book value of the assets of the REIT and its consolidated Subsidiaries, as shown on its then most recent consolidated balance sheet, less (i) the amount of any receivable reflecting interest rate subsidies on any debt assumed by the REIT, and (ii) the amount of future income tax liability arising out of the fair value adjustment in respect of the indirect acquisitions of certain properties; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents, (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations.

"**Hold Period**" has the meaning ascribed thereto under "Arrangements with Welsh — Retained Interest — Restrictions on Transfer, Redemption or Disposition of Class B Units".

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants in Part I of The Canadian Institute of Chartered Accountants Handbook — Accounting, as amended from time to time.

"**Illinois Property**" has the meaning ascribed thereto under "General Development of the Business — Illinois Property Acquisition".

"**Illinois Property Acquisition**" has the meaning ascribed thereto under "General Development of the Business — Illinois Property Acquisition".

"**Illinois Property Class B Units**" has the meaning ascribed thereto under "General Development of the Business — Illinois Property Acquisition".

"**Illinois Property Contribution Agreement**" has the meaning ascribed to it under the heading "General Development of the Business — Illinois Property Acquisition".

"**Illinois Property SPEs**" has the meaning ascribed to it under "Arrangements with Welsh — Illinois Property Contribution Agreement".

"**Independent Trustees**" has the meaning ascribed to it under "General Development of the Business — April 2014 Offering".

"**Independent Unitholders**" has the meaning ascribed to it under "Unitholders' Rights Plan — Permitted Bid Requirements".

"**Initial Properties**" has the meaning ascribed thereto under "General Development of the Business — Completion of the IPO and Acquisition of the Initial Properties".

"**Investment Criteria**" has the meaning ascribed to it under "Arrangements with Welsh — Non-Competition and Non-Solicitation Agreement".

"**IPO**" means the initial public offering of Units under the IPO Prospectus, as described under "General Development of the Business — Completion of the IPO and Acquisition of the Initial Properties".

"**IPO Closing**" means the closing of the IPO and the completion of the transactions contemplated thereby.

"**IPO Contribution Agreement**" means the contribution agreement between the REIT, the Partnership, US Holdco and Welsh dated April 26, 2013 in respect of the acquisition by the REIT of the Initial Properties.

"**IPO Over-Allotment Option**" has the meaning ascribed to it under the heading "General Development of the Business — Completion of the IPO and Acquisition of the Initial Properties".

"**IPO Prospectus**" means the (final) long form prospectus of the REIT dated April 18, 2013.

"**IRS**" means the U.S. Internal Revenue Service.

"**January 2015 Offering**" has the meaning ascribed to it under "Recent Developments — January 2015 Offering".

"**Kentucky Property**" has the meaning ascribed to it under "General Development of the Business — Kentucky Property Acquisition".

"**Lead Trustee**" means the lead trustee of the Board of Trustees.

"**LEED**" means Leadership in Energy and Environmental Design.

"**LIBOR**" means the London Interbank Offered Rate.

"**Louisville Property**" has the meaning ascribed to it under "General Development of the Business — Louisville Property Acquisition".

"**management**" means the persons acting in the capacities of the REIT's Chief Executive Officer, Chief Financial Officer and General Counsel and Secretary.

"**MI 61-101**" means Multilateral instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*.

"**Mortgages Payable**" has the meaning ascribed thereto under "Debt Strategy and Indebtedness — Debt Composition — Mortgages Payable".

"**mutual fund trust**" has the meaning ascribed to it in the Tax Act.

"**NCI**" means the non-certificated inventory system of CDS.

"**NCIB**" means normal course issuer bid, as more particularly described under "General Development of the Business — Normal Course Issuer Bid".

"**NI 52-110**" means National Instrument 52-110 — *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 — *Disclosure of Corporate Governance Practices.*

"**NP 58-201**" means National Policy 58-201 — *Corporate Governance Guidelines*.

"**NOI**" means net operating income, as more particularly described under "Non-IFRS Measures".

"**Nominating Unitholder**" has the meaning ascribed to it under "Declaration of Trust and Description of Units — Advance Notice Provisions".

"**Non-Competition and Non-Solicitation Agreement**" means the non-competition and non-solicitation agreement dated April 26, 2013 between Welsh, the Partnership and the REIT, as more particularly described under "Arrangements with Welsh — Non-Competition and Non-Solicitation Agreement".

"**Non-Resident**" means either a "non-resident" of Canada within the meaning of the Tax Act or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act.

"**Non-U.S. Holder**" means a beneficial owner of a Unit that is neither a U.S. Holder nor a partnership (including an entity that is treated as a partnership for U.S. federal income tax purposes).

"**Notice Date**" has the meaning ascribed to it under "Declaration of Trust and Description of Units — Advance Notice Provisions".

"**Offered Property**" has the meaning ascribed to it under "General Development of the Business — Discussions Regarding Proposed Acquisitions and Financings".

"**OIA Property**" has the meaning ascribed to it under "General Development of the Business — OIA Property Acquisition"

"**ownership limits**" has the meaning ascribed to it in "Declaration of Trust and Description of Units — Restrictions on Ownership and Transfer — REIT Qualification".

"**Partnership**" means WPT Industrial, LP, a Delaware limited partnership.

"**Partnership Agreement**" means the agreement of limited partnership dated April 26, 2013 governing the Partnership, as amended or amended and restated from time to time.

"**Partnership Units**" means units in the capital of the Partnership and "**Partnership Unit**" means any such unit.

"**Permitted Bid**" has the meaning ascribed to it under "Unitholders' Rights Plan — Permitted Bid Requirements".

"**Permitted Transferees**" means (i) any member of Welsh; (ii) any affiliate of Welsh; and (iii) Almanac and its affiliates.

"**Phase I ESA Reports**" has the meaning ascribed thereto under "Assessment of the Properties — Environmental Site Assessments".

"**Piggy Back Distribution**" has the meaning ascribed thereto under "Arrangements with Welsh — Retained Interest — Registration Rights".

"**Piggy Back Registration Right**" has the meaning ascribed thereto under "Arrangements with Welsh — Retained Interest — Registration Rights".

"**PMA Initial Term**" means the initial five-year term of the Property Management Agreement, as more particularly described under "Arrangements with Welsh — Property Management Agreement".

"**prohibited owner**" has the meaning ascribed to it in "Declaration of Trust and Description of Units — Restrictions on Ownership and Transfer — REIT Qualification".

"**Properties**" means, collectively, the 48 properties held indirectly by the REIT, through the Partnership, and listed under "The Real Estate Portfolio", and "**Property**" means any one of them.

"**Property Management Agreement**" means the property management agreement dated April 26, 2013 between the REIT, the Partnership and Welsh, as described under "Arrangements with Welsh — Property Management Agreement".

"**Property SPEs**" has the meaning ascribed to it under "Arrangements with Welsh — IPO Contribution Agreement".

"**pursuits budget**" has the meaning ascribed to it under "Arrangements with Welsh — Asset Management Agreement".

"**qualified investments**", with respect to a particular exempt plan, has the meaning ascribed to it in the Tax Act.

"**RDSP**" means registered disability savings plan.

"**Record Time**" has the meaning ascribed to it under "Unitholders' Rights Plan — Acquiring Person".

"**Redemption Date**" means the date on which any Unit is surrendered for redemption.

"**Redemption Notes**" means unsecured subordinated promissory notes of the REIT having a maturity date and interest rate to be determined at the time of issuance by the Trustees, such promissory notes to provide that the REIT will at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus.

"**Redemption Price**" means the price per Unit entitled to be received by a Unitholder upon the redemption of Units held by such Unitholder, as more particularly described under "Declaration of Trust and Description of Units — Redemption Right".

"**Registration Rights Agreement**" has the meaning ascribed to it under "Arrangements with Welsh — Retained Interest — Registration Rights".

"**REIT**" means WPT Industrial Real Estate Investment Trust, an unincorporated, open-ended real estate investment trust established pursuant to the Declaration of Trust under the laws of the Province of Ontario.

"**Requisite Unitholder Approval**" has the meaning ascribed thereto under "General Development of the Business — Illinois Property Acquisition".

"**RESP**" means registered education savings plan.

"**Retained Interest**" has the meaning ascribed to it under "Risk Factors — Risks Relating to the REIT and its Business — Direct and Indirect Ownership of Units by Welsh".

"**Revolving Facility**" has the meaning ascribed to it under "Debt Strategy and Indebtedness — Debt Composition — Revolving Facility".

"**Right**" or "**Rights**" has the meaning ascribed thereto under "Unitholders' Rights Plan".

"**Rights Plan**" means the unitholder rights plan of the REIT effective as of April 26, 2013 as described under "Unitholders' Rights Plan".

"**RRIF**" means a registered retirement income fund.

"**RRSP**" means a registered retirement savings plan.

"**SEDAR**" means the System for Electronic Data Analysis and Retrieval.

"**Separation Time**" has the meaning ascribed to it under "Unitholders' Rights Plan — Rights Exercise Privilege".

"**SIFT Rules**" means the rules applicable to SIFT trusts and SIFT partnerships in the Tax Act.

"**StayWell**" means The StayWell Company.

"**Subsidiary**" has the meaning ascribed to it in the *Securities Act* (Ontario) and includes a partnership or other entity.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, in each case as amended from time to time.

"**Tennessee Acquisition Agreement**" has the meaning ascribed to it under "Recent Developments — Tennessee Portfolio Acquisition".

"**Tennessee Acquisition Properties**" has the meaning ascribed to it under "Recent Developments — Tennessee Portfolio Acquisition".

"**Tennessee Portfolio Acquisition**" has the meaning ascribed to it under "Recent Developments — Tennessee Portfolio Acquisition".

"**Tennessee Purchaser Entity**" has the meaning ascribed to it under "Recent Developments — Tennessee Portfolio Acquisition".

"**Tennessee Vendor**" has the meaning ascribed to it under "Recent Developments — Tennessee Portfolio Acquisition".

"**TFSA**" means a tax-free savings account.

"**Treasury**" means the United States Treasury Department.

"**Treaty**" means the Canada-U.S. Income Tax Convention (1980), as amended.

"**Trustees**" means, collectively, the trustees of the REIT, and "**Trustee**" means any one of them.

"**TSX**" means the Toronto Stock Exchange.

"**TSX Approval**" has the meaning ascribed to it under "General Development of the Business — Illinois Property Acquisition".

"**TSX Publicly Traded Exception**" has the meaning ascribed to it under "Risk Factors — Tax-Related Risks — U.S. Tax Risks".

"**Unitholders**" means the holders of Units from time to time.

"**Units**" means trust units of the REIT.

"**UPREIT**" means an umbrella partnership real estate investment trust.

"**U.S.**" means the United States.

"**US Holdco**" means WPT Industrial, Inc., a corporation established under the laws of the State of Delaware.

"**U.S. Holder**" means a beneficial owner of a Unit that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the U.S., (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (1) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (2) has a valid election in effect under applicable regulations of the Treasury to be treated as a U.S. person.

"**U.S. Publicly Traded Exception**" has the meaning ascribed to it under "Risk Factors — Tax-Related Risks — U.S. Tax Risks".

"**Welsh**" means Welsh Property Trust, LLC, a limited liability company formed under the laws of the State of Delaware.

"**Welsh Entities**" has the meaning ascribed to it under "Unitholders' Rights Plan — Acquiring Person".

"**Welsh Participation**" has the meaning ascribed to it under "General Development of the Business — April 2014 Offering".

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

ANNUAL INFORMATION FORM

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains "forward-looking information" as defined under Canadian securities laws (collectively, "**forward-looking statements**") which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance, business prospects and opportunities of the WPT Industrial Real Estate Investment Trust (the "**REIT**"). The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes", or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "be achieved", or "continue" and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this Annual Information Form include, but are not limited to statements with respect to the following:

- The REIT's pursuit of acquisition and investment opportunities;
- the objectives and strategic focus of the REIT;
- the sources of organic growth including statements regarding initiatives aimed at optimizing the performance of the REIT;
- the REIT's external growth strategy including statements regarding diversification, the REIT's cost of capital, borrowing costs and opportunities to increase the cash flow and value of the existing portfolio of properties through initiatives designed to enhance operations;
- the competitive conditions of the REIT;
- management's intention to maintain the current physical condition of the REIT's properties through the prudent management of capital expenditures;
- the REIT's ability to meet all of its ongoing obligations with current cash generated from operations, draws on its revolving facility and new equity and debt issuances;
- the REIT's debt strategy, including intentions to maintain total indebtedness levels at or below 55% of Gross Book Value, intentions to maintain staggered debt maturities and intentions to enter into long-term loans at fixed interest rates when borrowing conditions are favourable;
- the REIT's intention to maintain predictable, sustainable and growing cash distributions in accordance with its distribution policy; and
- the REIT's intention to qualify as a real estate investment trust under U.S. laws and to continue to operate in a manner that will otherwise allow it to qualify for tax-favorable treatment under U.S. and Canadian tax laws.

Forward-looking statements are necessarily based on a number of estimates, beliefs and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies which could cause actual results to differ materially from those that are disclosed in such forward-looking statements. While considered reasonable by management of the REIT as of the date of this Annual Information Form, any of these estimates, beliefs or assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those estimates, beliefs or assumptions could be incorrect. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various estimates, beliefs and assumptions set forth herein, and include but are not limited to, management's beliefs regarding the desirability of investment properties in the distribution sub-segment of the U.S. industrial real estate market to investors, including the industrial investment properties in the

REIT's portfolio, management's beliefs regarding key trends and continued and increased demand within the industrial real estate market, management's beliefs regarding the effect of Welsh Property Trust, LLC ("**Welsh**")'s experience in the U.S. industrial real estate market on tenant retention and future acquisitions by the REIT, the future growth potential of the REIT and its properties, anticipated amounts of expenses, results of operations, future prospects and opportunities, the demographic and industry trends remaining unchanged, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws in both Canada and the United States as currently in effect remaining unchanged, current levels of volatility in the demand for space in the distribution sub-segment of the market remaining unchanged, the continued availability of capital, the current economic conditions remaining unchanged and increased tenant demand for industrial real estate and declining vacancy rates in the markets in which the REIT's investment properties are located.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including but not limited to those factors discussed under "Risk Factors".

Certain statements included in this Annual Information Form may be considered a "financial outlook" for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this Annual Information Form. These forward-looking statements are made as of the date of this Annual Information Form. Except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this Annual Information Form are qualified by these cautionary statements.

NON-IFRS MEASURES

Certain terms used in this Annual Information Form such as funds from operations ("**FFO**"), adjusted funds from operations ("**AFFO**"), net operating income ("**NOI**"), earnings before interest, taxes, depreciation and amortization ("**EBITDA**"), capitalization rate and any related per Unit amounts used by management to measure, compare and explain the operating results and financial performance of the REIT are not recognized terms under international financial reporting standards ("**IFRS**"), and therefore should not be construed as alternatives to net income (loss) and comprehensive income (loss) or cash flow from operating activities calculated in accordance with IFRS. Management believes that these terms are relevant measures in comparing the REIT's performance to industry data and the REIT's ability to earn and distribute cash returns to holders of the Units. These terms are defined below and are reconciled to the consolidated financial statements of the REIT for the three months and year ended December 31, 2014. Such terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other issuers.

"**FFO**" is defined as net income (loss) in accordance with IFRS, (i) plus or minus fair value adjustments to investment properties; (ii) plus or minus gains or losses from sales of investment properties; (iii) plus or minus other fair value adjustments; (iv) plus amortization of tenant incentives; (v) plus transaction costs expensed as a result of the purchase of an investment property being accounted for as a business combination; (vi) plus distributions on redeemable or exchangeable units treated as interest expense; (vii) plus or minus any negative goodwill or goodwill impairment; (viii) plus deferred income tax expense, after adjustments for equity accounted entities and joint ventures calculated to reflect FFO on the same basis as consolidated investment properties; and (ix) adjustments for property taxes accounted for under IFRIC 21. FFO has been prepared consistently with the definition presented in the white paper on funds from operations prepared by the Real Property Association of Canada for all periods presented.

"**AFFO**" is defined as FFO subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on long-term debt and amortization of financing costs; (ii) any differences resulting from recognizing investment property rental revenues or expenses on a straight-line basis; (iii) adjusting for any deferred compensation expense; and (iv) deducting a reserve for normalized maintenance capital expenditures, tenant inducements and leasing commissions, as determined by the REIT. Other adjustments may be made to AFFO as determined by the trustees of the REIT (the "**Trustees**") in their sole discretion.

"**NOI**" is used by industry analysts, investors and management to measure operating performance of real estate investment trusts. NOI represents investment properties revenue less investment properties operating expenses less fair value adjustment to investment properties in respect of IFRIC 21. Accordingly, NOI excludes certain expenses included in the determination of net income (loss) and comprehensive income (loss) such as interest expense.

"**EBITDA**" is defined as earnings before interest, taxes, depreciation and amortization.

"**Debt-to-EBITDA**" is defined as the average rolling twelve month consolidated debt balance (excluding mark-to-market adjustments and financing costs) divided by a rolling twelve month EBITDA.

"**AFFO payout ratio**" is defined as distributions of the REIT (including distributions on the Class B partnership units of the Partnership (the "**Class B Units**"), if any) divided by AFFO.

"**Debt-to-Gross Book Value**" is calculated by dividing total principal amounts outstanding under mortgages payable and the Revolving Facility by the total carrying value of investment properties.

"**Interest coverage ratio**" is defined as year-to-date EBITDA divided by the sum of the REIT's year-to-date interest on mortgages payable and interest on bank indebtedness.

"**Fixed charge coverage ratio**" is defined as year-to-date EBITDA divided by the sum of the REIT's year-to-date interest on mortgages payable, interest on bank indebtedness, and principal repayments of mortgages payable.

"**capitalization rate**" is defined as NOI divided by purchase price.

GENERAL

For an explanation of the capitalized terms and expressions provided in this Annual Information Form, please refer to the "Glossary of Terms." Unless otherwise indicated or the context requires otherwise, the "REIT" refers to WPT Industrial Real Estate Investment Trust and its Subsidiaries. The REIT's investment and operating activities are limited, because our operating activities are carried out by our Subsidiaries. For simplicity, we use terms in this Annual Information Form to refer to the business and operations of the REIT and its Subsidiaries as a whole.

References to ''management'' in this Annual Information Form means the persons acting in the capacities of the REIT's Chief Executive Officer, Chief Financial Officer and General Counsel and Secretary. Any statements in this Annual Information Form made by or on behalf of management are made in such persons' capacities as officers of the REIT and not in their personal capacities.

With respect to dollar amounts referenced herein, "$" refers to United States currency and "C$" refers to Canadian currency.

Unless otherwise indicated, information provided in this Annual Information Form is effective as of December 31, 2014.

This Annual Information Form includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by management on the basis of its knowledge of the industrial property industry in which the REIT will operate (including management's estimates and assumptions relating to the industry based on that knowledge). Management's knowledge of the U.S. real estate industry has been developed through its experience and participation in the industry. Management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management believes it to be reliable, the REIT has not independently verified any of the data from third-party sources referred to in this Annual Information form, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

STRUCTURE OF THE REIT

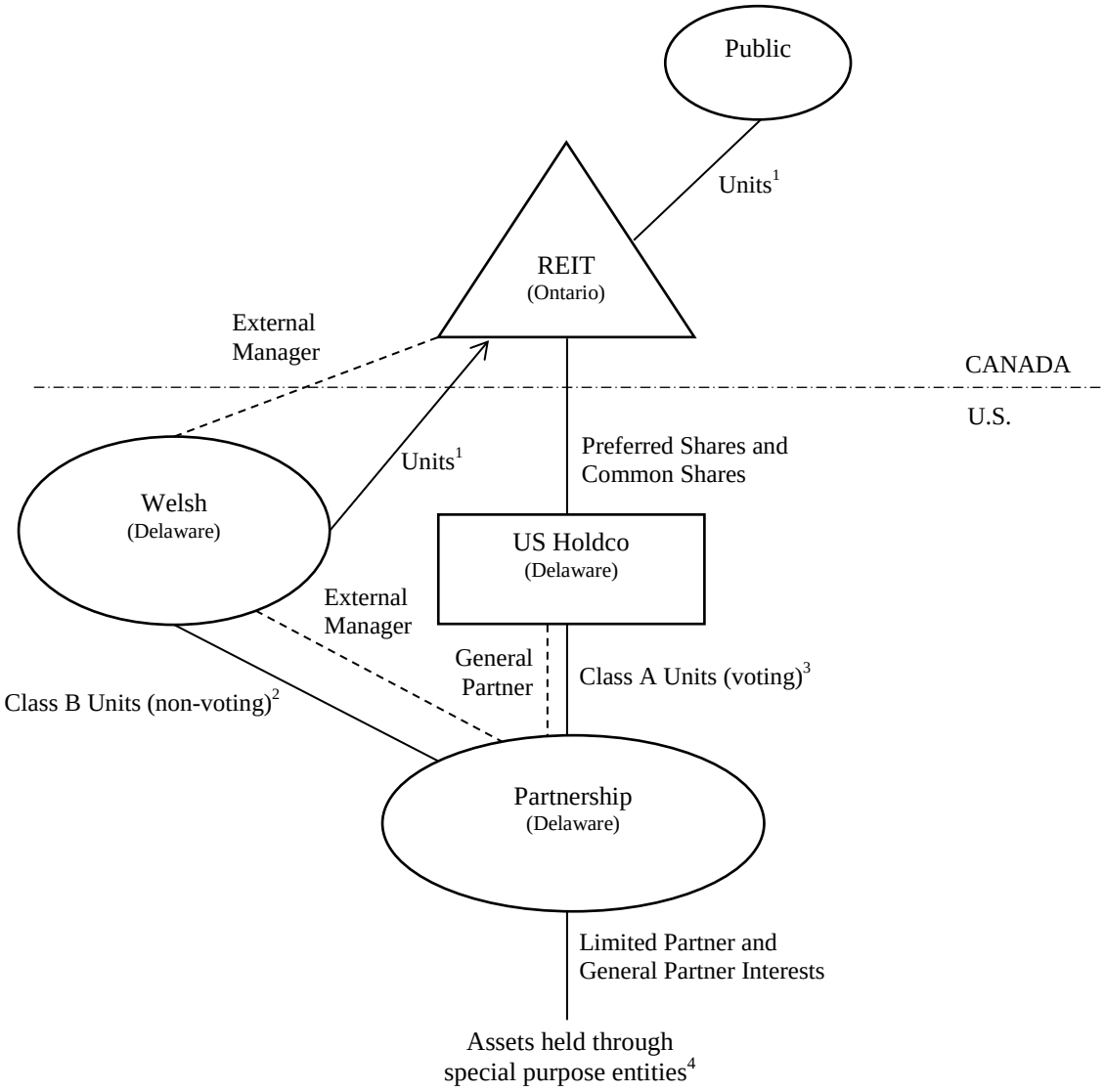
The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the province of Ontario pursuant to a declaration of trust dated March 4, 2013, as amended and restated as of April 26, 2013 and as may be amended or amended and restated from time to time (the "**Declaration of Trust**"). The REIT is a "mutual fund trust" as defined in the *Income Tax Act* (Canada) (the "**Tax Act**"), as applicable, but is not a "mutual fund" within the meaning of applicable Canadian securities legislation. The registered and head office of the REIT is located at 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7. The Units are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "WIR.U".

The REIT has been formed to own and operate an institutional-quality portfolio of primarily industrial properties located in the U.S., with a particular focus on warehouse and distribution industrial real estate. The REIT's portfolio of properties currently consists of 46 industrial properties and two office properties located in 13 states in the U.S., totaling approximately 15.1 million square feet of gross leasable area ("**GLA**").

Welsh serves as the external asset manager and property manager of the REIT, giving the REIT access to Welsh's management team and network of relationships in the U.S. industrial property market. See "Arrangements with Welsh". As of the date hereof, Welsh holds, directly or indirectly, 752,700 Units and 15,225,314 Class B partnership units (the "**Class B Units**") of WPT Industrial, LP (the "**Partnership**") (the REIT's operating subsidiary). Under the terms of the agreement of limited partnership dated April 26, 2013 governing the Partnership (the "**Partnership Agreement**"), the Class B Units are, in all material respects, economically equivalent to the Units and redeemable for cash or Units (on a one-for-one basis subject to customary anti-dilution adjustments), as determined by the general partner of the Partnership in its sole discretion. Accordingly, as of the date hereof, Welsh holds an

approximate 47.3% effective interest in the REIT (assuming all Class B Units are redeemed for Units, but otherwise on a non-diluted basis). For further information on the Class B Units, see "The Partnership" and "Arrangements with Welsh — Retained Interest". Welsh is headquartered in Minnetonka, Minnesota.

The following chart sets out the simplified organizational structure of the REIT as of the date hereof:



Notes:

(1) The public holds 95.9% of the Units. The remaining 4.1% of Units are held by Welsh.

(2) Welsh is the sole limited partner of the Partnership and holds 100% of the Class B Units. Scott T. Frederiksen, Dennis G. Heieie and Matthew J. Cimino currently hold an aggregate equity interest in Welsh of 15.7% (on an as outstanding basis).

(3) The REIT indirectly holds, through WPT Industrial, Inc. ("**US Holdco**"), 100% of the Class A partnership units of the Partnership (the "**Class A Units**"). US Holdco is the sole general partner of the Partnership.

(4) The special purpose entities holding the assets are comprised of limited partnerships and limited liability companies. The Partnership owns 100% of the limited partner interests of such limited partnerships and owns 100% of such limited liability companies.

The REIT's principal subsidiary entities are the Partnership and US Holdco as described under "The Partnership" and "US Holdco", respectively.

GENERAL DEVELOPMENT OF THE BUSINESS

Completion of the IPO and Acquisition of the Initial Properties

On April 26, 2013, the REIT completed its initial public offering (the "**IPO**") of 10 million Units at a price of $10.00 per Unit for aggregate gross proceeds of $100 million. The IPO was completed pursuant to a (final) long form prospectus of the REIT dated April 18, 2013 (the "**IPO Prospectus**"). The net proceeds of the IPO were used by the REIT, through the Partnership (the REIT's operating subsidiary), to indirectly acquire from Welsh a portfolio of properties (the "**Initial Properties**") consisting of approximately 8.6 million square feet of GLA, comprised of 35 industrial properties and two office properties, located in 12 states across the U.S. The Initial Properties were acquired indirectly by the REIT pursuant to the terms and conditions of a contribution agreement among the REIT, the Partnership, US Holdco and Welsh dated April 26, 2013 (the "**IPO Contribution Agreement**"), as described under "Arrangements with Welsh — IPO Contribution Agreement". For information regarding the Initial Properties, see "The Real Estate Portfolio".

On May 16, 2013, the REIT issued an additional 1.43 million Units at a price of $10.00 per Unit for additional gross proceeds of $14.3 million. The additional Units were issued pursuant to the partial exercise of an over-allotment option (the "**IPO Over-Allotment Option**") granted to the underwriters of the IPO pursuant to the terms of the underwriting agreement in respect of the IPO between the REIT, Welsh and the underwriters of the IPO. The net proceeds of the IPO Over-Allotment Option were contributed to the Partnership and were used to reduce bank indebtedness on the Revolving Facility (as defined herein) and for general trust purposes.

Under applicable Canadian securities laws, the acquisition of the Initial Properties was considered a "significant acquisition". The REIT filed on SEDAR a business acquisition report in respect of the acquisition on July 10, 2013.

Illinois Property Acquisition

On July 15, 2013, the REIT completed the acquisition (the "**Illinois Property Acquisition**") of an industrial property located in Pontoon Beach, Illinois (the "**Illinois Property**") for a total purchase price of approximately $53 million (inclusive of tenant improvement credits and exclusive of closing and transaction costs and an acquisition fee). The REIT, through the Partnership, indirectly acquired the Illinois Property from an affiliate of Welsh pursuant to the terms and conditions of a contribution agreement among the REIT, the Partnership, US Holdco, Welsh and WPT Inner Park Drive, LLC dated June 28, 2013 (the "**Illinois Property Contribution Agreement**"), as described under "Arrangements with Welsh — Illinois Property Contribution Agreement". For further information regarding the Illinois Property, see "The Real Estate Portfolio".

As a result of the Illinois Property Acquisition, Welsh increased its direct and indirect ownership to 13,059,709 Class B Units, representing an approximate 53.3% effective interest in the REIT as of the closing of the Illinois Property Acquisition (assuming all Class B Units were redeemed for Units, but otherwise on a non-diluted basis); provided, however, that pursuant to the terms of the Illinois Property Contribution Agreement, the 2,192,347 Class B Units issued to a subsidiary of Welsh pursuant to the Illinois Property Acquisition (the "**Illinois Property Class B Units**") were not redeemable for Units until the REIT received all necessary acceptances and approvals from the TSX ("**TSX Approval**") and had received Unitholder approval, on a disinterested basis, authorizing the issuance of the Illinois Property Class B Units and the issuance of up to 2,192,347 Units upon redemption of the Illinois Property Class B Units ("**Requisite Unitholder Approval**"). Requisite Unitholder Approval was received at the annual and special meeting of Unitholders held on May 15, 2014 (the "**2014 Unitholder Meeting**"), and the TSX Approval was received following the 2014 Unitholder Meeting.

The Illinois Property Acquisition was reviewed and considered by the Independent Trustees (as defined below). Pursuant to the terms of the asset management agreement of the REIT dated April 26, 2013 among the REIT, the Partnership and Welsh (the "**Asset Management Agreement**"), Welsh was paid an acquisition fee of $530,000 in

connection with the Illinois Property Acquisition.

Normal Course Issuer Bid

On August 12, 2013, the REIT announced its intention to make a Normal Course Issuer Bid ("**NCIB**") to purchase for cancellation up to a maximum of 1.14 million Units, or approximately 10% of the REIT's public float, over the 12-month period commencing August 15, 2013 and ending on August 14, 2014. Any purchases under the NCIB were to be made through the facilities of the TSX and in accordance with applicable regulatory requirements at market prices at the time of acquisition.

Subject to certain prescribed exemptions and any block purchase made in accordance with the rules of the TSX, the number of Units that can be purchased pursuant to the bid is subject to a daily maximum of 9,195 Units (which is equal to 25% of the average daily trading volume for the completed calendar months during the period from the date the Units were listed on the TSX (April 26, 2013) through July 2013).

During the period from March 4, 2013 to December 31, 2013, the REIT purchased for cancellation 697,800 Units under the NCIB at a weighted average price of $8.14 per Unit. Purchases of Units under the NCIB were made out of the available cash of the REIT and/or undrawn credit facilities of the REIT. During the year ended December 31, 2014, the REIT did not purchase any Units for cancellation under the NCIB. The NCIB expired on August 12, 2014 and was not renewed.

April 2014 Offering

On April 4, 2014, the REIT issued 3,478,200 Units (including Units issued pursuant to the exercise in full of the over-allotment option granted to the underwriters by the REIT) at a price of $9.30 per Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of approximately $32.3 million (the "**April 2014 Offering**"). As part of the April 2014 Offering, Welsh purchased 752,700 Units at the offering price of $9.30 per Unit (the "**Welsh Participation**"). Proceeds of the April 2014 Offering were used to fund a portion of the Kentucky Property Acquisition (as defined below) and the Georgia Property Acquisition (as defined below).

As a result of the Welsh Participation, the April 2014 Offering constituted a "related party transaction" under Multilateral Instrument 61- 101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Accordingly, the Kentucky Property Acquisition was reviewed and considered by the Trustees of the REIT who are "independent" within the meaning of National Instrument 58-101 — *Corporate Governance Guidelines* (the "**Independent Trustees**"), who consist of Robert Wolf (Lead Trustee), Milo Arkema, Sarah Kavanagh, Harry Rosenbaum and Charles Swanson. See "Arrangements with Welsh — Related Party Considerations" for information regarding the formal valuation and minority approval requirements of MI 61-101 in respect of the April 2014 Offering.

Kentucky Property Acquisition

On April 4, 2014, the REIT indirectly acquired from Welsh, a 100% leased, 300,000 square foot industrial investment property located in Hebron, Kentucky (the "**Kentucky Property**"), for a purchase price of $13.3 million (exclusive of closing costs and acquisition fee). The purchase price was paid in cash using a portion of the gross proceeds from the April 2014 Offering (the "**Kentucky Property Acquisition**"). The Kentucky Property was acquired by an affiliate of Welsh from a third party on March 3, 2014. Pursuant to a call right granted to the REIT in respect of the Kentucky Property, the REIT delivered notice to Welsh requiring Welsh to sell the Kentucky Property to the REIT for a purchase price equal to Welsh's cost of acquisition plus certain expenses incurred by Welsh in connection with its acquisition of the Kentucky Property. The REIT, through the Partnership, acquired the Kentucky Property pursuant to the terms of a purchase agreement dated as of April 4, 2014 by and among the Partnership, US Holdco and Welsh (the "**Kentucky Property Purchase Agreement**") as described under "Arrangements with Welsh — Kentucky Property Purchase Agreement".

The Kentucky Property Acquisition constituted a "related party transaction" under MI 61-101. Accordingly, the Kentucky Property Acquisition was reviewed and considered by the Independent Trustees. The Lead Trustee took a

lead role in respect of the examination and review of the Kentucky Property Acquisition by the Independent Trustees. See "Arrangements with Welsh — Related Party Considerations" for information regarding the formal valuation and minority approval requirements of MI 61-101 in respect of the Kentucky Property Acquisition.

Pursuant to the terms of the Asset Management Agreement, Welsh was paid an acquisition fee of $133,000 in connection with the closing of Kentucky Property Acquisition.

Georgia Property Acquisition

On April 29, 2014, the REIT indirectly acquired from a third party, a 100% leased, 1,512,552 square foot industrial investment property located in Social Circle (Atlanta), Georgia (the "**Georgia Property**") for a purchase price of $51.5 million (exclusive of closing costs and acquisition fee) (the "**Georgia Property Acquisition**"). The purchase price was satisfied with proceeds of the April 2014 Offering, proceeds from a new, $28.3 million five-year mortgage payable bearing a fixed interest rate of 3.41%, and cash on hand.

Louisville Property Acquisition

On June 18, 2014, the REIT indirectly acquired from Welsh, a 100% leased, 936,000 square foot industrial investment property located in Shepherdsville (Louisville), Kentucky (the "**Louisville Property**") for a purchase price of approximately $45.4 million (exclusive of closing costs and fair value adjustment to Class B Units issued) (the "**Louisville Property Acquisition**"). The purchase price was satisfied by the issuance of 2,165,605 Class B Units to Welsh (the "**Louisville Property Class B Units**") and proceeds from a new, $24.9 million eight-year mortgage payable bearing a fixed interest rate of 3.77%. The purchase price for the Louisville Property was determined based on negotiations between the Independent Trustees, on behalf of the REIT, and Welsh. Welsh acquired the Louisville Property from a third party vendor in June 2012 for a purchase price of approximately $30.8 million. At the time the Louisville Property was acquired by Welsh, it had a 624,000 square foot vacancy, which was subsequently leased to third party tenants by Welsh. The REIT, through the Partnership, indirectly acquired the Louisville Property from Welsh pursuant to the terms and conditions of a contribution agreement among the REIT, the Partnership, US Holdco and Welsh dated April 14, 2014, as amended and restated effective as of June 18, 2014 (the "**Louisville Property Contribution Agreement**"), as described under "Arrangements with Welsh — Louisville Property Contribution Agreement".

The Louisville Property Acquisition constituted a "related party transaction" under MI 61-101. Accordingly, the Louisville Property Acquisition was reviewed and considered by the Independent Trustees. The Lead Trustee took a lead role in respect of the examination and review of the Louisville Property Acquisition by the Independent Trustees. See "Arrangements with Welsh — Related Party Considerations" for information regarding the formal valuation and minority approval requirements of MI 61-101 in respect of the Louisville Property Acquisition.

The issuance of the Louisville Property Class B Units (and the listing of the Units issuable upon redemption of the Louisville Property Class B Units) was subject to the REIT fulfilling certain listing conditions of the TSX in respect of such units, including the requirement to receive Unitholder approval, on a disinterested basis, pursuant to Section 604(a)(ii) of the TSX Company Manual regarding issuances of securities, because the consideration to be provided to Welsh (an insider of the REIT) exceeded 10% of the REIT's market capitalization. The REIT received requisite Unitholder approval in respect of the issuance of the Louisville Property Class B Units (and the listing of the Units issuable upon redemption of the Louisville Property Class B Units) at the 2014 Unitholder Meeting.

As a result of the Louisville Property Acquisition, Welsh increased its direct and indirect ownership of Class B Units to 15,225,314 Class B Units representing, together with the 752,700 Units purchased by Welsh pursuant to the April 2014 Offering, a 54.3% effective interest in the REIT as of the closing of the Louisville Property Acquisition (assuming all Class B Units were redeemed for Units, but otherwise on a non-diluted basis).

Welsh was not paid an acquisition fee pursuant to the Asset Management Agreement in connection with the Louisville Property Acquisition.

OIA Property Acquisition

On June 27, 2014, the REIT indirectly acquired from a third party, a 100% leased, 127,800 square foot industrial investment property located in Hebron, Kentucky (the "**OIA Property**") for a purchase price of $5.5 million (exclusive of closing costs and acquisition fee). The purchase price was satisfied with cash on hand and proceeds from the Revolving Facility.

Discussions Regarding Proposed Acquisitions and Financings

In the normal course of business, the REIT is engaged in discussions with respect to the possible acquisition and financing of new assets, the re-financing of existing assets and its capital structure. Some of these acquisitions and financings may be material to the REIT and may involve the granting of security on existing assets. The REIT expects to continue negotiations in respect of these matters and will actively pursue these and other opportunities as they become known to the REIT.

Pursuant to the terms of a non-competition and non-solicitation agreement dated as of April 26, 2013 among the REIT, the Partnership and Welsh (the "**Non-Competition and Non-Solicitation Agreement**"), Welsh agreed to bring to the REIT any acquisition opportunity that satisfies the Investment Criteria (as described under "Arrangements with Welsh — Non-Competition and Non-Solicitation Agreement"). Further, the REIT was granted a right of first opportunity to purchase any property owned by Welsh that meets the Investment Criteria (an "**Offered Property**") in accordance with the terms and conditions set forth in the Non-Competition and Non-Solicitation Agreement. Prior to selling or disposing of an Offered Property to a third party, Welsh will be required to first offer it to the REIT on specified terms and conditions (including, but not limited to the acquisition price) that when taken as a whole and having reasonable regard to the overall economics are not materially less favourable to the REIT than those offered to the third party. See "Arrangements with Welsh — Non-Competition and Non-Solicitation Agreement".

Certain transactions with Welsh may be considered "related party transactions" within the meaning of MI 61-101 and accordingly may trigger the minority approval and valuation requirements under MI 61-101 unless the REIT is able to rely on the exemption described below under "Arrangements with Welsh — Related Party Considerations", or another exemption available under MI 61-101.

RECENT DEVELOPMENTS

January 2015 Offering

On January 28, 2015, the REIT issued 4,312,500 Units (including Units issued pursuant to the exercise in full of the over-allotment option granted to the underwriters by the REIT) at a price of $10.80 per Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of $46,575,000 (the "**January 2015 Offering**"). Proceeds of the January 2015 Offering were used to fund a portion of the Tennessee Portfolio Acquisition (as defined below) and for repayment of indebtedness and general trust purposes.

A material change report dated January 15, 2015 in respect of the January 2015 Offering was filed by the REIT on SEDAR.

Tennessee Portfolio Acquisition

On January 8, 2015, the REIT announced that the Board had approved the acquisition of a portfolio of six industrial properties located in Memphis, Tennessee representing approximately 2.3 million square feet of GLA for an aggregate purchase price of approximately $86.25 million (exclusive of closing costs and acquisition fee) (the "**Tennessee Portfolio Acquisition**"). The Tennessee Portfolio Acquisition is an acquisition of the following properties (collectively, the "**Tennessee Acquisition Properties**"):

Eastpark I

Eastpark I is a cross-dock distribution facility, built in 1999, with approximately 888,262 square feet of GLA and a ceiling clear height of 32 feet. It is located at 5300 Hickory Hill Road and is 100% leased to United Stationers Supply Co., Pacific Paper Products, Inc., and Expeditors International of Washington, Inc., with a remaining weighted average lease term of approximately 2.2 years at the time of closing.

Eastpark II

Eastpark II is a cross-dock distribution facility, built in 2000, with 338,000 square feet of GLA and a ceiling clear height of 32 feet. It is located at 5405 Hickory Hill Road and is 100% leased to Bryce Corporation, with a remaining lease term of approximately 6.4 years at the time of closing.

Chickasaw A

Chickasaw A is a rear-load distribution facility, built in 2000, with 108,250 square feet of GLA and a ceiling clear height of 24 feet. It is located at 5950 Freeport Avenue and is 100% leased to TricorBraun, Inc., PSS World Medical, Inc., UPS Supply Chain Solutions, Inc., and Linkex, Inc., with a remaining weighted average lease term of approximately 3.1 years at the time of closing.

Chickasaw H

Chickasaw H is a rear-load distribution facility, built in 2000, with 283,756 square feet of GLA and a ceiling clear height of 30 feet. It is located at 6190 Freeport Avenue and is 100% leased to Home Depot U.S.A. Inc., with a remaining lease term of approximately 5.4 years at the time of closing.

Southpoint IV

Southpoint IV is a side/rear-load distribution facility, built in 1998, with 60,000 square feet of GLA and a ceiling clear height of 28 feet. It is located at 4800 Pleasant Hill Road and is 100% leased to CEVA Freight, LLC, with a remaining lease term of approximately 4.4 years at the time of closing.

Southpoint XIX

Southpoint XIX is a cross-dock distribution facility, built in 2001, with 648,750 square feet of GLA and a ceiling clear height of 32 feet. It is located at 5166 Pleasant Hill Road and is 100% leased to CEVA Logistics US, Inc., with a remaining lease term of approximately 1.3 years at the time of closing.

The purchase price for the Tennessee Acquisition Properties was satisfied with (i) the net proceeds from the January 2015 Offering; and (ii) approximately $51.75 million of new property-level mortgage debt in respect of the Tennessee Acquisition Properties with an interest rate of 2.87% and a term of five years.

With the completion of the Tennessee Portfolio Acquisition, the REIT increased its portfolio to 46 industrial properties and two office properties totaling approximately 15.1 million square feet of GLA.

The REIT, through the Partnership, indirectly acquired the Tennessee Acquisition Properties from DCT-Eastpark I LP, DCT-Eastpark II LP, DCT-Shelby 4 LP, DCT-Shelby 19 LP, DCT-Chickasaw A LP and DCT-Chickasaw H LP (collectively, the "**Tennessee Vendor**") on February 20, 2015 for a purchase price of $86.25 million (exclusive of closing costs and acquisition fee), representing a capitalization rate of approximately 7.1%. The purchase price for the Tennessee Acquisition Properties was negotiated between the REIT and the Tennessee Vendor. The REIT indirectly acquired the Tennessee Acquisition Properties from the Tennessee Vendor pursuant to the terms and conditions of an acquisition agreement dated January 8, 2015 by and between WPT Acquisitions, LLC (a wholly-owned subsidiary of the Partnership), as further assigned to separate wholly-owned subsidiaries of the Partnership (collectively, the "**Tennessee Purchaser Entity**") and the Tennessee Vendor (the "**Tennessee Acquisition Agreement**").

The Tennessee Acquisition Agreement contains representations and warranties typical of those contained in purchase agreements for similar real estate assets negotiated between sophisticated purchasers and vendors in the United States acting at arm's length. Certain of the representations and warranties are qualified as to knowledge, materiality and disclosure. The Tennessee Vendor provides representations and warranties in favour of the Tennessee Purchaser Entity relating to the Tennessee Vendor and the Tennessee Acquisition Properties. The representations and warranties include, among other things, representations and warranties as to existence and capacity, due authorization, no contravention, no notice of violation of laws, matters relating to the lease with the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee in respect of Eastpark II, material service contracts and occupancy agreements, matters regarding the tenant leases, no known litigation, completeness of copies of diligence materials, no options to purchase and environmental matters. Such representations and warranties survive for a period of 12 months following the closing of the Tennessee Portfolio Acquisition. The foregoing is a summary of the Tennessee Acquisition Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Tennessee Acquisition Agreement, which is available under the REIT's SEDAR profile at www.sedar.com.

Pursuant to the terms of the Asset Management Agreement of the REIT, Welsh was paid an acquisition fee of $862,500 in connection with closing of the Tennessee Portfolio Acquisition.

The Declaration of Trust requires the REIT to obtain independent appraisals of each property it intends to acquire, unless the requirement for such an appraisal is waived by the Independent Trustees. The Independent Trustees waived the requirement to obtain an independent appraisal of each of the Tennessee Acquisition Properties.

DESCRIPTION OF THE BUSINESS

Overview

The REIT was formed on March 4, 2013 to own and operate an institutional-quality portfolio of primarily industrial properties located in the U.S., with a particular focus on warehouse and distribution industrial real estate. See "The Real Estate Portfolio". The REIT's portfolio generates cash flow in U.S. dollars and the distributions made on the Units are denominated in U.S. dollars.

The objectives of the REIT are to: (i) provide Unitholders with an opportunity to invest in a portfolio of institutional-quality industrial properties in U.S. markets, with a particular focus on distribution industrial real estate; (ii) provide Unitholders with predictable, sustainable and growing cash distributions on a tax-efficient basis; (iii) enhance the value of the REIT's portfolio and maximize the long-term value of the Units through the active management of the REIT's properties; and (iv) significantly expand the asset base of the REIT through strategic acquisitions of stabilized, high quality and well located industrial properties in U.S. markets.

Growth Strategies of the REIT

The REIT has adopted the following business objectives and strategies to achieve future growth:

Internal Growth

The REIT seeks to improve the performance, value and long-term cash flow of its existing portfolio through a number of activities, including the following:

- ***Increasing Rental Rates.*** The in-place leases at the Properties provide for contractual increases in base rental rates averaging approximately 1.4% per annum. These rent steps will result in increasing rental revenues for the REIT over time. In addition, management expects rental rates in the markets in which the REIT's properties are located to increase in future years as a result of improving economic conditions and growing demand for state-of-the-art, functional industrial tenancies.

- ***Strategic Refinancing of Mortgage Debt.*** Certain in-place financing at the Properties may contain mortgage debt with interest rates above current market interest rates. If the REIT refinances these loans

at current market interest rates, the result may be a reduction in the overall interest expense incurred by the REIT.

- ***Capitalizing on Expansion Opportunities.*** Certain of the Properties contain vacant land which management anticipates will support expansions totalling at least 850,000 square feet of GLA. This excess vacant land may in the future be developed or sold by the REIT.

- ***Leveraging Continuity of Management and Strong Tenant Relationships.*** Welsh believes that its focus on understanding tenants' space needs and developing and nurturing tenant relationships will not only provide expansion opportunities with existing tenants in additional markets, but also maximize the likelihood of future lease renewals and minimize the costs associated with tenant turnover in the REIT's portfolio.

External Growth

The REIT seeks external growth facilitated by the following:

- ***A Right of First Opportunity to Acquire Additional Properties from Welsh.*** The REIT has a right of first opportunity to acquire all properties to be sold by Welsh that satisfy the Investment Criteria. See "Arrangements with Welsh — Non-Competition and Non-Solicitation Agreement".

- ***The Reputation and Experience of Welsh's Acquisitions Team.*** The REIT's acquisition strategy is facilitated by Welsh's extensive experience in the sourcing and execution of acquisition transactions in the U.S.

- ***A Disciplined Acquisition Program.*** The REIT intends to focus its acquisition efforts on state-of-the-art, functional warehouse and distribution properties with characteristics and amenities that are in high demand amongst retailers, distributors and third-party logistics companies. Where possible, the REIT intends to acquire properties at a discount to replacement cost, which management believes will ensure that the REIT's properties can maintain a competitive advantage in the sourcing and retention of tenants relative to both newly developed and existing properties. The REIT will also seek to make investments in properties where rental rates are at, or below, current market levels, which will enable the REIT to achieve organic growth in rental revenues as tenant leases expire, providing an opportunity to adjust the rent to market levels.

- ***Strategic Market Analysis.*** The REIT intends to target acquisitions in markets that management considers to be attractive distribution markets in the U.S. In evaluating target markets, the REIT will consider the key market characteristics that are desired by tenants, which include proximity to interstate highway systems; freight rail infrastructure, including modern intermodal yards; ample low cost and skilled labour; major population centres and air cargo hubs. Furthermore, the REIT will attempt to target investments in jurisdictions characterized by pro-business legislative, tax and regulatory policies.

- ***Extensive Investment Due Diligence and Oversight.*** The REIT will generally target acquisitions of stabilized properties with long-term leases and tenants with strong credit. The credit strength and business strategy of prospective tenants will be analyzed to ensure that tenants can meet their lease obligations, and that the premises, building design and amenities can accommodate future tenant needs. Proposed acquisitions will be subject to review and approval by the board of trustees of the REIT (the "**Board**" or the "**Board of Trustees**"). Prior to any acquisition, the REIT's policy is to obtain (i) an environmental site evaluation of the property to ensure the absence of any material environmental issues and (ii) unless waived by the Independent Trustees (as defined herein), appraisal and property condition reports to ensure that the REIT is paying a fair price for properties that do not have any significant structural defects.

Competitive Conditions

The REIT competes for suitable real property investments with other real estate investment trusts, corporations, pension funds and other institutional investors which are presently seeking, or which may seek in the future, real property investments similar to those desired by the REIT. Many of these investors have greater financial resources than the REIT, or operate without the REIT's investment restrictions, or according to more flexible conditions. An increase in the availability of investment capital and an increase in demand for real property investments should increase competition for real property investments, thereby increasing purchase prices and reducing the yields from such investments. Conversely, a decline in the availability of investment capital should produce a decline in demand for real property investments which would lead to decreasing purchase prices and higher yields from such investments. See "Risk Factors — Risk Factors Related to the Real Estate Industry — Competition".

Intellectual Property

Welsh has granted to the REIT and the Partnership the right to the use of the "WPT" name and trademark and related marks and designs under a non-exclusive, royalty-free trademark license agreement dated April 26, 2013.

Welsh may terminate the license at any time on 180 days' prior written notice following the date on which Welsh ceases to be the external asset manager to the REIT.

See "Arrangements with Welsh — License of WPT Name".

Employees

Welsh is the external asset manager and property manager of the REIT and its subsidiaries. Welsh has a team of 14 employees who provide advisory, asset management, property management and administrative services to the REIT and its subsidiaries. Welsh's dedicated team of employees bring experience and continuity in managing our assets and Properties. As of December 31, 2014, the REIT did not have any employees.

THE REAL ESTATE PORTFOLIO

Overview of the Properties

As at December 31, 2014, the REIT's portfolio of properties consisted of approximately 12.8 million square feet of GLA, comprised of 40 industrial properties and two office properties (one of which houses Welsh's head office). With the completion of the Tennessee Portfolio Acquisition on February 20, 2015, the REIT increased its portfolio to 46 industrial properties and two office properties totaling approximately 15.1 million square feet of GLA. The Properties are located in 13 states: Florida (three properties); Georgia (eight properties); Illinois (three properties); Indiana (three properties); Kansas (four properties); Kentucky (four properties); Michigan (one property); Minnesota (six properties); North Carolina (one property); Ohio (four properties); South Carolina (one property); Tennessee (six properties) and Wisconsin (four properties). With the exception of the two office properties, the Properties represent an attractive mix of industrial properties, with a weighted average age of approximately 13 years. Management believes that the Properties are well-located within major U.S. distribution markets and present a compelling long-term investment opportunity given their characteristics, which include high occupancy rates, staggered lease and debt maturities and significant geographic and tenant diversification.

List of the REIT's Properties

The following table outlines the properties held by the REIT as at the date of this Annual Information Form:

#	Property	City	State	Metropolitan Statistical Area	Year Built/ Renovated or Expanded	Clear Ceiling Height (feet)	Number of Tenants	Approx. Square Feet (000s)	Occupancy as of Dec. 31, 2014
DISTRIBUTION									
1	6600 Pritchard Road	Jacksonville	Florida	Jacksonville	2009	30	3	126.1	100.0%

#	Property	City	State	Metropolitan Statistical Area	Year Built/ Renovated or Expanded	Clear Ceiling Height (feet)	Number of Tenants	Approx. Square Feet (000s)	Occupancy as of Dec. 31, 2014
2	5301 West 5th Street	Jacksonville	Florida	Jacksonville	1973	25[1]	1	121.3	67.0%
3	5540 Broadway Avenue	Jacksonville	Florida	Jacksonville	1974	25[1]	2	106.0	100.0%
4	600 Hartman Industrial Court	Austell	Georgia	Atlanta	2005	32	3	525.6	100.0%
5	8 Mount Moriah Road	Auburn	Georgia	Atlanta	2007	28	1	155.0	100.0%
6	1370 Discovery Industrial Court	Mableton	Georgia	Atlanta	2007	32	1	150.0	100.0%
7	6751 Discovery Boulevard	Mableton	Georgia	Atlanta	2001/2006	30	1	115.0	100.0%
8	7515 Hartman Industrial Way	Austell	Georgia	Atlanta	2008	28	2	113.7	100.0%
9	1871 Willow Springs Church Road	Social Circle	Georgia	Atlanta	2010	32	1	1,512.6	100.0%
10	5620 Inner Park Drive	Pontoon Beach	Illinois	St. Louis	2003	32	1	1,262.6	100.0%
11	535 Shingle Oak Drive	West Chicago	Illinois	Chicago	2007	30	1	150.0	100.0%
12	3003 Reeves Road	Plainfield	Indiana	Indianapolis	2003	36	1	741.1	100.0%
13	6579 West 350 North	Greenfield	Indiana	Indianapolis	2002	32	3	629.2	100.0%
14	1105 East Northfield Drive	Brownsburg	Indiana	Indianapolis	2007	32	2	526.2	100.0%
15	500 Sumner Way	New Century	Kansas	Kansas City	1983/1994/ 1998/2003	24	1	311.1	100.0%
16	2440-2450 Midpoint Drive	Edwardsville	Kansas	Kansas City	2006	30	2	225.0	100.0%
17	2401-2430 Midpoint Drive	Edwardsville	Kansas	Kansas City	2005	30	1	180.0	100.0%
18	8500-8950 Hedge Lane Terrace	Shawnee	Kansas	Kansas City	1999	28[2]	2	111.0	100.0%
19	2750 Earhart Court	Hebron	Kentucky	Cincinnati	2003	30	1	127.8	100.0%
20	100 West Thomas P Echols Drive	Shepherdsville	Kentucky	Louisville	2009	32	2	936.0	100.0%
21	1500 Worldwide Boulevard	Hebron	Kentucky	Cincinnati	1999	32	1	300.0	100.0%
22	40 Logistics Boulevard	Walton	Kentucky	Cincinnati	2007	32	1	543.5	100.0%
23	25295 Guenther Road	Warren	Michigan	Detroit	1997/2008	32	2	247.9	100.0%
24	224 North Hoover Road	Durham	North Carolina	Durham	1972/1975	24	1	252.5	100.0%
25	6766 Pontius Road	Groveport	Ohio	Columbus	2006	35[3]	1	754.0	100.0%
26	3051 Creekside Parkway	Obetz	Ohio	Columbus	2006	33[4]	1	737.5	100.0%
27	5300 Hickory Hill Road	Memphis	Tennessee	Memphis	1999	32	3	888.3	100.0%
28	5405 Hickory Hill Road	Memphis	Tennessee	Memphis	2000	32	1	338.0	100.0%
29	5950 Freeport Avenue	Memphis	Tennessee	Memphis	2000	24	4	108.3	100.0%
30	6190 Freeport Avenue	Memphis	Tennessee	Memphis	2000	30	1	283.8	100.0%
31	4800 Pleasant Hill Road	Memphis	Tennessee	Memphis	1998	28	1	60.0	100.0%
32	5166 Pleasant Hill Road	Memphis	Tennessee	Memphis	2001	32	1	648.8	100.0%
33	325 Larsen Drive	Fond du Lac	Wisconsin	Fond du Lac	1996	42	1	234.0	100.0%
34	1962 Queenland Drive	Mosinee	Wisconsin	Wausau	2007	28	1	106.0	100.0%
WAREHOUSE									
35	1685 Boggs Road	Duluth	Georgia	Atlanta	1996	26	4	164.0	100.0%
36	2940 Old Norcross Road	Duluth	Georgia	Atlanta	1994	24	2	132.4	89.1%
37	115 West Lake Drive	Glendale Heights	Illinois	Chicago	1999	24	3	79.5	100.0%
38	1880 Parkview Drive	Shoreview	Minnesota	Minneapolis	2003	20	1	71.5	100.0%
39	707 West County Road E	Shoreview	Minnesota	Minneapolis	1973/2008	25	1	71.3	100.0%
40	7401 Cahill Road	Edina	Minnesota	Minneapolis	1979/1991	18	2	45.7	62.7%
41	3440 Symmes Road	Hamilton	Ohio	Cincinnati	2000	24	1	54.0	100.0%
42	25 Enterprise Drive	Hamilton	Ohio	Cincinnati	2003	24	1	45.0	55.6%
43	5200-5390 Ashland Way	Franklin	Wisconsin	Milwaukee	1999	24	2	155.3	100.0%
44	N22 W23977 Ridgeview Parkway	Pewaukee	Wisconsin	Milwaukee	1988	24	3	94.4	100.0%
FLEX									
45	3000 Ames Crossing Drive	Eagan	Minnesota	Minneapolis	2008	19	2	116.5	100.0%
46	5910 Rice Creek Parkway	Shoreview	Minnesota	Minneapolis	2002	20	4	114.1	91.7%

#	Property	City	State	Metropolitan Statistical Area	Year Built/ Renovated or Expanded	Clear Ceiling Height (feet)	Number of Tenants	Approx. Square Feet (000s)	Occupancy as of Dec. 31, 2014
OFFICE									
47	4350 & 4400 Baker Road	Minnetonka	Minnesota	Minneapolis	2008	N/A	11	167.2	100.0%
48	8085 Rivers Avenue	North Charleston	South Carolina	Charleston	1984/1996	N/A	4	158.5	91.9%
		Total Portfolio			2001/2003	31(5)	93	15,097.30	99.1%

Notes:

(1) Clear height ranges from 24’ to 26’.

(2) Clear height ranges from 26’ to 30’.

(3) Clear height ranges from 32’ to 37’.

(4) Clear height ranges from 32’ to 34’.

(5) Average clear height of the Properties weighted by GLA.

Description of Properties Held by the REIT

Distribution

6600 Pritchard Road — Jacksonville, Florida. Located in Jacksonville, Florida, 6600 Pritchard Road is a modern, bulk, multi-tenant distribution facility, totalling approximately 126,056 square feet of GLA. Built in 2009, the property features 30-foot clear ceiling heights, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied. Janpak, Inc., occupies 84,244 square feet with a lease expiration of December 31, 2020, Wheel Pros occupies 20,706 square feet with a lease expiration of April 30, 2020, and Victory Packaging occupies 21,106 square feet on a month to month lease. Janpak, Inc. has an option to extend the term of its lease for two successive terms of five years each and Wheel Pros has an option to extend the term of its lease for two successive terms of 3 years each.

5301 West 5th Street — Jacksonville, Florida. Located in Jacksonville, Florida, 5301 West 5th Street is a multi-tenant distribution facility, totalling approximately 121,345 square feet of GLA. Built in 1973, the property features clear ceiling height ranging from 24- to 26-feet, ample dock doors, a wet sprinkler system and ample trailer and auto parking. The property is 67% occupied by Eastern Wire Products Inc. with a lease expiration of November 30, 2016. The remaining 40,000 square feet is currently vacant.

5540 Broadway Avenue — Jacksonville, Florida. Located in Jacksonville, Florida, 5540 Broadway Avenue is a multi-tenant distribution facility, totaling approximately 106,000 square feet of GLA. Built in 1974, the property features clear ceiling height ranging from 24- to 26-feet, ample dock doors, a wet sprinkler system and ample trailer and auto parking. The property also has rail access from the west perimeter of the property. The property is currently 100% occupied. Iron Mountain Information Management, Inc. occupies 56,000 square feet with a lease expiration of August 31, 2017 and 1-800-Pack-Rat occupies 50,000 square feet on a lease that expires January 31, 2019. 1-800-Pack-Rat has the right to terminate on April 30, 2017 with 6 months prior notice and the payment of a termination penalty equal to 6 months gross rent plus unamortized transaction costs. Iron Mountain Information Management, Inc. has an option to extend the term of its lease for two successive periods of five years each and 1-800-Pack-Rat has one five year renewal option.

600 Hartman Industrial Court — Austell (Atlanta), Georgia. Located in Austell (Atlanta), Georgia, 600 Hartman Industrial Court is a multi-tenant distribution facility, totalling approximately 525,627 square feet of GLA. Built in 2005, the property features 32-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied. Keystone occupies 350,819 square feet, with a lease expiration of April 30, 2017, Dade Paper & Bag Co. occupies 121,512 square feet, with a lease expiration of June 30, 2018, and Eastern Machine Products Co. occupies 53,601 square feet, with a lease expiration of November 20, 2017. Each of the tenants has an option to extend the term of its lease for a period of at least five years.

8 Mount Moriah Road — Auburn (Atlanta), Georgia. Located in Auburn (Atlanta), Georgia, 8 Mount Moriah Road is a single-tenant distribution facility, totalling approximately 155,000 square feet of GLA. Built in 2007, the property features 28-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting, a large

outdoor storage yard, ample trailer and auto parking and rail service. The property is 100% occupied by Boise, with a lease expiration of August 31, 2029.

1370 Discovery Industrial Court — Mableton (Atlanta), Georgia. Located in Mableton (Atlanta), Georgia, 1370 Discovery Industrial Court is a modern, single-tenant distribution facility, totalling approximately 150,000 square feet of GLA. Built in 2007, the property features 32-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting, and ample trailer and auto parking. The property is 100% occupied by The R.A. Siegel Company, with a lease expiration of August 31, 2026.

6751 Discovery Boulevard — Mableton (Atlanta), Georgia. Located in Mableton (Atlanta), Georgia, 6751 Discovery Boulevard is a modern, single-tenant distribution facility, totalling approximately 115,000 square feet of GLA. Built in 2001, with an expansion in 2006, the property features 30-foot clear ceiling height, ample dock doors, ample trailer and auto parking, an ESFR sprinkler system, and T-5 lighting. The property is 100% occupied by Recall Total Information Management, Inc., with a lease expiration of November 30, 2022. Recall Total Information Management, Inc. has an option to extend the term of its lease for two successive periods of five years each. This property also includes approximately 1.65 acres of land for future development. The property can accommodate an existing building expansion of approximately 25,000 to 30,000 square feet. Recall Total Information Management, Inc. has an option to require the REIT to complete an expansion of the building.

7515 Hartman Industrial Way — Austell (Atlanta), Georgia. Located in Austell (Atlanta), Georgia, 7515 Hartman Industrial Way is a multi-tenant distribution facility, totalling approximately 113,748 square feet of GLA. Built in 2008, the property features 28-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied. NTP Distribution, Inc., (a subsidiary of Keystone) occupies 63,110 square feet (this space is sub-leased to Chadwell Supply), with a lease expiration of January 31, 2021, and Elkay Plastics Co., Inc. occupies 50,638 square feet, with a lease expiration of June 30, 2021. NTP Distribution, Inc. has an option to extend the term of its lease for two successive periods of five years each. Elkay Plastics Co., Inc. has an option to extend the term of its lease for one period of five years.

1871 Willow Springs Church Road — Social Circle (Atlanta), Georgia.. Located in Social Circle (Atlanta), Georgia, 1871 Willow Springs Church Road is a single-tenant, state-of-the-art cross dock distribution facility, totalling approximately 1,512,552 square feet of GLA. Built in 2010, this LEED-Gold Certified property features 32-foot clear ceiling height, ample dock doors and ample trailer and auto parking, ESFR Sprinkler System, T-5 Lighting, and an active CSX rail spur. The property is 100% occupied by a subsidiary of General Mills (guaranteed by General Mills, Inc. (NYSE: GIS)), with a lease expiration of May 31, 2020. General Mills has an option to extend the term of its lease for three successive terms of five years each.

535 Shingle Oak Drive — West Chicago (Chicago), Illinois. Located in West Chicago (Chicago), Illinois, 535 Shingle Oak Drive is a modern single-tenant distribution facility, totalling approximately 150,000 square feet of GLA. Built in 2007, the property features 30-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, metal halide and T-5 lighting and ample trailer and auto parking. The property is 100% occupied. McCollisters Transportation System, Inc., is the sole tenant in the property, with a lease expiration of November 30, 2022. McCollisters Transportation System, Inc. has an option to extend the term of its lease for two successive periods of five years each.

5620 Inner Park Drive — Pontoon Beach, Illinois. Located in Pontoon Beach, Illinois, 5620 Inner Park Drive is a single-tenant bulk distribution building, totalling approximately 1.3 million square feet of gross leasable area with 32-foot clear ceiling height, cross-dock configuration, ample trailer storage on three sides of the building, 185-foot truck court depth and ESFR sprinkler systems. The property is currently 100% leased to Conopco, Inc. dba Unilever Home & Personal Care USA, a division of Unilever (NYSE: UN), with a lease expiration of June 30, 2023. Conopco, Inc has the option to extend the term of its lease for two successive periods of five years each.

3003 Reeves Road — Plainfield (Indianapolis), Indiana. Located in Plainfield (Indianapolis), Indiana, 3003 Reeves Road is a modern single-tenant distribution facility, totalling approximately 741,092 square feet of GLA. Built in 2003, the property features 36-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, metal halide and T-5 lighting and ample trailer and auto parking. The property is 100% occupied by OSP Group, Inc. (dba Redcats USA, Inc.), with a lease expiration of August 31, 2016. OSP Group, Inc. has an option to extend the term of

its lease for three successive periods of five years. This property also includes approximately 12 acres for future development. The parcel can accommodate an expansion to the existing building of approximately 316,000 square feet of GLA. OSP Group, Inc. has an option to require the REIT to complete an expansion of the building, provided that there are at least five years remaining in its lease term (including renewal terms).

6579 West 350 North — Greenfield (Indianapolis), Indiana. Located in Greenfield (Indianapolis), Indiana, 6579 West 350 North is a multi-tenant, modern distribution facility, totalling approximately 629,241 square feet of GLA. Built in 2002, the property features 32-foot clear ceiling height, ample dock doors, an ESFR sprinkler system and ample trailer and auto parking. The property is 100% occupied. Emerson Electric Company (NYSE: EMR) occupies 130,200 square feet, with a lease expiration of January 31, 2020, Formica occupies 288,943 square feet, with a lease expiration of January 31, 2018, and S. Abraham & Sons, Inc. occupies 210,298 square feet, with a lease expiration of September 30, 2021. Formica and S. Abraham & Sons, Inc. each have an option to extend the term of its lease for one term of five years. Emerson has two options to extend the term of its lease for the years each.

1105 East Northfield Drive — Brownsburg (Indianapolis), Indiana. Located in Brownsburg (Indianapolis), Indiana, 1105 Northfield Drive is a multi-tenant, modern distribution facility, totalling approximately 526,200 square feet of GLA. Built in 2007, the property features 32-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied. LifeScience Logistics occupies 394,200 square feet, with a lease expiration of June 30, 2020, and Snyders-Lance, Inc. (NASDAQ: LNCE) occupies the remaining 132,000 square feet, with a lease expiration of July 31, 2015. LifeScience Logistics has an option to extend the term of its lease for five successive periods of five years each.

500 Sumner Way — New Century (Kansas City), Kansas. Located in New Century (Kansas City), Kansas, 500 Sumner Way is a single-tenant distribution facility, totalling approximately 311,100 square feet of GLA. Built in 1983, with expansions in 1994, 1998 and 2003, the property features 24-foot clear ceiling height in the warehouse space, ample dock doors, an ESFR sprinkler system, T-5 motion sensor lighting, ample auto parking, trailer drops and an expansive outside storage lot. The property is located approximately 200 yards from the runway at New Century Aircenter in southwest Kansas City and minutes from Interstate 35. The property is 100% occupied by KGP, with a lease expiration of December 31, 2018.

2440-2450 Midpoint Drive — Edwardsville (Kansas City), Kansas. Located in Edwardsville (Kansas City), Kansas, 2440-2450 Midpoint Drive is a multi-tenant, modern distribution facility, totalling approximately 225,000 square feet of GLA. Built in 2006, the property features 30-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied. Lagasse, Inc. occupies 90,000 square feet, with a lease expiration of May 18, 2016, and MWI Veterinary Supply, Inc. (NASDAQ: MWIV) occupies 135,000 square feet, with a lease expiration of August 31, 2021. Each of the tenants has an option to extend the term of its lease for a period of five years.

2401 and 2430 Midpoint Drive — Edwardsville (Kansas City), Kansas. Located in Edwardsville (Kansas City), Kansas, 2401-2430 Midpoint Drive is a single-tenant, modern distribution facility, totalling approximately 180,000 square feet of GLA. Built in 2005, the property features 30-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied by OfficeMax Inc. ("OfficeMax") (NYSE: OMX), with a lease expiration of February 29, 2016. OfficeMax has an option to extend the term of its lease for one term of five years. This property also includes land for future development that can accommodate an expansion of the existing property or a newly constructed industrial building ranging in size from approximately 60,000 to 80,000 square feet of GLA.

8500 - 8950 Hedge Lane Terrace — Shawnee (Kansas City), Kansas. Located in Shawnee (Kansas City), Kansas, 8500-8950 Hedge Lane Terrace is a multi-tenant, modern distribution facility, totalling approximately 111,000 square feet of GLA. Built in 1999, the property features 26- to 30-foot clear ceiling height, ample dock doors and ample trailer and auto parking. The property is 100% occupied. Eiko, Ltd. occupies 72,000 square feet, with a lease expiration of November 30, 2016, and Special Product Company occupies 39,000 square feet, with a lease expiration of January 31, 2017. Special Product Company has an option to extend the term of its lease for one period of five years.

40 Logistics Boulevard — Walton (Cincinnati), Kentucky. Located in Walton (Cincinnati), Kentucky in the Northern Kentucky submarket, 40 Logistics Boulevard is a single-tenant modern distribution facility, totalling approximately 543,512 square feet of GLA. Built in 2007, the ample trailer and auto parking. The property is 100% occupied by GSI, with a lease expiration of April 30, 2017. GSI has an option to extend the term of its lease for three successive terms of five years each.

2750 Earhart Court — Hebron (Cincinnati), Kentucky. Located in Hebron (Cincinnati), Kentucky, 2750 Earhart Court is a single-tenant modern distribution facility, totalling approximately 127,800 square feet of GLA. Built in 2003 and expanded in 2010, the property is currently 100% occupied by U.S. Worldwide Logistics (OIA Global) with a lease expiration of September 30, 2018. The property features 30-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. U.S. Worldwide Logistics has an option to extend the term of its lease for a period of 24 to 36 months.

1500 Worldwide Boulevard — Hebron (Cincinnati), Kentucky. Located in Hebron (Cincinnati), Kentucky, 1500 Worldwide Boulevard is a single-tenant modern distribution facility, totalling approximately 300,000 square feet of GLA. Built in 1999, the property is currently 100% occupied by UPS Supply Chain Solutions with a lease expiration of December 31, 2018. The property features 32-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-8 lighting in 90% of the building, and ample trailer and auto parking. UPS Supply Chain Solutions has an option to extend the term of its lease for two successive terms of three years each.

100 West Thomas P. Echols Lane – Shepherdsville (Louisville), Kentucky. Located in Shepherdsville (Louisville), Kentucky, 100 West Thomas P. Echols Lane is a state-of-the-art, multi-tenant, bulk distribution facility, totalling 936,000 square feet of GLA. Built in 2010, the property features 32 foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The Property is 100% leased to two tenants, Clorox Co. (NYSE: CLX) and Amazon.com (NASDAQ: AMZN), with leases expiring on July 31, 2018 and July 31, 2019, respectively. Clorox has an option to extend the term of its lease for one term of five years. Amazon.com has an option to extend the term of its lease for two successive periods of five years each.

25295 Guenther Road — Warren (Detroit), Michigan. Located in Warren (Detroit), Michigan, 25295 Guenther Road is a multi-tenant distribution facility, totalling approximately 247,900 square feet of GLA. Built in 1997 and expanded in 2008 and 2014, the property features 32-foot clear ceiling height, ample dock doors and drive-ins, a fully-sprinkled wet pipe system, T-5 lighting and ample auto and trailer parking. The property is 100% occupied. Brose Jefferson, Inc., occupies 96,250 square feet, with a lease expiration of January 31, 2017, and Oakley Industries, Inc. occupies 151,650 square feet with a lease expiration of October 31, 2019. Brose Jefferson, Inc. has an option to extend the term of its lease for one term of two years. Oakley Industries, Inc. has an option to extend the term of its lease for one term of two to seven years, as specified by Oakley Industries, Inc. in written notice to the landlord.

224 North Hoover Road — Durham, North Carolina. Located in Durham, North Carolina, 224 North Hoover Road is a single-tenant distribution facility, totalling approximately 252,465 square feet of GLA. Built in 1972 and expanded in 1995, the property features 24 foot clear ceiling height, ample dock doors and drive-ins, a fully sprinkled wet pipe system, metal halide lighting, and ample auto parking and trailer drops. The property is 100% occupied by James Brown Contracting, Inc., with a lease expiration of September 30, 2016. James Brown Contracting, Inc. has an option to extend the term of its lease for one term of five years.***6766 Pontius Road — Groveport (Columbus), Ohio***. Located in Groveport (Columbus), Ohio, 6766 Pontius Road is a single-tenant modern distribution facility, totalling approximately 754,000 square feet of GLA. Built in 2006, the property is currently 100% occupied by Honeywell with a lease expiration of December 31, 2018. The property features 32- to 37-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. Honeywell has an option to extend the term of its lease for three successive terms of three years each.

3051 Creekside Parkway — Obetz (Columbus), Ohio. Located in Obetz (Columbus), Ohio, 3051 Creekside Parkway is a single-tenant modern distribution facility, totalling approximately 737,471 square feet of GLA. Built in 2006, the property features 32- to 34-foot clear ceiling height, ample dock doors, an ESFR sprinkler system, T-8 lighting and ample trailer and auto parking. The property is 100% occupied by Zulily, with a lease expiration of May 31, 2017. Zulily has an option to extend the term of its lease for three successive five-year terms.

325 Larsen Drive — Fond du Lac, Wisconsin. Located west of Milwaukee in Fond Du Lac, Wisconsin, 325 Larsen Drive is a single-tenant distribution facility totalling approximately 234,000 square feet of GLA. Built in 1996, the property features 42-foot clear ceiling height, ample dock doors and ample trailer and auto parking. The property is 100% occupied by Mercury Marine (a division of Brunswick Corporation (NYSE: BC)), with a lease expiration of December 31, 2017. Mercury Marine has an option to extend the term of its lease for two successive terms of five years each.

1962 Queenland Drive — Mosinee (Wausau), Wisconsin. Located in Mosinee (Wausau), Wisconsin, 1962 Queenland Drive is a single-tenant modern distribution facility, totalling approximately 106,000 square feet of GLA. Built in 2007, the property features 28-foot clear ceiling height, ample dock doors and ample trailer and auto parking. The property is 100% occupied by Woods Equipment Company (a division of Blount International, Inc. (NYSE: BLT)), with a lease expiration of December 16, 2027. Woods Equipment Company has an option to extend the term of its lease for two successive terms of five years each.

5300 Hickory Hill Road – Memphis, Tennessee. Located in Memphis, Tennessee, 5300 Hickory Hill Road is a modern, bulk, multi-tenant distribution facility, totalling approximately 888,262 square feet of GLA. Built in 1999, the property features 32 foot clear ceiling heights, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied. United Stationers Supply Co. occupies 654,080 square feet with a lease expiration of July 31, 2017, Expeditors International occupies 133,382 square feet with a lease expiration of September 30, 2015 and Pacific Paper occupies 100,800 square feet with a lease expiration of March 31, 2017. United Stationers Supply Co. has an option to extend the term of its lease for two successive terms of five years each. Expeditors International has an option to extend the term its lease for 20 months. Expeditors International has the right to terminate its lease at any time upon thirty days' notice with no termination penalty.

5405 Hickory Hill Road – Memphis, Tennessee. Located in Memphis, Tennessee, 5405 Hickory Hill Road is a modern, bulk, single-tenant distribution facility, totalling approximately 338,000 square feet of GLA. Built in 2000, the property features 32 foot clear ceiling heights, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied by Bryce Corporation, with a staggered lease expiration of February 28, 2017 on 114,800 square feet and a lease expiration of September 30, 2023 on 223,200 square feet. Bryce has a five year option to extend the term of the lease on both spaces.

5950 Freeport Avenue – Memphis, Tennessee. Located in Memphis, Tennessee, 5950 Freeport Avenue is a modern, bulk, multi-tenant distribution facility, totalling approximately 108,250 square feet of GLA. Built in 2000, the property features 24 foot clear ceiling heights, ample dock doors, an ESFR sprinkler system, T-5 and metal halide lighting and ample trailer and auto parking. The property is 100% occupied by four tenants with premises ranging in size from 16,800 to 35,700 square feet of GLA, and staggered lease expirations ranging from 2015 to 2019. Tricor Braun occupies 35,700 square feet of GLA and has a lease expiration of November 30, 2019 and has a one-time termination option on October 31, 2017 with a termination penalty equal to all unamortized leasing costs and three months of gross rent. Tricor Braun and PSS World Medical (32,934 square feet) both have renewal options.

6190 Freeport Avenue – Memphis, Tennessee. Located in Memphis, Tennessee, 6190 Freeport Avenue is a modern, bulk, single-tenant distribution facility, totalling approximately 283,756 square feet of GLA. Built in 2000, the property features 30 foot clear ceiling heights, ample dock doors, an ESFR sprinkler system, metal halide lighting and ample trailer and auto parking. The property is 100% occupied. The property is 100% occupied by Home Depot USA, Inc., with a lease expiration of June 20, 2020. Home Depot has a five year option to extend the term of the lease.

4800 Pleasant Hill Road – Memphis, Tennessee. Located in Memphis, Tennessee, 4800 Pleasant Hill Road is a modern, single-tenant distribution facility, totalling approximately 60,000 square feet of GLA. Built in 1998, the property features 28 foot clear ceiling heights, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied by CEVA Freight, LLC, with a lease expiration of June 30, 2019.

5166 Pleasant Hill Road – Memphis, Tennessee. Located in Memphis, Tennessee, 5166 Pleasant Hill Road is a modern, bulk, single-tenant distribution facility, totalling approximately 648,750 square feet of GLA. Built in 2001,

the property features 32 foot clear ceiling heights, ample dock doors, an ESFR sprinkler system, T-5 lighting and ample trailer and auto parking. The property is 100% occupied by CEVA Logistics US, Inc., with a lease expiration of May 31, 2016. CEVA Logistics has a five year option to extend the term of the lease.

Warehouse

1685 Boggs Road — Duluth (Atlanta), Georgia. Located in Duluth (Atlanta), Georgia, 1685 Boggs Road is a multi-tenant distribution facility, totalling approximately 164,008 square feet of GLA. Built in 1996, the property features 26-foot clear ceiling height, an ESFR sprinkler system, ample dock doors and trailing loading/parking capacity. The property is 100% occupied. Max Moulding, Inc., occupies 30,489 square feet, with a lease expiration of January 31, 2020, Blackpowder Products Inc., occupies 32,903 square feet, with a lease expiration of May 31, 2016, Southern Doors, LLC occupies 37,731 square feet, with a lease expiration of August 31, 2016, and Dow Electronics occupies 62,885 square feet, with a lease expiration of June 30, 2019. Each of the tenants has an option to extend the term of its lease for a period of at least three years.

2940 Old Norcross Road — Duluth (Atlanta), Georgia. Located in Duluth (Atlanta), Georgia, 2940 Old Norcross Road is a multi-tenant distribution facility, totalling approximately 132,394 square feet of GLA. Built in 1994, the property features 24-foot clear ceiling height, ample dock doors, a wet sprinkler system, and trailing loading/parking capacity. The property is 68% occupied. Stephen Gould Corporation occupies 90,000 square feet, with a lease expiration of November 30, 2022.

115 West Lake Drive — Glendale Heights (Chicago), Illinois. Located in Glendale Heights (Chicago), Illinois, 115 West Lake Drive is a multi-tenant warehouse facility, totalling approximately 79,515 square feet of GLA. Built in 1999, the property features 24-foot clear ceiling height with ample dock doors and trailing loading/parking capacity. The property is 100% occupied by three tenants. A subsidiary of FedEx Corporation (NYSE: FDX) occupies 27,787 square feet, with a lease expiration of September 30, 2018, Donghua USA, Inc. occupies 35,664 square feet with a lease expiration of September 30, 2016 and Phoenix Paper Co., Inc. occupies 16,065 square feet, with a lease expiration of June 30, 2016. The subsidiary of FedEx Corporation has an option to extend the term of its lease for two successive terms of five years each. Phoenix Paper Co., Inc. has an option to extend the term of its lease for one term of five years.

1880 Parkview Drive — Shoreview (Minneapolis), Minnesota. Located in Shoreview (Minneapolis), Minnesota, 1880 Parkview Drive is a single-tenant facility comprised of one single-story building, totalling approximately 71,481 square feet of GLA of office and warehouse space. Built in 2003, the property features 20-foot clear ceiling height, ample dock doors, a wet sprinkler system and ample trailer and auto parking. The property is 100% occupied by Fiserv Solutions, Inc., with a lease expiration of November 30, 2016.

707 West County Road E — Shoreview (Minneapolis), Minnesota. Located in Shoreview (Minneapolis), Minnesota, just off Interstate 694, 707 West County Road E is a single-tenant building, totalling approximately 71,338 square feet of GLA of office and warehouse space. Built in 1973, and renovated and expanded in 2008, the property features average 25-foot clear ceiling height, ample auto parking and seven-inch reinforced concrete floors. The property is 100% occupied by PaR Systems, Inc., with a lease expiration of March 31, 2023. The lease will automatically renew for two successive terms of five years each, unless PaR Systems, Inc. delivers a notice declining to extend the term.

7401 Cahill Road — Edina (Minneapolis), Minnesota. Located in Edina (Minneapolis), Minnesota, 7401 Cahill Road is a single-story, multi-tenant warehouse facility, totalling approximately 45,672 square feet of GLA. Built in 1979, and renovated in 1991, the property features 18-foot clear ceiling height, ample dock doors, a wet sprinkler system, ample trailer and auto parking, and five-inch reinforced concrete floors. The property is 62.68% occupied. Apres, Inc. occupies 28,629 square feet, with a lease expiration of February 28, 2019.

3440 Symmes Road — Hamilton (Cincinnati), Ohio. Located in Hamilton (Cincinnati), Ohio, 3440 Symmes Road is a single-tenant warehouse building, totalling approximately 54,000 square feet of GLA. Built in 2000, the property features 24-foot clear ceiling height, ample dock doors and drive-ins, a fully sprinkled wet pipe system and ample auto parking. The property is 100% occupied by Jason Incorporated, with a lease expiration of December 31, 2016.

25 Enterprise Drive — Hamilton (Cincinnati), Ohio. Located in Hamilton (Cincinnati), Ohio, 25 Enterprise Drive is a multi-tenant warehouse building, totalling approximately 45,000 square feet of GLA. Built in 2003, the property features 24-foot clear ceiling height, ample dock doors and drive-ins, a fully sprinkled wet pipe system and ample auto parking. The property is 56% occupied by Flip-n-Twist Gymnastics, with a lease expiration of April 30, 2019. The remaining 20,000 square feet of the property is currently vacant.

5200-5390 Ashland Way — Franklin (Milwaukee), Wisconsin. Located in Franklin (Milwaukee), Wisconsin, 5200-5390 Ashland Way is a multi-tenant warehouse building comprised of two single-story buildings, totalling approximately 155,320 square feet of GLA and sharing a functional truck court. Built in 1999, the property features 24-foot clear ceiling height, ample dock doors and drive-ins, a wet sprinkler system and ample trailer and auto parking. The property is 100% occupied and located approximately two miles west of Interstate 94. The property's major tenants include an affiliate of ThyssenKrupp AG (FRA: TKA), occupying 57,378 square feet, with a lease expiration of March 31, 2021 and Innovative Fiber occupying 77,660 square feet, with a lease expiration of June 30, 2020. The affiliate of ThyssenKrupp AG has one option to extend the term of its lease for five years. Innovative Fiber has two options to extend the term of its lease for three years each. The affiliate of Thyssen Krupp AG has the option to terminate its lease on May 31, 2019 upon six months' notice and payment equal to the sum of (i) all costs and fees actually paid by the landlord to any contractor or subcontractor to complete the landlord work; (ii) all brokerage commissions paid by landlord and (iii) $25,533.

N22 W23977 Ridgeview Parkway — Pewaukee (Milwaukee), Wisconsin. Located in Pewaukee (Milwaukee), Wisconsin, N22 W23977 Ridgeview Parkway is a multi-tenant distribution facility, totalling approximately 94,403 square feet of GLA. Built in 1998, the property features 24-foot clear ceiling height, ample dock doors and drive-ins, a fully sprinkled wet pipe system, T-5 lighting, and ample auto parking and trailer drops. The property is 100% occupied. Walters USA occupies 39,349 square feet, with a lease expiry of September 30, 2018, UPS Supply Chain Solutions, Inc., an affiliate of United Parcel Service, Inc., occupies 15,432 square feet, with a lease expiry of May 31, 2016 (NYSE:UPS), and Central National Gotteman Inc. occupies 39,622 square feet, with a lease expiry of January 31, 2018.

Flex

3000 Ames Crossing Drive — Eagan (Minneapolis), Minnesota. Located in Eagan (Minneapolis), Minnesota, 3000 Ames Crossing Drive is a single-story, multi-tenant office/warehouse facility, totalling approximately 116,549 square feet of GLA. Built in 2008, the property features 19-foot clear ceiling height, ample dock doors, a wet sprinkler system and ample trailer and auto parking. The property is currently 93.4% occupied. StayWell occupies 71,808 square feet, with a lease expiration of May 31, 2023, and Alliance One Receivables Inc. occupies 37,065 square feet, with a lease expiration of October 31, 2015. Each of the tenants has an option to extend the term of its lease for a period of at least five years. StayWell has the option to terminate its lease on May 31, 2021 upon six months' notice and payment of a termination fee equal to $500,000.

5910 Rice Creek Parkway — Shoreview (Minneapolis), Minnesota. Located in Shoreview (Minneapolis), Minnesota, 5910 Rice Creek Parkway is comprised of one single-story building, totalling approximately 114,103 square feet of GLA in office and warehouse space. Built in 2002, the property features 20-foot clear ceiling height, ample dock doors, a wet sprinkler system and ample trailer and auto parking. The property is a 92% occupied, multi-tenant facility comprised of four tenants with lease expirations ranging from March 31, 2016 to June 30, 2020. The two largest tenants, Key Medical Supply Inc. and MSP Corporation, occupy 38,961 square feet and 37,729 square feet, respectively, with lease expirations of January 31, 2018 and March 31, 2016, respectively.

Office

4350 and 4400 Baker Road — Minnetonka (Minneapolis), Minnesota. Located in Minnetonka (Minneapolis), Minnesota, 4350 and 4400 Baker Road is an office campus comprised of two office buildings representing 167,190 square feet of suburban office space. Developed by the Welsh organization to a LEED gold standard in 2008, the property features amenities including underground parking, fitness center, cafeteria, state-of-the-art meeting rooms, and high visibility along Interstate 494. The property is 100% occupied by 11 tenants with premises ranging in size from 1,200 to 54,000 square feet of GLA, and staggered lease expirations ranging from 2015 to 2021. The two largest tenants, Welsh Companies, LLC and PeopleNet Communications Corporation, occupy 48,178 square feet

and 47,448 square feet, respectively, with lease expirations of May 31, 2020 and February 29, 2020, respectively. PeopleNet Communications Corporation has the option to extend the term of its lease for one period of five years and an option to terminate within the term with nine months' prior written notice to the landlord on September 1, 2016, with a termination fee in the amount of $624,907. 4400 Baker Road also includes approximately 5.5 acres of land for future development. The parcel can accommodate approximately 100,000 to 120,000 square feet of GLA of new office development.

8085 Rivers Avenue — North Charleston, South Carolina. Located in North Charleston, South Carolina, 8085 Rivers Avenue is an office building, representing approximately 158,583 square feet of GLA. Built in 1984 and remodeled in 1996, the building is situated on 16 acres of land, including 987 surface parking spaces. The property is 91.9% occupied by four tenants with premises ranging from 6,526 to 58,444 square feet, with staggered lease expirations ranging from 2013 to 2018. The two largest tenants are Per Se Technologies, Inc., occupying 58,444 square feet, with a lease expiration of June 30, 2018 and Palmetto Technical College, occupying 50,062 square feet, with a lease expiration of December 31, 2018. Per Se Technologies, Inc. has an option to extend the term of its lease for five years. One of the tenants occupying 6,526 square feet has the option to terminate their lease on July 31, 2015 with 9 months prior written notice and the payment of a termination penalty equal to unamortized transaction costs.

Occupancy and Leasing

The REIT's properties are characterized by a staggered lease maturity profile, with a weighted average remaining lease term of approximately 4.6 years and with an average of 12.2% of GLA maturing each year between 2015 and 2019, and with almost 39% of GLA expiring in 2019 and beyond. The REIT's properties had a weighted average occupancy of 99.1% as of December 31, 2014.

Tenant Composition

The 93 tenants occupying the REIT's properties represent a mix of national, regional and local companies. These tenants operate in a multitude of industries and include third-party logistics companies, large warehouse companies and distribution companies, some of which are Fortune 500 companies. The tenants within the REIT's properties are diversified across a wide range of industries. The largest economic sector within the portfolio represents only 23% of total GLA and 21% of total base rent as at January 1, 2015.

The following chart highlights certain information about the top ten tenants by percentage of GLA and percentage of annualized January 2015 base rent.

Tenant	Property	State	Property Type	Lease Commencement Date	Average Remaining Lease Term[(1)] (years)	Percentage of GLA (% of total portfolio)	Percentage of Annualized Base Rent[(2)] (% of total portfolio)
General Mills Operations, LLC	1871 Willow Springs Church Road	Georgia	Distribution	July 28, 2010	5.2	10.0%	6.9%
Unilever Home & Personal Care.....	5620 Inner Park Drive	Illinois	Distribution	April 24, 2003	8.3	8.4%	6.3%
Honeywell International Inc.....	6766 Pontius Road	Ohio	Distribution	January 1, 2012	3.8	5.0%	3.3%
OSP Group, Inc.....	3003 Reeves Road	Indiana	Distribution	April 18, 2004	1.4	4.9%	4.0%
Zulily, Inc.....	3051 Creekside Parkway	Ohio	Distribution	January 1, 2012	2.2	4.9%	4.0%
United Stationers Supply Co…	5300 Hickory Hill Road	Tennessee	Distribution	May 1, 2000	2.3	4.3%	3.9%
CEVA Logistics US, Inc……..	5166 Pleasant Hill Road	Tennessee	Distribution	March 1, 2001	1.2	4.3%	3.6%
Amazon.com……	100 West Thomas P. Echols Lane	Kentucky	Distribution	September 1, 2013	4.3	3.8%	3.4%
GSI Commerce Solutions, Inc.....	40 Logistics Boulevard	Kentucky	Distribution	May 1, 2007	2.1	3.6%	3.5%

Tenant	Property	State	Property Type	Lease Commencement Date	Average Remaining Lease Term[(1)] (years)	Percentage of GLA (% of total portfolio)	Percentage of Annualized Base Rent[(2)] (% of total portfolio)
Life Science Logistics, LLC.....	1105 East Northfield Drive	Indiana	Distribution	June 1, 2012	5.3	2.6%	2.1%
Total Top Ten Tenants					**4.1**	**51.8%**	**40.9%**

Note:

(1) As at March 30, 2015, including the Tennessee Acquisition Properties**.**

(2) Monthly billed base rent as of January 1, 2015 and calculated as billed base rent, multiplied by 12.

The following information relating to the top ten tenants of the REIT has been obtained from third-party sources and publicly available information. The REIT has not independently verified such information.

General Mills, Inc.

General Mills, Inc. (NYSE: GIS) is a global manufacturer and marketer of consumer foods and is one of the largest food companies in the world. General Mills markets many well-known brands, including Pillsbury, Yoplait, Betty Crocker, Green Giant, Columbo, Jenos, Totinos, Lucky Charms, Cherrios, Haegen-Dazs, and Old El Paso. Founded in 1928, General Mills is headquartered in Minneapolis, MN and employs more than 39,000 people. General Mills current market capitalization is approximately $32 billion with annual revenue of approximately $17.6 billion. General Mills leases 1,512,552 square feet of the property located at 1871 Willow Springs Church Road. Social Circle, Georgia where it has been a tenant since June 2010. Its leases includes three consecutive options to extend the lease term for a period of five years each. The rental rate for each lease year during each renewal term will be 110% of the rental rate payable for the lease year immediately preceding the first lease year of the renewal term for which rent is being determined.

Conopco, Inc. (dba Uniliver)

Unilever (NYSE: UL) is a global leader and manufacturer of packaged consumer goods worldwide. Unilever United States and its operating entity Conopco, Inc are the company's subsidiaries in the United States. Unilever has created a vast portfolio of product offerings in the food, personal care, refreshment and home care products categories of the consumer goods industry. The company markets and sells products to over 2 billion consumers in more than 190 countries. Unilever was founded in 1885 and is headquartered in London, the United Kingdom. Unilever has an equity market capitalization of approximately $125 billion with 2014 revenues of approximately $54 billion including $10 billion in revenues from its operations in the United States. Unilever leases 1,262,648 square feet of the Property located at 5620 Inner Park Drive in Pontoon Beach, Illinois where it has been the sole tenant since the building was built in 2003. Its lease includes two consecutive options to renew the lease term for five years each. The rental rate for both options is at the lesser of the prevailing market rate or 115% of the rental rate in effect during the last year of the then term.

Honeywell International, Inc.

Honeywell International, Inc. (NYSE: HON) is a Fortune 100 Company that invents and manufactures a variety of commercial and consumer products, provides engineering services, and supplies aerospace systems. Honeywell's aerospace products and services are used globally on virtually every commercial and business aircraft operating today. Honeywell's current equity market capitalization is approximately $82 billion, and the company generated revenues of approximately $40.3 billion for the 12 months ended December 31, 2014. Honeywell's environmental controls, life safety, security, sensing, scanning and mobility products, as well as building and process solutions are at work in 120 million homes, 10 million buildings, 5,000 industrial facilities, and hundreds of public and private utilities worldwide. Honeywell leases 754,000 square feet of the Property located at 6766 Pontius Road, Groveport, Ohio where it has been a tenant since January 2012. Its lease includes three consecutive options to extend the lease term for a period of three years each. The rental rate for the first option is the lesser of fair market rent and $2.70 per-square-foot, subject to 2% annual rental increases. The rental rate for the second option is the lesser of fair

market rent or $2.87 per-square-foot, subject to 2% annual increases. The rental rate for the third option is fair market rent, subject to 2% annual increases.

OSP Group, Inc.

OSP Group, Inc. operates as an online and catalogue retailer of men's and women's plus-size apparel, home and lifestyle products, sporting goods and outdoor gear under the following names: Redcats USA, Inc., Brylane, Inc., OnStopPlus, King Size and La Redoute. Redcats USA, Inc. was formerly known as Brylane, Inc. and changed its name to Redcats USA, Inc. in October 2004. Redcats was founded in 1901 and is based in New York, New York, with additional locations in New Jersey, Indiana, Ohio, Texas, Minnesota and Kansas. OSP Group, Inc. leases 741,092 square feet of the Property located at 3003 Reeves Road in Plainfield, Indiana, where Redcats USA, Inc. has been the sole tenant since April 2004. Its lease includes three consecutive options to renew the lease term for five years each. Provided there are at least five years remaining in the lease term (including any renewal term), Redcats USA, Inc. has an expansion option to add up to 316,000 square feet to the existing property

Zulily, Inc.

Zulily, Inc. is a retailer that provides online daily deals for apparel and other products for parents, infants and children. Zulily has customers worldwide, including in the U.S., Canada, England and Ireland. Zulily was founded in 2009 and is based in Seattle, Washington. In November 2013, Zulily closed on its Initial Public Offering (NASDAQ: ZU). Zulily's current equity market capitalization is approximately $2 billion and the company generates approximately $1.2 billion in annual revenues. Zulily leases 737,471 square feet of the Property located at 3051 Creekside Parkway in Obetz, Ohio, where it has been the sole tenant since January 2012. Its lease includes three consecutive options to renew the lease term for periods of five years each, with rent for the first year of each renewal period at 95% of the fair market rent. Zulily has the option to terminate the lease on May 31, 2015 upon not less than six months' notice and upon payment of a termination fee of $1,968,000 (which is equal to approximately one year of gross rent for this tenant).

United Stationers Supply Co.

United Stationers is the largest wholesale distributor of business products in North America with annual sales of approximately $5 billion. United Stationers is made up of multiple divisions: United Stationers Supply Company (business products), LagasseSweet (janitorial and sanitation Products), Azerty (technology products), ORS Nasco (industrial products), and MBS Dev (software). United Stationers sells to a broad range of clients, including office products dealers; contract stationers; office products superstores; computer products resellers; office furniture dealers; mass merchandisers; mail order companies; sanitary supply, paper and foodservice distributors; drug and grocery store chains; e-commerce merchants; oil field operators, welding supply companies and industrial/MRO distributors; along with other independent distributors. It serves a reseller community of over 30,000. United Stationers Supply Co. leases 654,080 square feet of the Property located at 5300 Hickory Hill Road in Memphis, Tennessee where it has been a tenant since May 1, 2000. United Stationers Supply Co. has a lease expiration of July 31, 2017 and has the option to extend the term of its lease for two consecutive terms of five years each.

CEVA Logistics US, Inc.

CEVA Logistics US, Inc. ("**CEVA**") is a regional unit of CEVA Logistics, part of the CEVA Group of companies. CEVA provides freight forwarding and contract logistics, as well as warehousing, customs house brokerage, ground delivery, and other freight management services. The supply chain management company, leveraging the resources of its global affiliates, specializes in supporting the supply chain logistics of both American and international companies operating in the US. CEVA. focuses on providing services for companies operating in the automotive, consumer goods, electronics, manufacturing, and technology sectors. CEVA leases 648,750 square feet of the Property located at 5166 Pleasant Hill Road in Memphis, Tennessee where it has been the sole tenant since March 1, 2001. Ceva has a lease expiration of May 31, 2016 with a 5 year option to extend the term of its lease.

Amazon.com, Inc.

Amazon.com, Inc. operates as an online retailer in North America and internationally. The company serves consumers through retail Websites, such as amazon.com and amazon.ca, which primarily include merchandise and content purchased for resale from vendors and those offered by third-party sellers. In addition, the company serves developers and enterprises through Amazon Web Services that provides compute, storage, database, analytics, applications, and deployment services that enable virtually various businesses. Further, it manufactures and sells electronic devices, including Kindle e-readers, fire tablets, fire TVs, echo, and fire phones; and provides Kindle Direct Publishing, an online platform that allows independent authors and publishers to make their books available in the Kindle Store. Additionally, the company offers Amazon Prime, an annual membership program, which provides free shipping of various items; access to instant streaming of movies and TV episodes; and access to books to borrow and read on a Kindle device, as well as provides publishing, digital content subscriptions, and advertising services; and co-branded credit card agreements. Amazon.com, Inc. was founded in 1994 and is headquartered in Seattle, Washington. Amazon.com, Inc. leases 578,000 square feet of the Property located at 100 West Thomas P. Echols Lane in Shepherdsville, Kentucky where it has been a tenant since September 1, 2013. Amazon.com, Inc has an option to extend the term of its lease for two successive periods of five years each.

GSI Commerce Solutions, Inc.

GSI Commerce Solutions, Inc. was acquired by eBay Inc. in June 2011 for approximately $2.4 billion. GSI is a leading provider of ecommerce and interactive marketing services for the world's premier brands, with over 500 clients and 26 offices in North America, Europe and Asia. GSI is based in King Of Prussia, Pennsylvania. GSI handles online shipping for 70 brands including Godiva, Aéropostale Inc. and Estée Lauder. GSI leases 543,512 square feet of the Property located at 40 Logistics Boulevard in Walton, Kentucky, where it has been the sole tenant since May 2007. Its lease includes three consecutive options to extend the lease term for periods of five years each. The rental rate for the first option is 110% of the annual base rent at the end of the initial term. The rental rate for the second and third options will be the fair market rental rate for comparable properties determined at the time of the exercise of each of these renewal options.

LifeScience Logistics LLC

LifeScience Logistics LLC provides healthcare and pharmaceutical supply chain solutions in the U.S. and internationally. LifeScience Logistics offers warehouse services, distribution services and multimodal transportation services. LifeScience Logistics was founded in 2006 and is based in Texas, with facilities in Kentucky and Indiana. LifeScience Logistics leases 394,200 square feet of the Property located at 1105 East Northfield Drive in Brownsburg, Indiana, where it has been a tenant since July 2010. Its lease includes five consecutive options to renew the lease term for five-year periods.

ASSESSMENT OF THE PROPERTIES

Environmental Site Assessments

The REIT's operating policy is to obtain a Phase I environmental site assessment (a "**Phase I ESA Report**") of each real property to be acquired by it and, if the Phase I ESA Report recommends that a further environmental site assessment be conducted, the REIT will have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant. As a condition to any acquisition of real property, such assessments will be satisfactory to the Trustees.

Management is not aware of any non-compliance with environmental laws at any of the REIT's properties that management believes would have a material adverse effect on the REIT. Management is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the properties that would materially adversely affect the REIT or the values of the properties, taken as a whole, as determined by the appraiser of the properties. The REIT and Welsh, as external asset and property manager of the REIT, have implemented policies and procedures to assess, manage and monitor environmental conditions at the properties, and to manage exposure to potential liability. See "Risk Factors — Risk Factors Related to the Real Estate Industry — Environmental Matters".

Building Condition Assessments

The REIT's policy is to engage a third-party to provide building condition assessment reports ("**BCA Reports**") on each property acquired for the purpose of assessing and documenting the existing condition of each investment property and major investment property operating components and systems. The REIT then uses this information in conjunction with management's experience in operating the portfolio to calculate a five-year weighted average capital expenditure per square foot, which is used in the REIT's AFFO calculation. The five-year weighted average capital expenditure per square foot used in the REIT's AFFO calculation will change from time to time as the REIT purchases additional properties. For more information on the BCA Reports and the REIT's capital expenditure reserve, see "Liquidity and Capital Resources — Commitments and Contingencies — Capital Expenditure Reserve" in management's discussion and analysis of the results of operations and financial condition of the REIT for the three months ended December 31, 2014 and for the year ended December 31, 2014 (the "**Annual MD&A**"), which section is incorporated by reference herein. Management views this reserve as conservative as actual capital expenditures for the year ended December 31, 2014 were $323,000 as compared to $860,000 reserved.

The five-year average capital expenditure for the REIT's portfolio is summarized below:

	Initial Properties	Illinois Property	Georgia Property	Kentucky Property	Louisville Property	OIA Property	Tennessee Acquisition Properties	**Total Portfolio**
Five-year average capital expenditures per Sq. Ft. ($)	0.090	0.026	0.000	0.170	0.020	0.050	0.033	0.060

The BCA Reports for the Tennessee Acquisition Properties identified $363,879 of immediate required expenditures and $7,362,680 in possible capital expenditures over the next 10 years. Of this $7,362,680, $2,659,820 is for roof replacement costs at Eastpark I in year three, and $3,427,797 is for roof replacement costs at Chickasaw A, Chickasaw H and Southpoint XIX in year six. As noted in the BCA Reports, roofs on industrial buildings in this market generally have an expected useful life of approximately 20 years. The REIT intends to fund the roof replacement costs in years three and six through draws on the Revolving Facility.

The remaining $1,275,063 represents other estimated capital expenditures over the next 10 years. The REIT uses the first five years of the other estimated capital expenditures (totaling $380,363) to calculate a five-year weighted average capital expenditure per square foot, which is used in determining the REIT's AFFO.

DEBT STRATEGY AND INDEBTEDNESS

Debt Strategy

The REIT maintains a balanced debt profile, taking into account market conditions and the financial characteristics of each property. The debt strategy of the REIT is to obtain secured mortgage financing, primarily on a fixed rate basis, with a term to maturity that is appropriate in relation to the lease maturity profile of the REIT's portfolio. The REIT intends to maintain staggered mortgage debt maturities to mitigate interest rate risk and limit re-financing exposure in any particular period. The REIT also intends to enter into long-term loans at fixed rates when borrowing conditions are favourable.

The Declaration of Trust provides that the REIT may not incur or assume any indebtedness if, after giving effect to the incurring or assumption of such indebtedness, the total indebtedness of the REIT would be more than 60% of Gross Book Value (or 65% of Gross Book Value including convertible debentures). Management of the REIT currently targets a total indebtedness level at or below 55% of Gross Book Value. The REIT intends to satisfy principal repayments and other capital expenditures in future years through a combination of re-financing of existing mortgages, working capital and through the Revolving Facility (as defined below).

Debt Composition

The REIT intends to finance its ongoing operations with a combination of fixed rate secured debt with staggered maturities and floating rate debt under the Revolving Facility. The fixed rate debt is comprised of the Mortgages Payable (as defined below) and the floating rate debt is incurred pursuant to the Revolving Facility.

At the time of the IPO Closing, the REIT's aggregate indebtedness, including the mortgages indirectly assumed by the REIT with respect to the Initial Properties in connection with the REIT's indirect acquisition of an ownership interest in the Partnership at the IPO Closing (the "**Assumed Mortgages**") and the amounts drawn on the Revolving Facility, was $236.2 million (or $240.9 million including a mark-to-market adjustment of $4.7 million on the Assumed Mortgages), representing approximately 54.1% of Gross Book Value at the time of the IPO Closing. As of December 31, 2014, the REIT's aggregate indebtedness, including the Mortgages Payable (as defined below) and the amounts drawn on the Revolving Facility, was $321.4 million (or $324.8 million including a mark-to-market adjustment of $3.4 million on the Mortgages Payable), representing approximately 50.8% of Gross Book Value as at such date.

Revolving Facility

At the IPO Closing, the Partnership entered into a senior secured revolving credit facility (the "**Revolving Facility**"). The Revolving Facility consists of a $75 million senior secured revolving line of credit, with availability determined subject to compliance with a number of borrowing base tests. The Revolving Facility is available for acquisitions, development, debt repayment and general corporate purposes, and has an initial maturity of date of April 26, 2016, subject to a one-year extension option upon payment of an extension fee and satisfaction of other conditions. Security for the Revolving Facility consists of a pledge of the Partnership's interest in its wholly owned subsidiaries that hold the Borrowing Base Properties, and is guaranteed by each such wholly owned subsidiary and

by the REIT and US Holdco. An accordion feature is included in the Revolving Facility, which could increase the size of the facility to $200 million, subject to lender approval.

Pricing for the Revolving Facility is calculated at the Partnership's option at either a base rate or LIBOR (with one, two or three month LIBOR periods), in each case plus an applicable margin that will vary depending on corporate leverage. The base rate is equal to the greater of (i) the fluctuating annual rate of interest announced from time to time by KeyBank National Association at its head office as the "prime rate" plus 1.0%, (ii) 0.5% above the federal funds effective rate or (iii) 30 day LIBOR plus the applicable margin. Interest is payable monthly. There will be no principal payments due prior to maturity except due to changes in the borrowing base availability.

The maximum borrowings under the Revolving Facility are not permitted to exceed the lesser of (i) a set percentage of the appraised value of the Borrowing Base Properties, and (ii) the amount implied by a debt service coverage ratio of not less than 1.50 to 1.00 based on a defined mortgage constant. The Revolving Facility includes financial covenants (i) requiring the Partnership to maintain certain loan to value and debt service coverage ratios; (ii) requiring that the Partnership and its affiliates maintain a tangible net worth of at least $150 million initially plus 80% of future equity offerings and interests in the Partnership issued upon the contribution of assets to the Partnership or any of its Subsidiaries; (iii) requiring the Partnership to maintain overall leverage of less than 65% during the first 18 months and reducing to 60% thereafter; (iv) requiring the Partnership to ensure a maximum pay-out ratio equal to 95% of FFO; and (v) requiring the Partnership to maintain aggregate occupancy rates of 85% for the properties pledged as security. In 2014, the REIT added three existing unencumbered properties to the borrowing base, which increased availability on the Revolving Facility by $75 million.

As at December 31, 2014, the Partnership had drawn $56.9 million on the Revolving Facility and also had a $950,000 letter of credit outstanding under the Revolving Facility, leaving remaining availability of approximately $17.2 million.

On the IPO Closing, the REIT purchased an interest rate cap instrument covering a notional principal amount of $50 million and providing for a U.S. LIBOR cap of 50 basis points. The cap will result in payments to the Partnership equal to the product of (i) $50 million and (ii) the extent by which actual one-month U.S. LIBOR exceeds 50 basis points over the two year term of the instrument.

On October 14, 2013, the REIT and the lenders under the Revolving Facility entered into a first amendment to the Revolving Facility (the "**First Amendment to the Revolving Facility**") in order to allow the REIT to purchase for cancellation up to the lesser of $10 million of Units and the dollar amount required to purchase 1.14 million Units for cancellation under the NCIB without such purchases being included in the distribution covenant tests set forth in the Revolving Facility. The NCIB expired on August 12, 2014 and was not renewed.

A copy of the First Amendment to the Revolving Facility is available under the REIT's SEDAR profile at www.sedar.com.

Mortgages Payable

The REIT's aggregate indebtedness also includes mortgages payable with an aggregate principal amount of approximately $264.5 million, excluding a mark-to-market adjustment of $3.4 million (the "**Mortgages Payable**"). The mortgages payable have varying maturities ranging from December 2016 through to September 2024, with 91.8% of the aggregate principal amount maturing after 2017.

During the year ended December 31, 2014, the REIT entered into two new, fixed interest rate mortgages payable totaling approximately $53.2 million as a result of investment property acquisitions. On April 8, 2014, the REIT repaid one variable interest rate mortgage payable in the amount of approximately $3.2 million. On July 10, 2014, the REIT used the proceeds from a new, $11 million mortgage payable with a fixed interest rate of 4.03%, in addition to cash on hand, to pay off an existing mortgage payable with an outstanding balance of approximately $11.2 million and a maturity of July 10, 2014. On August 12, 2014, the REIT refinanced its last variable interest rate mortgage payable in the amount of $31.8 million with proceeds from a new, six-year, $31.8 million mortgage payable bearing a fixed interest rate of 3.40%.

As at December 31, 2014, the mortgages payable had a weighted average term to maturity and a weighted average effective interest rate of approximately 6.1 years and 4.21%, respectively.

Each of the Mortgages Payable is subject to customary contractual terms for mortgages and mortgage pools of a similar nature. Each of the mortgages in an Mortgage Payable Pool is cross-collateralized and cross-defaulted within such pool but, for greater certainty, the Mortgages Payable in different pools are not cross-collateralized or cross-defaulted with each other, except for Atlanta Loan Pool I and Atlanta Loan Pool II which is cross-collateralized and cross-defaulted with each other.

At the request of certain of the lenders and as an accommodation to the REIT, Welsh remains as guarantor of certain liabilities under the Mortgages Payable. In connection with these continuing guaranties, the Partnership and Welsh have entered into an indemnification agreement providing for an indemnity by the Partnership in favour of Welsh to cover any losses by Welsh under these guaranties.

Debt Maturities

The mortgages payable are characterized by a staggered maturity profile and less than 30.4% of total mortgage repayments are scheduled to occur within the next five calendar years. In addition, any draws on the Revolving Facility will need to be repaid at maturity, which is April 26, 2016. As noted above, the Partnership has drawn down $56.9 million on the Revolving Facility as at December 31, 2014.

Additional Financing

The REIT may seek additional financing with one or more financial institutions from time to time. Such financing will be used for general trust purposes, which may include the funding of our operations or future property acquisitions.

RISK FACTORS

The REIT faces a variety of significant and diverse risks, many of which are inherent in the business conducted by the REIT, the Partnership and the tenants of the Properties. Described below are certain risks that could materially affect the REIT and the value of the Units. Other risks and uncertainties that the REIT does not presently consider to be material, or of which the REIT is not presently aware, may become important factors that affect the REIT's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, prospects, financial condition, results of operations, cash flow, and the ability of the REIT to make cash distributions to Unitholders or value of the Units.

Risk Factors Related to the Real Estate Industry

Real Property Ownership and Tenant Risks

The REIT owns the Properties and is expected in the future to acquire interests in and develop other real property. All real property investments are subject to elements of risk. By specializing in a particular type of real estate, the REIT is exposed to adverse effects on that segment of the real estate market and does not benefit from a diversification of its portfolio by property type.

There is no assurance that the operations of the REIT will be profitable or that cash from operations will be available to make distributions to Unitholders. Real estate, like many other types of long-term investments, experiences significant fluctuation in value and, as a result, specific market conditions may result in occasional or permanent reductions in the value of the REIT's portfolio. The marketability and value of the portfolio will depend on many factors, including, without limitation: (i) changes in general economic conditions (such as the availability, terms and cost of mortgage financings and other types of credit); (ii) local economic conditions (such as business layoffs, industry slowdowns, changing demographics and other factors); (iii) local real estate conditions (such as an oversupply of properties or a reduction in demand for real estate in the area); (iv) changes in occupancy rates; (v) the attractiveness of properties to potential tenants or purchasers; (vi) competition with other landlords with similar

available space; (vii) the ability of the REIT to provide adequate maintenance at competitive costs; (viii) changes in exchange rates; (ix) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (x) the financial condition of borrowers and of tenants, buyers and sellers of property; (xi) changes in real estate tax rates and other operating expenses; (xii) the imposition of rent controls; (xiii) energy and supply shortages; (xiv) various uninsured or uninsurable risks; and (xv) natural disasters. There can be no assurance of profitable operations because the costs of operating the portfolio, including debt service, may exceed gross rental income therefrom, particularly since certain expenses related to real estate, such as property taxes, utility costs, maintenance costs and insurance, tend to increase even if there is a decrease in the REIT's income from such investments.

The Properties generate income through rent payments made by tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease and renewed rent may be lower than prevailing market rent. The REIT's cash flow and financial position would be materially adversely affected if its tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the Properties was not able to be leased on economically favourable lease terms. In the event of default by a tenant, the REIT may experience delays or limitations in enforcing its rights as lessor and incur substantial costs in protecting its investment. In addition, restrictive covenants may narrow the field of potential tenants at a property and could contribute to difficulties in leasing space to new tenants. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease by the tenant and, thereby, cause a reduction in the REIT's cash flow, financial condition and results of operations and its ability to make distributions to Unitholders.

Additionally, due to changing trends in the design of the types of properties owned by the REIT, it is possible that the Properties will in the future be less desirable than newer properties developed by competitors. This, in turn, would affect the ability of the REIT to renew its leases with existing tenants and, in the event that such leases are not renewed, to rent unleased suites.

Competition

The real estate business is competitive. The REIT competes with other investors, managers and owners of properties in seeking tenants and for the purchase and development of desirable properties. Some of the industrial properties of the REIT's competitors are newer, better located or better capitalized than the Properties. Certain of these competitors may have greater financial and other resources and greater operating flexibility than the REIT. Those entities may be able to accept more risk than the REIT can prudently manage and may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those the REIT may be prepared to accept. The existence of competing managers and owners could have a material adverse effect on the REIT's ability to lease space and on the rents the REIT is able to charge, and could materially adversely affect revenues and the REIT's ability to meet its obligations. In addition, such competition could have an adverse effect on property values in the markets in which the investments are located. Competition generally reduces the number of suitable investment opportunities available to the REIT and increases the bargaining power of property owners seeking to sell. Furthermore, the number of entities and the amount of funds competing for suitable industrial properties may increase. This could result in increased demand for these assets and therefore, increased prices paid for them, which may in turn adversely affect the REIT's ability to make investments and generate revenues.

Liquidity

Real property investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the REIT's ability to vary its portfolio of properties promptly in response to changing economic, investment or other conditions. If the REIT were to be required to liquidate its real property investment, the proceeds to the REIT might be significantly less than the aggregate carrying value of the Properties which could have an adverse effect on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. Illiquidity may result from the absence of an established market for real property investments, as well as from legal or contractual restrictions on their resale. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession the REIT may be faced

with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for the REIT to dispose of properties at lower prices in order to generate sufficient cash for operations and making distributions.

Environmental Matters

Environmental legislation and regulations have become increasingly important in recent years. As a current or previous owner of interests in real property in the U.S., the REIT is be subject to various U.S. federal, state and municipal laws relating to environmental matters. Such laws provide that the REIT could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment and/or affecting persons, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under the Properties or at third-party sites, at which wastes were sent for disposal, including lead-based paints, mould, asbestos, polychlorinated biphenyls, petroleum-based fuels, mercury, volatile organic compounds, underground storage tanks, pesticides and other miscellaneous materials. Further, liability may be incurred by the REIT with respect to the release of such substances from or to the Properties. These laws often impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. These laws also govern the maintenance and removal of asbestos containing materials in the event of damage, demolition or renovation of a property and also govern emissions of and exposure to asbestos fibres in the air. Certain of the Properties might contain asbestos containing materials. The costs of investigation, removal and remediation of such substances or properties, if any, may be substantial and could adversely affect the REIT's financial condition and results of operations but is not estimable. There may be contamination on the Properties of which management is not aware. The presence of contamination or the failure to remediate contamination may adversely affect the REIT's ability to sell such property, realize the full value of such property or borrow using such property as collateral security, and could potentially result in claims against the REIT by public or private parties.

The Properties may contain soil or groundwater contamination, hazardous substances and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos, mould or other hazardous substances above the allowable or recommended thresholds, or other environmental risks could be associated with the buildings. The REIT will bear the risk of cost-intensive assessment, remediation or removal of such soil or groundwater contamination, hazardous substances or other residual pollution. The discovery of any such contamination or residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against the REIT. The remediation of any contamination and the related additional measures the REIT would have to undertake could have a materially adverse effect on the REIT and could involve considerable additional costs. The REIT will also be exposed to the risk that recourse against the polluter or the previous owners of the Properties might not be possible. Moreover, the existence or even the mere suspicion of the existence of soil or groundwater contamination, hazardous materials or other residual pollution can materially adversely affect the value of a property and the REIT's ability to lease or sell such a property.

The REIT's operating policy is to obtain a Phase I ESA Report of each real property to be acquired by it and, if the Phase I ESA Report recommends that a further environmental site assessment be conducted, the REIT will have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant. As a condition to any acquisition of real property, such assessments will be satisfactory to the Trustees. Although such environmental site assessments would provide the REIT with some level of assurance about the condition of property, the REIT may become subject to liability for undetected contamination or other environmental conditions at the Properties, which could negatively impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

The REIT intends to make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters that may have a material adverse effect on the REIT's business, financial condition or results of operation and decrease the amount of cash available for distribution. Furthermore, environmental laws can change and the REIT may become subject to even more stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of

currently unknown environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Regulation and Changes in Applicable Laws

The REIT is subject to laws and regulations governing the ownership and leasing of real property, zoning, building standards, landlord tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the REIT (including with retroactive effect). Any changes in the laws to which the REIT is subject could materially adversely affect the REIT's rights and title to the Properties. It is not possible to predict whether there will be any further changes in the regulatory regimes to which the REIT is subject or the effect of any such changes on its investments.

Lower revenue growth or significant unanticipated expenditures may result from the REIT's need to comply with changes in applicable laws or the enactment of new laws, including: (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions; (ii) rent control or rent stabilization laws or other landlord/tenant laws; or (iii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the Properties, including changes to building codes and fire and life-safety codes.

Capital Expenditures and Fixed Costs

As a matter of conducting business in the ordinary course, certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. This may include expenditures to fulfill mandatory requirements for energy efficiency. In order to retain desirable rentable space and to generate adequate revenue over the long-term, the REIT must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the REIT may not be able to pass on to its tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization. The timing and amount of capital expenditures required by the REIT will indirectly affect the amount of cash available for distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when the REIT deems it necessary to make significant capital or other expenditures.

If the actual costs of maintaining or upgrading a property exceed the REIT's estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if the REIT is not permitted to raise rents due to legal constraints, the REIT will incur additional and unexpected costs. If competing industrial properties are built in the area where one of the Properties is located or similar industrial properties located in the vicinity of one of the Properties are substantially refurbished, the net operating income derived from and the value of such property could be reduced. Any failure by the REIT to undertake appropriate maintenance and refurbishment work in response to the factors described above could materially adversely affect the rental income that the REIT earns from such Properties and could have a material adverse effect on the REIT's cash flow, financial condition and results of operations and its ability to make distributions to Unitholders.

Current Economic Environment

Continued concerns regarding the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the mortgage market in the U.S. and a distressed real estate market have contributed to increased market volatility and weakened business and consumer confidence. This difficult operating environment could adversely affect the REIT's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the REIT to maintain occupancy rates which could harm the REIT's financial condition. If these economic conditions continue, the REIT's tenants may be unable to meet their rental payments and other obligations due to the REIT, which could have a material adverse effect on

the REIT. In addition, fluctuation in interest rates or other financial market volatility may restrict the availability of financing for future prospective purchasers of the REIT's investments and could significantly reduce the value of such investments.

Natural Disasters

Certain of the Properties are located in locations where buildings are susceptible to sustaining storm damage. While the REIT has insurance to cover a substantial portion of the cost of such events, the REIT's insurance includes deductible amounts and certain items may not be covered by insurance. Future natural disasters may significantly affect the REIT's operations and Properties and, more specifically, may cause the REIT to experience reduced rental revenue (including from increased vacancy), incur clean-up costs or otherwise incur costs in connection with such events. Any of these events may have a material adverse effect on the REIT's business, cash flow, financial condition, results of operations and ability to make distributions to Unitholders.

Risks Relating to the REIT and its Business

Tenant Defaults, Bankruptcies or Insolvencies

The bankruptcy or insolvency of the REIT's tenants may adversely affect the income produced by the Properties. If a tenant defaults on its lease obligations, the REIT may experience delays in enforcing its rights as landlord and may incur substantial costs, including litigation and related expenses, in protecting its investment and re-leasing its property. If a tenant files for bankruptcy, the REIT generally cannot evict the tenant solely because of such bankruptcy. A court may authorize a bankrupt tenant to reject and terminate its lease. In such a case, any claim against the tenant for unpaid future rent would be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease, and it is unlikely that a bankrupt tenant would pay in full amounts it owes under the lease. This shortfall could adversely affect the REIT's cash flow and results of operations.

If a tenant experiences a downturn in its business or other types of financial distress, it may be unable to make timely rental payments. Under some circumstances, the REIT may agree to partially or wholly terminate the lease in advance of the termination date in consideration for a lease termination fee that is less than the agreed rental amount. Additionally, without regard to the manner in which a lease termination occurs, the REIT is likely to incur additional costs in the form of tenant improvements and leasing commissions in its efforts to lease the space to a new tenant, as well as possibly lower rental rates reflective of declines in market rents. The REIT cannot assure an investor that it will have adequate sources of funding available to us for such purposes.

Tenant Concentration

The REIT derives approximately 40.9% of its in-place base rental revenue from its ten largest tenants. Consequently, revenues are dependent on the ability of those tenants to meet rent obligations and the REIT's ability to collect rent from them. General Mills Operations, LLC is the REIT's largest tenant by GLA and percentage of annualized base rent occupying 10.0% of total portfolio GLA and accounting for 6.9% of the total portfolio's annualized base rent. Unilever Home & Personal Care is the second largest tenant by GLA, occupying 8.4% of total portfolio GLA and accounting for 6.3% of the total portfolio's annualized base rent. Honeywell International Inc. is the REIT's third largest tenant by GLA, occupying 5.0% of total portfolio GLA, and ninth largest tenant by annualized base rent accounting for 3.3% of the total portfolio's annualized base rent. The lease for Zulily, the REIT's fifth largest tenant by GLA and fourth largest tenant by annualized base rent, occupies 4.9% of the total portfolio GLA and accounts for 4.0% of the total portfolio's annualized base rent, expires on May 31, 2017.Early termination options are held by six tenants of the properties. In total, early termination options available at various times from 2015 through 2021 represent 2.3% of the total GLA or 4.5% of the 2015 annualized base rent of the properties. If such tenants default on or cease to satisfy their payment obligations, or if tenants exercise their early termination options, there could be an adverse impact on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. See "The Real Estate Portfolio — Occupancy and Leasing — Tenant Composition".

Occupancy by Tenants

Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Certain tenants have a right to terminate their leases upon payment of a penalty but others are not required to pay any penalty associated with an early termination. There can be no assurance that tenants will continue their activities and continue occupancy of the premises. Any cessation of occupancy by tenants may have an adverse effect on the REIT and could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Approximately 60.7% of GLA of the REIT's portfolio of properties is comprised of single-tenant properties. The largest five such tenants represent approximately 24.4% of contractual base rent of the portfolio as at March 1, 2015.

In the event that such tenants were to terminate their tenancies or become insolvent, the REIT's financial results would be materially adversely affected. Until the REIT is in a position to acquire more assets and further diversify its tenant base, the REIT will take certain steps to mitigate any credit risk by closely monitoring its tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

Access to Capital

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain the Properties, as well as to fund its growth strategy and certain capital expenditures from time to time. Although the Revolving Facility is available to the REIT, there can be no assurances that the REIT will otherwise have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Further, in certain circumstances, the REIT may not be able to borrow funds due to the limitations set forth in the Declaration of Trust.

In recent years, domestic and international financial markets have experienced unusual volatility and uncertainty. Although this condition occurred initially within the "subprime" single-family mortgage lending sector of the credit market, liquidity has tightened in overall financial markets, including the investment grade debt and equity capital markets. Consequently, there is greater uncertainty regarding the REIT's ability to access the credit market in order to attract financing on reasonable terms. Investment returns on the REIT's assets and its ability to make acquisitions could be adversely affected by the REIT's inability to secure financing on reasonable terms, if at all.

Financing Risks

The REIT's outstanding indebtedness as at December 31, 2014 was $324.4 million. Although a portion of the cash flow generated by the Properties are devoted to servicing such debt, there can be no assurance that the REIT will continue to generate sufficient cash flow from operations to meet required interest and principal payments. If the REIT is unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. The failure of the REIT to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing could adversely impact the REIT's financial condition, liquidity and results of operations and decrease the amount of cash available for distribution to Unitholders. If the REIT defaults under a mortgage loan, it may lose the Properties securing such loan.

The REIT is subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness, which may reduce AFFO. With the current world economic and financial crisis, there is a heightened risk that not only will existing maturing mortgages be subject to increased interest rates, but the distinct possibility also exists that maturing mortgages will not be renewed or, if they are renewed, they will be renewed at significantly lower loan-to-value ratios.

Approximately 17.7% of the REIT's total principal indebtedness is variable rate debt as at December 31, 2014. Such variable rate debt will result in fluctuations in the REIT's cost of borrowing as interest rates change. To the extent that interest rates rise, the REIT's operating results and financial condition could be adversely affected and decrease

the amount of cash available for distribution. However, the REIT has purchased a two-year interest rate cap instrument covering a notional principal amount of $50 million and providing for a U.S. LIBOR cap of 50 basis points. As at December 31, 2014, approximately 2.1% of the REIT's total principal indebtedness is not covered under the initial interest rate cap.

The REIT's credit facilities also contain covenants that require it to maintain certain financial ratios on a consolidated basis. If the REIT does not maintain such ratios, its ability to make distributions will be limited.

Existing mortgages secured by the Properties mature between December 2016 through to September 2024. Approximately 8.1% of the REIT's mortgage debt will mature in 2016, amplifying the risks described above. See "Debt Strategy and Indebtedness — Debt Composition — Debt Maturities". Additionally, to the extent that the REIT incurs variable rate indebtedness, such indebtedness will result in fluctuations in the REIT's cost of borrowing as interest rates change. To the extent that interest rates rise, the REIT's operating results and financial condition could be adversely affected and decrease the amount of cash available for distribution.

Operational Risk

Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings. Management endeavours to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are constantly reviewed and if deemed necessary improvements are implemented.

Acquisitions

The REIT's business plan includes, among other things, growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and leasing such properties. If the REIT is unable to manage its growth effectively, it could adversely impact the REIT's financial position and results of operations and decrease the amount of cash available for distribution. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis and, as such, there can be no assurance that distributions to Unitholders will increase in the future.

Acquired properties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of the REIT. Representations and warranties given by third parties to the REIT may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Furthermore, it is not always possible to obtain from the seller the records and documents that are required in order to fully verify that the buildings to be acquired are constructed in accordance, and that their use complies with, planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. These circumstances could lead to additional costs and could have a material adverse effect on proceeds from sales and rental income of the relevant properties.

The REIT's ability to acquire properties on satisfactory terms and successfully integrate and operate them is subject to the following additional risks: (i) the REIT may be unable to acquire desired properties because of competition from other real estate investors with more capital, including other real estate operating companies, real estate investment trusts and investment funds; (ii) the REIT may acquire properties that are not accretive to results upon acquisition, and the REIT may not successfully manage and lease those properties to meet its expectations; (iii) competition from other potential acquirers may significantly increase the purchase price of a desired property; (iv) the REIT may be unable to generate sufficient cash from operations, or obtain the necessary debt or equity financing to consummate an acquisition or, if obtainable, financing may not be on satisfactory terms; (v) the REIT may need to spend more than budgeted amounts to make necessary improvements or renovations to acquired properties; (vi) agreements for the acquisition of properties are typically subject to customary conditions to closing, including satisfactory completion of due diligence investigations, and the REIT may spend significant time and money on potential acquisitions that the REIT does not consummate; (vii) the process of acquiring or pursuing the acquisition of a new property may divert the attention of the REIT's senior management team from existing business operations; (viii) the REIT may be unable to quickly and efficiently integrate new acquisitions, particularly

acquisitions of portfolios of properties, into existing operations; (ix) market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and (x) the REIT may acquire properties without any recourse, or with only limited recourse, for liabilities, whether known or unknown, such as clean-up of environmental contamination, claims by tenants, vendors or other persons against the former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If the REIT cannot complete property acquisitions on favourable terms, or operate acquired properties to meet the REIT's goals or expectations, the REIT's business, financial condition, results of operations and cash flow, the per Unit trading price and the REIT's ability to satisfy debt service obligations and to make distributions to the Unitholders could be materially and adversely affected.

Limits on Activities

In order to maintain its status as a "mutual fund trust" under the Tax Act, the REIT cannot carry on most active business activities and is limited in the types of investments it can make. The Declaration of Trust contains restrictions to this effect.

Reliance on the Partnership

The REIT is dependent for a certain portion of NOI on the business of the Partnership. The cash distributions to Unitholders are dependent on the ability of the Partnership to pay distributions in respect of the units of the Partnership. The ability of the Partnership to pay distributions or make other payments or advances to the REIT may be subject to contractual restrictions contained in any instruments governing the indebtedness of the Partnership. The ability of the Partnership to pay distributions or make other payments or advances is also dependent on the ability of its subsidiaries to pay distributions or make other payments or advances to the Partnership.

General Litigation Risks

In the normal course of the REIT's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the REIT and as a result, could have a material adverse effect of the REIT's assets, liabilities, business, financial condition and results of operations. Even if the REIT prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the REIT's business operations, which could have a material adverse effect on the REIT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders. This risk may be heightened for the REIT as compared to other Canadian real estate investment trusts without properties located in the U.S. because the legal climate in the U.S., in comparison to that in Canada, tend to give rise to a greater number of claims and larger damages awards.

Reliance on Key Personnel

The management and governance of the REIT depends on the services of certain key personnel, including certain executive officers and the Trustees. The loss of the services of any key personnel and the inability of the REIT to attract and retain qualified and experienced personnel could have an adverse effect on the REIT and adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Risks Relating to the Nature of the REIT's Business

As outlined above, investing in real estate exposes the REIT to a high degree of risk. The ultimate performance of the REIT's portfolio is subject to the varying degrees of risk generally incident to the ownership and management of interests in, or related to, real property. The ultimate value of the REIT's portfolio depends upon the REIT's ability

to identify, acquire, develop and dispose of properties in a profitable manner. Revenues may be adversely affected by changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighbourhood characteristics; the financial condition of tenants, buyers and sellers of properties; competition from prospective buyers for, and sellers of, other similar properties; changes in interest rates and in the availability, cost and terms of financing; the impact of present or future environmental legislation and compliance with environmental laws; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; and other factors that are beyond the control of the REIT. The REIT's operating results will also be dependent upon the availability of, as well as Welsh's ability to identify, consummate, manage and realize, attractive real estate investment opportunities. It may take considerable time for the REIT to identify and consummate appropriate investments. No assurance can be given that the REIT will be successful in identifying and consummating investments which satisfy the REIT's rate of return objective or that such investments, once consummated, will perform as expected.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk, currency risk and other market price risk. There is interest rate risk associated with the Properties' fixed rate mortgages payable due to the expected requirement to refinance such mortgages payable in the year of maturity. In order to manage exposure to interest rate risk, management endeavours to manage maturities of fixed rate mortgages payable, and match the nature of the mortgages payable with the cash flow characteristics of the underlying asset. In some cases, interest rate swaps are entered into to alter the Properties' exposure to the impact of changing interest rates. Currently, the Properties have no exposure to currency or other market price risk.

Restrictive Covenants in Existing Loan Agreements

The REIT and the Partnership are subject to certain restrictions pursuant to the restrictive covenants of their outstanding indebtedness, which may affect distribution and operating policies and the ability to incur additional debt. Loan documents evidencing this existing indebtedness contain, and loan documents entered into in the future will likely contain, certain operating covenants that limit the ability to further mortgage the property or discontinue insurance coverage. In addition, these agreements contain, and future agreements likely will contain, financial covenants, including certain coverage ratios and limitations on the ability to incur secured and unsecured debt, make distributions, sell all or substantially all assets, and engage in mergers and consolidations and certain acquisitions. Covenants under existing indebtedness do, and under any future indebtedness likely will, restrict the ability to pursue certain business initiatives or certain acquisition transactions. In addition, failure to meet any of these covenants, including the financial coverage ratios, could cause an event of default under or accelerate some or all of the REIT's indebtedness, which would have a material adverse effect on the REIT.

Availability of Off-market Deal Flow

A key component of the REIT's growth strategy is to acquire additional industrial real estate before it is widely marketed by real estate brokers, or "off-market." Properties that are acquired off-market are typically more attractive to the REIT as a purchaser because of the absence of a formal marketing process, which could lead to higher prices. If the REIT cannot obtain off-market deal flow in the future, its ability to locate and acquire additional properties at attractive prices could be materially and adversely affected.

Litigation at the Property Level

The acquisition, ownership and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to a property acquired by the REIT or its Subsidiaries in relation to activities that took place prior to the REIT's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or damages for misrepresentation relating to disclosures made, if such buyer is passed over in favour of another as part of the REIT's efforts to

maximize sale proceeds. Similarly, successful buyers may later sue the REIT under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

Asset Class Diversification

The REIT's investments are not widely diversified by asset class. Substantially all of the REIT's investments are in industrial real estate. A lack of asset class diversification increases risk because industrial real estate is subject to its own set of risks, such as vacancies, rising operating costs and changes in mortgage rates.

Control Over Investments

In certain situations, the REIT may, directly or indirectly, invest in a joint venture arrangement, thereby acquiring a non-controlling interest in certain investments. Although the REIT may not have control over these investments and therefore, may have a limited ability to protect its position therein, such joint venture arrangements will contain terms and conditions which, in the opinion of the Independent Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the REIT's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the REIT, provisions to limit the liability of the REIT and its Unitholders to third parties and provisions to provide for the participation of the REIT in the management of the joint venture arrangements. Nevertheless, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the REIT (including relating to the sale of Properties held in the joint venture or the timing of the termination and liquidation of such joint venture) or may be in a position to take action contrary to the REIT's investment objectives. The REIT also may, in certain circumstances, be liable for the actions of its third-party co-venturers.

Property Redevelopment and Renovations

Property redevelopment or major renovation work are subject to a number of risks, including: (i) the potential that the REIT may fail to recover expenses already incurred if it abandons redevelopment opportunities after commencing to explore them; (ii) the potential that the REIT may expend funds on and devote management time to projects which it does not complete; (iii) construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable; (iv) the time required to complete the construction or redevelopment of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting the REIT's cash flow and liquidity; (v) the cost and timely completion of construction (including risks beyond the REIT's control, such as weather, labour conditions or material shortages); (vi) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (vii) the failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all; (viii) delays with respect to obtaining, or the inability to obtain, necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws; (ix) occupancy rates and rents of a completed project may not be sufficient to make the project profitable; (x) the REIT's ability to dispose of Properties redeveloped with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and (xi) the availability and pricing of financing to fund the REIT's development activities on favourable terms or at all.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of redevelopment activities or the completion of redevelopment activities once undertaken. In addition, redevelopment projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others. Any of these risks could have an adverse effect on the REIT's financial condition, results of operations, cash flow, per Unit trading price of the Units, distributions to Unitholders and ability to satisfy the REIT's principal and interest obligations. Also, the REIT may be required to execute guarantees in connection with construction financing for redevelopments which would subject the REIT to recourse for construction completion risks and repayment of the construction indebtedness.

New Markets

If the opportunity arises, the REIT may explore acquisitions of properties in new markets. Each of the risks applicable to the REIT's ability to acquire and successfully integrate and operate properties in its current markets is also applicable to its ability to acquire and successfully integrate and operate properties in new markets. In addition to these risks, the REIT may not possess the same level of familiarity with the dynamics and market conditions of any new markets, which could adversely affect its ability to expand into or operate in those markets. The REIT may be unable to achieve a desired return on its investments in new markets. If the REIT is unsuccessful in expanding into new markets, it could adversely affect its business, financial condition, results of operations and cash flow, the per Unit trading price and ability to satisfy debt service obligations and to make distributions to Unitholders.

Property Development

The REIT may engage in development and redevelopment activities with respect to certain properties. If it does so, it will be subject to certain risks, including, without limitation: (i) the availability and pricing of financing on satisfactory terms or at all; (ii) the availability and timely receipt of zoning and other regulatory approvals; (iii) the cost and timely completion of construction (including unanticipated risks beyond the REIT's control, such as weather or labour conditions, material shortages and construction overruns); and (iv) the ability to achieve an acceptable level of occupancy upon completion.

Change in Property Taxes

The REIT is required to pay state and local taxes on the Properties. The real property taxes on the Properties may increase as property tax rates change or as the Properties are assessed or reassessed by taxing authorities. In addition, certain of the Properties currently benefit from tax abatement arrangements pursuant to which tax rates are effectively lowered for specified periods of time. The Properties currently subject to these tax abatement arrangements are: 2440-2450 Midpoint Drive (tax abatement expires in 2016); 600 Hartman Industrial Court (tax abatement expires in 2017); 6766 Pontius Road (tax abatement expires in 2022); 3051 Creekside Parkway (tax abatement expires in 2022); 1105 East Northfield Drive (tax abatement expires in 2018 and 2019); 6579 West 350 North (tax abatement expires in 2017); and 3003 Reeves Road (tax abatement expires in 2015 and 2016). Upon expiry of these tax abatement arrangements, property taxes will be assessed at usual rates. Property taxes are typically passed through to the tenant; however, the amount of property taxes, if any, the REIT pays directly may in the future differ substantially from what has been paid in the past. If the property taxes paid directly by the REIT increase, the REIT's ability to pay expected distributions to the Unitholders could be materially and adversely affected.

Potential Conflicts of Interest

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REIT may be dealing, or may be seeking investments similar to those desired by the REIT. The interest of these persons could conflict with those of the REIT. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. In addition, certain decisions regarding matters that may give rise to a conflict of interest must be made by a majority of the Independent Trustees only. See "Governance of the REIT — Conflicts of Interest". Conflicts may also exist due to the fact that (i) certain Trustees of the REIT are affiliated with Welsh; (ii) the REIT and Welsh will enter into certain arrangements; (iii) Welsh and its affiliates are engaged in a wide variety of real estate activities; and (iv) the REIT may become involved in transactions that conflict with the interests of the foregoing. See "Arrangements with Welsh" and "— Risks Related to the REIT's Relationship with Welsh" below.

Direct and Indirect Ownership of Units by Welsh

Welsh currently owns an approximate 47.3% effective interest in the REIT through its direct and indirect ownership of Units and Class B Units (assuming all Class B Units are redeemed for Units but otherwise on a non-diluted basis). In addition, the Declaration of Trust grants Welsh the right to nominate a certain number of Trustees to the Board of Trustees depending on the size of the Board of Trustees and the aggregate number of Units (assuming all Class B

Units are redeemed for Units) held by Welsh, and any of its Permitted Transferees (as defined herein) (the "**Retained Interest**"). See "Governance of the REIT — Governance and Board of Trustees". For so long as the Retained Interest represents a significant effective interest in the REIT, Welsh will have the ability to exercise certain influence with respect to the affairs of the REIT and will have the ability to prevent certain fundamental transactions.

Accordingly, the Units may be less liquid and trade at a relative discount compared to such Units in circumstances where Welsh did not have the ability to influence or determine matters affecting the REIT. Additionally, Welsh's significant effective interest in the REIT and its ability to prevent certain fundamental transactions undertaken by the Partnership for so long as it maintains a certain ownership threshold may discourage transactions involving a change of control of the REIT, including transactions an investor, as a holder of the Units, might otherwise receive a premium for its Units over the then-current market price.

Pursuant to Partnership Agreement, and subject to certain restrictions described below, each Class B Unit is redeemable by the holder thereof for cash or one Unit of the REIT, as determined by the general partner of the Partnership in its sole discretion (subject to customary anti-dilution adjustments). Subject to compliance with applicable securities laws, Welsh may sell some or all of its Units and/or Units issuable on redemption of its Class B Units in the future. No prediction can be made as to the effect, if any, such future sale of Units will have on the market price of the Units prevailing from time to time. However, the future sale of a substantial number of Units by Welsh, or the perception that such sale could occur, could adversely affect prevailing market prices for the Units.

Any Uninsured Losses or High Insurance Premiums will Reduce Net Income and the Amount of Cash Distributions to Unitholders

The REIT will attempt to obtain adequate insurance to cover significant areas of risk to it as an entity and to the Properties. However, there are types of losses at the property level, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters, which are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. The REIT may not have adequate coverage for such losses. If any of the Properties incurs a casualty loss that is not fully insured, the value of the REIT's assets will be reduced by any such uninsured loss. In addition, other than any working capital reserve or other reserves the REIT may establish, it has no source of funding to repair or reconstruct any uninsured damaged property. Further, to the extent the REIT must pay unexpectedly large amounts for insurance, it could suffer reduced earnings that would result in lower distributions to Unitholders.

Degree of Leverage

The REIT's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the REIT's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general trust purposes, making the REIT more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, the maximum the REIT can leverage is 60% of its Gross Book Value (or 65% of its Gross Book Value including convertible debentures).

Limitations on Sale

The REIT may be required to expend funds to correct defects or to make improvements before a property can be sold. No assurance can be given that the REIT will have funds available to correct such defects or to make such improvements. In acquiring a property, the REIT may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These lock-out provisions would restrict the REIT's ability to sell a property. These factors and any others that would impede the REIT's ability to respond to adverse changes in the performance of the Properties could significantly affect the REIT's financial condition and operating results and decrease the amount of cash available for distribution.

Investments in Debt Instruments

The REIT may hold direct or indirect investments in mortgages and mortgage bonds (including participating or convertible mortgages). Adverse changes to the financial condition of a mortgagor with respect to a mortgage held directly or indirectly by the REIT could have an adverse impact on the REIT's ability to collect principal and interest payments from such mortgagor and therefore, cause a reduction in the REIT's ability to make distributions to Unitholders and in the value of that investment.

Based upon applicable laws governing the REIT's investment in debt instruments and the loans underlying the REIT's debt securities, the REIT's investments in debt may also be adversely affected by: (i) the operation of applicable laws regarding the ability to foreclose mortgage loans or to exercise other creditors' rights provided in the underlying loan documents; (ii) lender liability with respect to the negotiation, administration, collection or foreclosure of mortgage loans; (iii) penalties for violations of applicable usury limitations; and (iv) the impact of bankruptcy or insolvency laws.

Further, the REIT will not know whether the values of the Properties securing the mortgage loans will remain at the levels existing on the dates of origination of those mortgage loans. If the values of the underlying Properties fall, the risk to the REIT will increase because of the lower value of the security associated with such loans.

Land Leases

To the extent that the properties in which the REIT has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental rate adjustments which could adversely impact the REIT's financial condition and operating results and decrease the amount of cash available for distribution.

Specific Lease Considerations

Some of the leases in the Properties are leased on a base year or semi-gross basis or otherwise have caps on operating costs and/or tax recoveries. As a result, the REIT will bear the economic cost of increases in certain of the operating costs and/or property taxes in such cases to the extent it is not able to fully recover increases in operating costs and property taxes from these tenants which increases would likely adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Less Marketable Properties

Less marketable properties may be more difficult to value due to the unavailability of reliable market quotations. The sale of less marketable properties may require more time and result in lower prices, due to higher brokerage charges or dealer discounts and other selling expenses, than the sale of more marketable properties. In addition, the marketability of the portfolio will be dependent on numerous other factors, including interest rates, competition from other industrial properties and general economic conditions. There can be no assurance that the REIT will be able to sell one or more of the Properties in the portfolio at the time that it may be in the best interests of the REIT to sell.

Lease Renewals and Rental Increases

The expiry of leases for the Properties will occur from time to time over the short and long-term. No assurance can be provided that the REIT will be able to renew any or all of the leases upon their expiration or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases may adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

International Financial Reporting Standards

In February 2008, the Accounting Standards Board of Canada confirmed its decision to require that all publicly accountable enterprises report under IFRS for interim and annual financial statements. The REIT is required to

report under IFRS. There are ongoing projects conducted by the International Accounting Standards Board, and joint projects with the Financial Accounting Standards Board in the U.S. that are expected to result in new pronouncements that continue to evolve, which could adversely impact the manner in which the REIT reports its financial position and operating results.

Laws Benefitting Disabled Persons

Laws benefiting disabled persons may result in unanticipated expenses being incurred by the REIT. Under the *Americans with Disabilities Act of 1990*, including changes made by the *ADA Amendments Act of 2008*, all places intended to be used by the public are required to meet certain federal requirements related to access and use by disabled persons. For those projects receiving federal funds, the *Rehabilitation Act of 1973* also has requirements regarding disabled access. These and other federal, state and local laws may require modifications to the Properties, or affect renovations of the Properties. Non-compliance with these laws could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. Although the REIT believes that the Properties are substantially in compliance with the present requirements, the REIT may incur unanticipated expenses to comply with these and other federal, state and local laws in connection with the ongoing operation or redevelopment of the Properties.

Restrictions on Activities

Several of the REIT's constating documents and material contracts (including, without limitation, the Declaration of Trust, the Partnership Agreement and the operating agreement for US Holdco) contain restrictions that limit the activities of the REIT and its Subsidiaries to ensure the REIT complies with certain provisions of the Tax Act and the *United States Internal Revenue of 1986*, as amended (the "**Code**"). See "Declaration of Trust", "The Partnership" and "Risk Factors — Tax Related Risks". Compliance with these restrictions may limit the flexibility of the REIT in terms of the nature and scope of its investments and activities and thereby may adversely affect the REIT's economic performance, including its ability to grow.

Geographic Concentration

The Properties are located in the U.S., in the states of Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, North Carolina, Ohio, South Carolina, Tennessee and Wisconsin and approximately 20% of the REIT's NOI for the year ended December 31, 2014 is derived from Properties located in Georgia. As a result, the REIT's performance is sensitive to economic condition and regulatory changes in Georgia. Adverse changes in the economic condition or regulatory environment of Georgia may have a material adverse effect on the REIT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

Tax-Related Risks

Canadian Tax Risks

(a) *Residency of the REIT for Canadian and U.S. Tax Purposes* — The REIT is resident in Canada for purposes of the Tax Act and is treated as a domestic corporation in the U.S. under the Code. As a result, the REIT is generally taxable on its worldwide income in both Canada and the U.S. However, in both jurisdictions, the REIT generally will not be subject to tax on the portion of its income that it distributes to Unitholders (subject to certain limitations and exceptions). The status of the REIT as taxable in both Canada and the U.S. is not likely to give rise to any material adverse consequences in the future as it is not anticipated that the REIT will be subject to material federal income tax in either Canada or the U.S. Nevertheless, the REIT's status as taxable on its worldwide income in both Canada and the U.S. could, in certain circumstances, have a material adverse effect on the REIT and the Unitholders. As a result of the REIT being resident in both Canada and the U.S., withholding taxes of both Canada and the U.S. will be relevant to distributions by the REIT and could result in double taxation to certain investors and other consequences.

(b) *Mutual Fund Trust Status* — The REIT intends to continue to qualify as a "unit trust" and a "mutual fund trust" for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and practices of the Canada Revenue Agency (the "**CRA**") respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders. Should the REIT cease to qualify as a mutual fund trust under the Tax Act, current income tax considerations could be materially and adversely different in certain respects.

(c) *Application of the SIFT Rules* — The "SIFT rules" in the Tax Act will apply to a trust that is a SIFT trust. The REIT will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it does not own any non-portfolio property and does not carry on business in Canada in that year. The REIT has not and does not currently intend to own any non-portfolio property nor carry on a business in Canada.

In the event that the SIFT Rules apply to the REIT, the impact to Unitholders will depend on the status of the holder and, in part, on the amount of income distributed which would not be deductible by the REIT in computing its income in a particular year and what portions of the REIT's distributions constitute "non-portfolio earnings", other income and returns of capital. The likely effect of the SIFT Rules on the market for Units, and on the REIT's ability to finance future acquisitions through the issue of Units or other securities is uncertain. If the SIFT Rules apply to the REIT, they may adversely affect the marketability of the Units, the amount of cash available for distribution and the after-tax return to investors.

(d) *Foreign Tax Credits* — The after-tax return from an investment in Units to a Unitholder resident in Canada for the purposes of the Tax Act will depend in part on the Unitholder's ability to recognize for purposes of the Tax Act U.S. taxes paid by the Unitholder through foreign tax credits or foreign tax deductions under the Tax Act. A Unitholder's ability to recognize U.S. taxes through foreign tax credits or foreign tax deductions may be affected where the Unitholder does not have sufficient taxes otherwise payable under Part I of the Tax Act or sufficient U.S. source income in the taxation year the U.S. taxes are paid or where the Unitholder has other U.S. sources of income or losses, has paid other U.S. taxes or, in certain circumstances, has not filed a U.S. federal income tax return. Furthermore, foreign tax credits or foreign tax deductions will be dependent upon the Canadian federal and provincial tax rates and U.. tax rates that will prevail in future years to apply to applicable sources of income. Unitholders are therefore advised to consult their own tax advisors in regards to foreign tax credits and foreign tax deductions.

A Unitholder that is an Exempt Plan will not be entitled to a foreign tax credit or deduction under the Tax Act in respect of any U.S. tax paid by the Exempt Plan (including any U.S. withholding tax imposed on distributions paid to the Exempt Plan). As a result, the after-tax return from an investment in Units to a Unitholder that is an Exempt Plan may be adversely affected. Such Unitholders should consult with their own tax advisors in regards to U.S. tax payable in respect of an investment in Units. If (i) a Unitholder holds, or has held, actually or constructively, more than 5% of the outstanding Units, as determined for U.S. federal income tax purposes, or (ii) the TSX Publicly Traded Exception (as defined below) or the U.S. Publicly Traded Exception (as defined below) are not satisfied, a Unitholder may be subject to additional U.S. tax on a disposition of the Units and on certain distributions by the REIT. The proceeds receivable on a disposition of a Unit may not qualify as U.S. source income for purposes of the Tax Act (including for Canadian foreign tax credit purposes), and beneficiaries of certain Unitholders that are trusts may not be considered to have paid such tax for purposes of the Tax Act and, accordingly, may not be entitled to a foreign tax credit in respect of such U.S. tax for Canadian tax purposes.

(e) *FAPI* — FAPI earned by US Holdco, as well as US Holdco's allocable share of any FAPI earned by controlled foreign affiliates of the Partnership (or any subsidiary partnerships thereof) must be included in computing the income of the REIT for the fiscal year of the REIT in which the taxation year of US Holdco ends, subject to a deduction for grossed-up "foreign accrual tax" as computed in accordance with the Tax Act. It is not anticipated that the deduction for grossed-up "foreign accrual tax" will materially offset FAPI realized by the REIT, and accordingly any FAPI realized generally

will increase the allocation of income by the REIT to Unitholders. In addition, as FAPI generally must be computed in accordance with Part I of the Tax Act as though the controlled foreign affiliate were a resident of Canada (subject to the detailed rules contained in the Tax Act), income or transactions may be taxed differently under foreign tax rules as compared to the FAPI rules and, accordingly, may result in additional income being allocated to Unitholders. For example, certain transactions that do not give rise to taxable income under the Code may still give rise to FAPI for purposes of the Tax Act.

(f) *Non-Residents of Canada* — The Tax Act may impose additional withholding or other taxes on distributions made by the REIT to Unitholders who are Non-Residents for the purposes of the Tax Act. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. Further, because the REIT is both resident in Canada for purposes of the Tax Act and treated as a domestic corporation in the U.S. under the Code, withholding taxes of both Canada and the U.S. will be relevant to Unitholders who are both Non-Residents and Non-U.S. Holders and could, in certain circumstances, result in both Canadian and US withholding tax applying to certain distributions to certain investors and other consequences. Prospective purchasers who are Non-Residents should consult their own tax advisors.

(g) *Foreign Currency* — For purposes of the Tax Act, the REIT generally is required to compute its Canadian tax results, including any FAPI earned, using Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, the REIT may realize gains and losses for tax purposes and FAPI by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

(h) *Changes in Law* — There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the Treaty, or the administrative practices and policies of the CRA and the Department of Finance (Canada) will not be changed in a manner that adversely affects the REIT or Unitholders. Any such change could increase the amount of tax payable by the REIT or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

U.S. Tax Risks

(a) *Operating Partnership* — All of the operations and assets of the REIT are held through the Partnership. For so long as the Partnership is treated as a partnership for U.S. federal income tax purposes, the REIT will be treated as owning its proportionate share of the assets and income of the Partnership for the purposes of the REIT asset and income tests. An entity that would otherwise be treated as a partnership for U.S. federal income tax purposes may nonetheless be treated as a corporation for U.S. federal income tax purposes if it is a "publicly traded partnership" and certain other requirements are met. A partnership would be treated as a publicly traded partnership if its interests were traded on an established securities market or were readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. The Partnership Agreement contains provisions intended to ensure that the Partnership is not considered a "publicly traded partnership." Accordingly, it is not anticipated that the Partnership will be treated as a "publicly traded partnership" that is taxable as a corporation. However, if the Partnership were classified as a "publicly traded partnership", the Partnership would be treated as a corporation rather than as a partnership for U.S. federal income tax purposes. In such case, the REIT would not be treated as owning its proportionate share of the assets and income of the Partnership for the purposes of the REIT asset and income test requirements (and, instead, would be treated as owning the stock of a corporation). This could cause the REIT to fail to qualify as a real estate investment trust for U.S. federal income tax purposes. In addition, the income of the Partnership would become subject to U.S. federal corporate income tax.

The Partnership Agreement provides for the creation and issuance of Class B Units, which have been issued to Welsh as part of the consideration for its ownership interests in properties acquired by the

REIT. Under the terms of the Partnership Agreement, the Class B Units are, in all material respects, economically equivalent to the Units on a per unit basis. However, in respect of the Initial Properties, and any properties transferred by Welsh to the Partnership on a tax-free basis, for U.S. federal income tax consequences, the built-in gain in such properties would be allocated to Welsh upon a taxable sale of such properties. In addition, a reduction of Partnership liabilities could result in U.S. federal income tax consequences to Welsh. This may create a conflict of interest in that Welsh may take into account its own U.S. federal tax consequences in assessing the desirability of a proposed sale or refinancing transaction.

(b) *Qualification as a Real Estate Investment Trust* — The REIT intends to continue to operate in a manner that will allow it to qualify as a real estate investment trust for U.S. federal income tax purposes. The REIT's qualification as a real estate investment trust depends on the REIT's satisfaction of certain asset, income, organizational, distribution, Unitholder ownership and other requirements on a continuing basis**,** the results of which will not be monitored by the REIT's U.S. counsel. Accordingly, given the complex nature of the rules governing real estate investment trusts, the ongoing importance of factual determinations, including the potential tax treatment of investments the REIT makes, and the possibility of future changes in the REIT's circumstances, no assurance can be given that the REIT's actual results of operations for any particular taxable year will satisfy such requirements. Moreover, no assurance can be given that legislation, new regulations, administrative interpretations or court decisions will not change the tax laws with respect to qualification as a real estate investment trust or the U.S. federal income tax consequences of that qualification.

If the REIT fails to qualify as a real estate investment trust in any calendar year, it would be required to pay U.S. federal income tax (and any applicable state and local tax), including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and dividends paid to the Unitholders would not be deductible by the REIT in computing its taxable income and would be taxable to the Unitholders under the rules generally applicable to corporate distributions. A loss of real estate investment trust status would reduce the net earnings available for investment or distribution to Unitholders because of the additional tax liability which in turn could have an adverse impact on the value of the Units. Unless its failure to qualify as a real estate investment trust was subject to relief under U.S. federal tax laws, the REIT could not re-elect to qualify as a real estate investment trust until the fifth calendar year following the year in which it failed to qualify.

(c) *Annual Distribution Requirement* — To qualify as a real estate investment trust for U.S. federal income tax purposes, the REIT generally must distribute annually to its Unitholders a minimum of 90% of its net taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. The REIT will be subject to regular corporate income taxes on any undistributed real estate investment trust taxable income each year. Additionally, it will be subject to a 4% non-deductible excise tax on any amount by which distributions paid by the REIT in any calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from previous years. Payments the REIT makes to its Unitholders under Unitholders' rights of redemption will not be taken into account for purposes of these distribution requirements. Compliance with the real estate investment trust distribution requirements may hinder the REIT's ability to grow, which could adversely affect the value of its Units. Furthermore, the REIT may find it difficult or impossible to meet distribution requirements in certain circumstances. The requirement to distribute most of its taxable income could cause the REIT to: (i) sell assets in adverse market conditions, (ii) borrow on unfavourable terms, (iii) distribute amounts that would otherwise be used to make future acquisitions or capital expenditures or (iv) make a taxable distribution of its Units as part of a distribution in which Unitholders may elect to receive Units or cash, in order to comply with real estate investment trust requirements. These alternatives could adversely affect the REIT's economic performance.

(d) *Impact of Real Estate Investment Trust Compliance on Performance* — To qualify as a real estate investment trust for U.S. federal income tax purposes, the REIT must continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of its assets, the amounts that it distributes to the Unitholders and the ownership of the Units. The REIT may be

required to make distributions to Unitholders at disadvantageous times or when it does not have funds readily available for distribution, and may be unable to pursue investments that would be otherwise advantageous to it in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a real estate investment trust. Thus, compliance with the real estate investment trust requirements may hinder the REIT's ability to operate solely on the basis of maximizing profits.

Additionally, the REIT must ensure that at the end of each calendar quarter, at least 75% of the value of its assets consists of cash, cash items, government securities and real estate assets (as defined in the Code), including certain mortgage loans and certain kinds of mortgage-backed securities. The remainder of the REIT's investment in securities (other than government securities and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of the REIT's assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer (other than a taxable REIT subsidiary), and no more than 25% of the value of its total assets can be represented by securities of one or more taxable REIT subsidiaries. If the REIT fails to comply with these requirements at the end of any calendar quarter, it must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing its real estate investment trust qualification and suffering adverse tax consequences.

(e) *Ownership Limitations* — In order for the REIT to qualify as a real estate investment trust for each taxable year under the Code, no more than 50% in value of its outstanding Units may be owned, directly or indirectly, by five or fewer individuals during the last half of any calendar year. "Individuals" for this purpose include natural persons, private foundations, some employee benefit plans and trusts, and some charitable trusts. In order to assist the REIT in qualifying as a real estate investment trust, ownership of its Units by any person is generally limited to 9.8% in value or number of Units, whichever is more restrictive, of any class or series of Units. These ownership limitations could have the effect of discouraging a takeover or other transaction in which holders of the Units might receive a premium for their Units over the then-prevailing market price or which holders might believe to be otherwise in their best interests.

(f) *Other Taxes* — Even if the REIT qualifies and maintains its status as a real estate investment trust, it may be subject to U.S. federal and state income taxes. The REIT may not be able to make sufficient distributions to avoid excise taxes applicable to real estate investment trusts. The REIT may also decide to retain income it earns from the sale or other disposition of its real estate assets and pay income tax directly on such income. In that event, the Unitholders would be treated as if they earned that income and paid the tax on it directly. The REIT may also be subject to state and local taxes on its income or property, either directly or at the level of the entities through which it indirectly owns its assets. Any U.S. federal or state taxes the REIT pays will reduce its cash available for distribution to the Unitholders.

In addition, in order to meet the real estate investment trust qualification requirements or to avert the imposition of the prohibited transactions tax discussed below, the REIT may hold some of its assets or conduct activities through subsidiary corporations (taxable REIT subsidiaries) that will be subject to corporate-level income tax at regular rates. If the REIT lends money to a taxable REIT subsidiary, the taxable REIT subsidiary may be unable to deduct all or a portion of the interest paid to the REIT, which could result in an even higher corporate level tax liability. Furthermore, the Code imposes a 100% tax on certain transactions between a taxable REIT subsidiary and its parent real estate investment trust that are not conducted on an arm's-length basis. The REIT will structure transactions with any taxable REIT subsidiary on terms that it believes are arm's length to avoid incurring the 100% excise tax described above, but there can be no assurances that it will be able to avoid application of the 100% tax.

(g) *Prohibited Transactions Tax* — The REIT's ability to dispose of property during its first few years of operations is restricted to a substantial extent as a result of its real estate investment trust status. Under applicable provisions of the Code regarding prohibited transactions by real estate investment trusts, the

REIT will be subject to a 100% tax on any gain realized on the sale or other disposition of any property (other than foreclosure property) that it owns, directly or through any subsidiary entity, including the Partnership, but excluding any taxable REIT subsidiary, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of trade or business. The REIT intends to avoid the 100% prohibited transaction tax by (1) conducting activities that may otherwise be considered prohibited transactions through a taxable REIT subsidiary, (2) conducting operations in such a manner so that no sale or other disposition of an asset will be treated as a prohibited transaction or (3) structuring certain dispositions of its Properties to comply with certain safe harbours available under the Code for properties held at least two years. However, no assurance can be given that any particular property will not be treated as inventory or property held primarily for sale to customers in the ordinary course of a trade or business.

(h) *Changes in Law* — The present U.S. federal income tax treatment of real estate investment trusts may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the U.S. federal income tax treatment of an investment in the REIT. The U.S. federal income tax rules relating to real estate investment trusts constantly are under review by persons involved in the legislative process, the IRS and the U.S. Treasury Department, which results in frequent statutory changes and revisions to regulations and interpretations. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the REIT or cause it to change its investments and commitments and affect the tax considerations of an investment in it.

(i) *FIRPTA* — A non-U.S. person disposing of a U.S. real property interest, including shares of a U.S. corporation whose assets consist principally of U.S. real property interests, is generally subject to a tax, known as FIRPTA, on the gain recognized on the disposition and required to file a U.S. federal income tax return reporting this disposition. FIRPTA does not apply, however, to the disposition of stock in a real estate investment trust if the shares are considered "regularly traded on an established securities market" and the non-U.S. person does not hold, actually or constructively, more than 5% of the outstanding shares of the REIT at any time during the 5-year period ending on the date of disposition or such shorter period that the shares were held. For purposes of this exception, the TSX is considered an "established securities market" and, as long as 100 or fewer persons do not own 50% or more of the Units, the Units should be treated as regularly traded on the TSX if (a) the Units are traded, other than in *de minimis* quantities, on at least 15 days of the calendar quarter, (b) the aggregate number of Units traded during such calendar quarter is at least 7.5% of the average number of Units outstanding during such calendar quarter (reduced to 2.5% if there are 2,500 or more record Unitholders), and (c) the REIT attaches a statement to its U.S. federal income tax return that provides information relating to it, the Units, and beneficial owners of more than 5% of the Units (the "**TSX Publicly Traded Exception**"). However, there can be no assurance that these requirements will be satisfied.

In addition, the Units would be considered "regularly traded on an established securities market" if the Units are regularly quoted by more than one broker or dealer making a market in the Units through an interdealer quotation system in the U.S. (the "**U.S. Publicly Traded Exception**"). The REIT intends for its Units to be traded through an interdealer quotation system in the U.S. in a manner that would be considered "regularly traded on an established securities market" for purposes of this exception.

Investors are cautioned that there can be no assurances that there will be at least two brokers or dealers regularly quoting the Units on the OTC Pink tier of the OTC Markets Group Inc. or OTCQX International in any particular calendar quarter. In addition, neither the Code, the applicable Treasury regulations, administrative pronouncements nor judicial decisions provide guidance as to the frequency or duration with which the Units must be quoted during a calendar quarter to be "regularly quoted". U.S. counsel to the REIT believes that it is reasonable to interpret this exception to the effect that, so long as the brokers or dealers quote the Units during a calendar quarter, any gain from a sale at any time during the quarter would not be subject to U.S. federal income tax for Non-U.S. Holders that own 5% or less of all of the outstanding Units during the applicable testing period. Due to the lack of guidance from the IRS, however, investors are cautioned that there can be no assurance the IRS would concur in this interpretation.

However, if neither of these exceptions is satisfied, the sale of Units by a non-U.S. person would be subject to U.S. federal income tax at normal graduated rates with respect to gain recognized and the REIT would be required to withhold at a rate of 10% on distributions in excess of the REIT's current and accumulated earnings and profits. In addition, a purchaser of Units would be required to withhold tax at the rate of 10% of the amount realized from the sale and to report and to remit such tax to the IRS. Furthermore, under FIRPTA, if any non-U.S. person holds, actually or constructively, more than 5% of the outstanding Units, the REIT will be required to withhold 35% (or less to the extent provided in applicable Treasury Regulations) of any distribution to such Unitholder that could be designated by the REIT as a capital gain dividend. Any such withheld amount is creditable against such Unitholder's FIRPTA tax liability.

In order for the REIT to comply with its withholding obligations under FIRPTA, the Units are subject to notice requirements and transfer restrictions. Non-U.S. persons holding Units are required to provide the REIT with such information as the REIT may request. Furthermore, any non-U.S. person that would be treated as having acquired sufficient Units to be treated as owning more than 5% of the Units is required to notify the REIT by the close of the business day prior to the date of the transfer that would cause the non-U.S. person to own more than 5% of the Units. For the purpose of determining whether a non-U.S. person has acquired more than 5% of the Units, rules of constructive ownership apply which can attribute ownership of Units (i) among family members, (ii) to non-U.S. persons from entities that own Units, to the extent that such non-U.S. persons own interests in such entities and (iii) to entities from non-U.S. persons that own interests in such entities. Under these attribution rules, Units of related entities (including related investment funds) may be aggregated to the extent of overlapping ownership. If any non-U.S. person that otherwise would be treated as having acquired sufficient Units to be treated as owning more than 5% of the Units fails to comply with the notice provisions described above, the excess Units (i.e., the excess of the number of Units they are treated as owning over an amount equal to 5% of the outstanding Units) will be sold, with such non-U.S. persons receiving the lesser of (i) its original purchase price for the excess Units and (ii) the sale price of the excess Units (net of selling expenses). Any such non-U.S. person would also not have any economic entitlement to any distribution by the REIT on an excess Unit, and, if any such distributions are received by the non-U.S. person and are not repaid, the REIT is permitted to withhold from subsequent payments to the non-U.S. person up to the amount of such forfeited distributions. Non-U.S. persons holding Units are strongly advised to monitor their actual and constructive ownership of Units. See "Declaration of Trust and Description of Units — Restrictions on Ownership and Transfer — FIRPTA" for a more detailed discussion of these rules. Notwithstanding that a non-U.S. person may comply with the notice requirements and transfer restrictions described above, the REIT is entitled to withhold on distributions as otherwise required by law, and, to the extent that the REIT has not sufficiently withheld on prior distributions, is entitled to withhold on subsequent distributions.

Risks Related to the REIT's Relationship with Welsh

Reliance on Welsh

The REIT relies on Welsh's expertise in identifying acquisition opportunities, transaction execution, administrative services and asset management and property management capabilities. The REIT also relies on Welsh with respect to certain advisory services, including the services of the Chief Executive Officer, Chief Financial Officer and General Counsel and Secretary and the management of the Properties. Consequently, the REIT's ability to achieve its investment objectives depends in large part on Welsh and its ability to advise the REIT. This means that the REIT's investments are dependent upon Welsh's business contacts within the U.S. industrial sector, its ability to successfully hire, train, supervise and manage personnel that have strong knowledge of real estate and its ability to operate its business in a manner that supports the REIT. If the REIT were to lose the services provided by Welsh or its key personnel or if Welsh fails to perform its obligations under its agreements with the REIT, the REIT's investments and growth prospects may decline. The REIT may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager or property manager. Additionally, the Asset Management Agreement and the property management agreement dated April 26, 2013 among the REIT, the Partnership and Welsh, (the "**Property Management Agreement**") provide that, subject to certain exceptions, the REIT will not retain any other person to perform any asset management, property

management or administrative services on its behalf, without the consent of Welsh, not to be unreasonably withheld. While the Trustees have oversight responsibility with respect to the services provided by Welsh pursuant to the Asset Management Agreement and the Property Management Agreement, the services provided by Welsh under such agreements will not be performed by employees of the REIT or its subsidiaries, but by Welsh directly, and through entities to which it may subcontract its duties. See "Arrangements with Welsh". As a result, Welsh directly, and through entities to which it may subcontract, will have the ability to influence many matters affecting the REIT and the performance of the Properties now and in the foreseeable future. Prospective investors should not purchase any Units unless they are prepared to rely on the Trustees, executive officers and Welsh.

Risks Associated with External Management Arrangements

The Asset Management Agreement and the Property Management Agreement each have an initial term of five years, subject to earlier termination and/or internalization and may be renewed for an additional five-year term upon the approval of a majority of the Independent Trustees. In the event that the Independent Trustees determine not to renew such agreement(s) the REIT will provide Welsh with at least 12 months written notice or, in lieu of such notice, shall pay Welsh an amount equal to 12 months of fees to be calculated based on the gross fees paid to Welsh under the Asset Management Agreement and/or the Property Management Agreement, as applicable, over the 12 months immediately preceding the end of the initial term of such agreement(s).

At the end of the initial five-year term and the five-year renewal term (if so renewed upon majority approval of the Independent Trustees), there could be circumstances whereby the fees payable to Welsh under the Asset Management Agreement and/or the Property Management Agreement to carry out its duties thereunder are in excess of those expenses that would be incurred by the REIT on an annual basis if management of the REIT was performed by individuals employed directly by the REIT rather than by Welsh under such management agreements but the Asset Management Agreement and/or the Property Management Agreement may not be terminated by the REIT in accordance with the provisions of the agreement. Furthermore, there is a risk that, because of the term and termination provisions of the Asset Management Agreement and/or the Property Management Agreement, the termination of such agreements may be uneconomical for the REIT and accordingly not in the best interest of the REIT.

Accordingly, there can be no assurance that the REIT will continue to have the benefit of Welsh's advisory services, including its executive officers, or that Welsh will continue to be the REIT's asset manager or property manager. If Welsh should cease for whatever reason to provide advisory services or be the asset manager or property manager of the REIT, the REIT may be unable to engage an asset manager and/or property manager on acceptable terms or the cost of obtaining substitute services, whether through an external manager or by internalizing its management, may be greater than the fees the REIT pays Welsh, and this may adversely impact the REIT's ability to meet its objectives and execute its strategy which could materially and adversely affect the REIT's cash flow, operating results and financial condition. Furthermore, at any time, on 180 days' prior written notice following the date on which Welsh ceases to be the asset manager of the REIT, Welsh may terminate the license agreement with the REIT pursuant to which the REIT has the right to the use of the "WPT" name and trademark and related marks and designs. If Welsh terminated the license agreement, the REIT would be required to change its name and this may adversely impact the REIT.

Past Performance is not a Predictor of Future Results

The past performance of Welsh and its affiliates and the performance of the REIT are dependent on future events and are, therefore, inherently uncertain. The track records of Welsh and its affiliates cannot be relied upon to predict future events due to a variety of factors, including, without limitation, varying business strategies, different local and national economic circumstances, different supply and demand characteristics, varying degrees of competition and varying circumstances pertaining to the real estate markets.

Expedited Transactions

Investment analyses by Welsh may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Welsh at the time of making an investment recommendation may be limited, and Welsh may not have access to detailed information regarding the investment

property, such as physical characteristics, environmental matters, zoning regulations or other local conditions that may affect an investment property. In addition, Welsh expects to rely upon independent consultants in connection with its evaluation of proposed investment properties and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the REIT's right of recourse against them in the event errors or omissions occur.

Risk Factors Related to the Units

Cash Distributions are Not Guaranteed

There can be no assurance regarding the amount of income to be generated by the Properties. The ability of the REIT to make cash distributions, and the actual amount distributed, is entirely dependent on the operations and assets of the REIT, and is subject to various factors including financial performance, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from the tenants of the Properties and any capital expenditure requirements. Unlike fixed-income securities, there is no obligation of the REIT to distribute to Unitholders any fixed amount, and reductions in, or suspensions of, cash distributions may occur that would reduce yield based on the price of Units. The market value of the Units will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors.

Market for Securities and Prices

The REIT is an unincorporated open-ended investment trust and its Units are listed on the TSX. There can be no assurance that an active trading market in the Units will be sustained. A publicly traded real estate investment trust does not necessarily trade at the values determined solely by reference to the underlying value of its real estate assets. Instead, the Units may trade at a premium or a discount to such values. A number of factors may influence the market price of the Units, including general market conditions, fluctuations in the markets for equity securities, short-term supply and demand factors for real estate investment trusts and numerous other factors.

Potential Volatility of Unit Price

One of the factors that may influence the market price of the Units is the annual yield on the Units. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which accordingly could adversely affect the market price of the Units. In addition, the market price of the Units may be affected by numerous factors, many of which are beyond the control of the REIT, including: (i) changes in general market conditions; (ii) fluctuations in the markets for equity securities; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other issuers that investors deem comparable to the REIT; (v) release or expiration of lock-up or other transfer restrictions on outstanding Units; (vi) sales or perceived sales of additional Units; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the REIT or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the REIT's industry or target markets.

Restrictions on Redemptions

It is anticipated that the redemption right attached to the Units will not be the primary mechanism by which holders of Units liquidate their investment. The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed $50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) on the date such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides fair market value prices for the Units; (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date for

more than five trading days during the 10-day trading period commencing immediately after the Redemption Date; and (iv) the redemption of the Units must not result in the delisting of the Units from the principal stock exchange on which the Units are listed.

Redemption Notes which may be distributed to holders of Units in connection with a redemption will not be listed on any exchange, no market is expected to develop in Redemption Notes and such securities may be subject to an indefinite ‘‘hold period’’ or other resale restrictions under applicable securities laws. Redemption Notes so distributed may not be qualified investments for Exempt Plans, depending upon the circumstances at the time.

Currency Exchange Rate Risk

The price for Units is denominated in U.S. dollars. The Canadian dollar is not maintained at a fixed exchange rate compared to foreign currencies. Although investors are Canadian residents, an investment in Units is required to be made in U.S. dollars. Further, the REIT’s portfolio generates cash flow in U.S. dollars and the distributions made on the Units are in U.S. dollars. Consequently, income and expense or any ultimate gain on sale is earned or incurred in U.S. dollars. As a result of fluctuations in the Canada/U.S. dollar exchange rate, the value of an investment in Units and the return on the original investment, when expressed in Canadian dollars, may be greater or less than that determined only with reference to U.S. dollars. Accordingly, investors are subject to currency exchange rate risk.

Appraisals

The REIT may, from time to time, engage appraisers to provide independent estimates of the fair market value range in respect of the Properties. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not guarantees of present or future value. Furthermore, a publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by any appraisal(s) of the Properties.

Availability of Cash Flow

AFFO may exceed actual cash available to the REIT from time to time because of items such as principal repayments, leasing costs and capital expenditures in excess of stipulated reserves identified by the REIT in its calculation of AFFO and redemptions of Units, if any. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. Credit facility terms may prohibit payments or distributions from the REIT in default circumstances.

Structural Subordination of Units

In the event of bankruptcy, liquidation or reorganization of the Partnership or any of its Subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of the Partnership and its Subsidiaries before any assets are made available for distribution to the REIT or holders of Units. Therefore, the Units are effectively subordinated to the debt and other obligations of the Partnership and its Subsidiaries. The Partnership and its Subsidiaries generate all of the REIT’s cash available for distribution and hold substantially all of the REIT’s assets.

The REIT’s Fiduciary Duties

The REIT, as the sole member of the general partner of the Partnership, has fiduciary duties to the Partnership and the limited partners of the Partnership, the discharge of which may conflict with the interests of the Unitholders. The limited partners of the Partnership have agreed that, in the event of a conflict between the duties owed by the Trustees to the REIT and the duties that the REIT owes, in its capacity as the sole member of the general partner of the Partnership, to such limited partners, the Trustees are under no obligation to give priority to the interests of such limited partners.

Limited Control

Unitholders have limited control over changes in the REIT's policies and operations, which increases the uncertainty and risks of an investment in the REIT. The Board of Trustees determine major policies, including policies regarding financing, growth, debt capitalization, REIT qualification and distributions. The Board of Trustees may amend or revise these and other policies without a vote of Unitholders. Under the REIT's organizational documents, Unitholders have a right to vote only on limited matters. The Trustees' broad discretion in setting policies and Unitholders' inability to exert control over those policies increases the uncertainty and risks of an investment in the REIT. In addition, the Declaration of Trust requires that the Chief Executive Officer of the REIT be nominated to serve as a Trustee and also provides Welsh with the right to nominate (subject to election together with the Independent Trustees at annual unitholder meetings) a certain number of Trustees to the Board of Trustees depending on the size of the Board of Trustees and the Retained Interest.

Dilution

The number of Units the REIT is authorized to issue is unlimited. Subject to the rules of any applicable stock exchange on which the Units are listed and applicable securities laws, the REIT may, in its sole discretion, issue additional Units from time to time (including pursuant to any employee incentive compensation plan that may be introduced in the future), and the interests of the holders of Units may be diluted thereby.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. In addition, legislation has been enacted in the Province of Ontario and certain other provinces and territories that is intended to provide Unitholders in those provinces and territories with limited liability. However, there remains a risk, which is considered by the REIT to be remote in the circumstances, that a holder of Units could be held personally liable for the obligations of the REIT to the extent that claims are not satisfied out of the assets of the REIT. It is intended that the affairs of the REIT will be conducted to seek to minimize such risk wherever possible.

Nature of Investment

The Units represent a fractional interest in the REIT and do not represent a direct investment in the REIT's assets and should not be viewed by investors as direct securities of the REIT's assets. A holder of a Unit of the REIT does not hold a share of a body corporate. As holders of Units, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the *Business Corporations Ac*t (Ontario) or the *Canada Business Corporations Act* (the "**CBCA**") which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors' Arrangement Act* (Canada), and thus the treatment of Unitholders upon an insolvency is uncertain.

Enforceability of Judgments

Welsh, the external asset manager and property manager of the REIT, is an entity organized under the laws of a foreign jurisdiction and resides outside Canada. All of the managers and officers of the Partnership are residents of countries other than Canada. Additionally, all of the Partnership's assets and the assets of these persons are located outside of Canada. As a result, although each of Welsh and the Partnership has appointed GODA Incorporators, Inc. as its agent for service of process in Ontario, it may be difficult for Unitholders to initiate a lawsuit within Canada against these non-Canadian residents. In addition, it may not be possible for Unitholders to collect from Welsh or other non-Canadian residents judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult for Unitholders to succeed in a lawsuit in the U.S., based solely on violations of Canadian securities laws.

Financial Reporting and Other Public Company Requirements

The REIT is subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Units are listed, including National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations place significant demands on the REIT's management, administrative, operational and accounting resources. In order to meet such requirements, the REIT has established systems, implemented financial and management controls, reporting systems and procedures and retained accounting and finance personnel. If the REIT is unable to accomplish any such necessary objectives in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the REIT to fail to meet its reporting obligations or result in material misstatements in its financial statements. If the REIT cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the REIT's reported financial information, which could result in a lower trading price of Units.

Management does not expect that the REIT's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

DISTRIBUTION POLICY

The REIT has adopted a distribution policy, as permitted under the Declaration of Trust, pursuant to which the REIT makes *pro rata* monthly cash distributions to Unitholders and, through the Partnership, to holders of Class B Units, if any. On February 25, 2014, the Board approved the suspension of distributions on the Illinois Property Class B Units until the Requisite Unitholder Approval was received by the REIT. Requisite Unitholder Approval was received at the 2014 Unitholder Meeting, following which the REIT resumed payment of monthly distributions on the Illinois Property Class B Units. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

Unitholders of record as of the close of business on the last business day of the month preceding a monthly date on which distributions on Units may be made by the REIT pursuant to the REIT's distribution policy (the "**Distribution Date**") will have an entitlement on and after that day to receive distributions in respect of that month on such Distribution Date, which Distribution Date is expected to be on or around the fifteenth day of the next month. Distributions may be adjusted for amounts paid in prior periods if the actual AFFO for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the REIT, where the REIT's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Units. See "Declaration of Trust and Description of Units — Issuance of Units".

Following the IPO, the REIT paid its first distribution for the period from April 26, 2013 (the closing date of the IPO) to May 31, 2013, in the amount of $0.0690 per Unit on June 17, 2013. Since July 15, 2013, the REIT has paid monthly distributions of $0.0583 per Unit. The ability of the REIT to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the REIT and will be subject to various factors including the provisions of the Declaration of Trust, financial performance, obligations under applicable credit facilities and restrictions on payment of distributions thereunder on the occurrence of an event of default, fluctuations in working capital, the sustainability of income derived from the tenants of the Properties and any capital expenditure requirements. See "Risk Factors".

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides certain guidelines on investments that may be made directly or indirectly by the REIT. The assets of the REIT may be invested only in accordance with the following restrictions:

(a) the REIT may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in any income-producing industrial, flex or office real estate located in North America and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the REIT;

(b) notwithstanding anything else contained in the Declaration of Trust, the REIT will not make any investment, take any action or omit to take any action that would result in Units not being units of a "mutual fund trust" within the meaning of the Tax Act or that would result in the Units not being qualified investments for Exempt Plans;

(c) the business of the REIT is limited to and conducted in such a manner as to permit the REIT at all times to be classified as a real estate investment trust (as defined in the Code) for U.S. federal income tax purposes, unless the Trustees have chosen to cease to qualify the REIT as a real estate investment trust due to changes in the Code applicable to real estate investment trusts. Subject to the foregoing, the REIT may make investments in real estate-related assets including real property, interests in debt instruments secured by real property, securities in other real estate investment trusts and cash. Additionally, the REIT may conduct activities or make investments that a real estate investment trust is prohibited from engaging or investing in if such activities or investments are conducted through a "taxable REIT subsidiary" (as defined in section 856(l) of the Code) to the extent that it does not disqualify the REIT from being classified as a real estate investment trust for U.S. federal income tax purposes;

(d) the REIT will not invest in any interest in a single real property (which, for greater certainty, will not include a portfolio of properties) if, after giving effect to the proposed investment, the cost to the REIT of such investment (net of the amount of debt incurred or assumed in connection with such investment and excluding investment by any joint venture partner) will exceed 20% of Gross Book Value at the time the investment is made;

(e) the REIT may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the REIT; provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the REIT's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the REIT, provisions to limit the liability of the REIT and its Unitholders to third parties, and provisions to provide for the participation of the REIT in the management of the joint venture arrangement. For purposes hereof, a "**joint venture arrangement**" is an arrangement between the REIT and one or more other persons pursuant to which the REIT, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the REIT and in respect of which the REIT may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;

(f) except for temporary investments held in cash, deposits with a Canadian or U.S. chartered bank or trust company registered under the laws of a province of Canada or a state of the U.S., short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the REIT, the REIT may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject

to paragraph (b) above, the REIT may hold securities of a person: (i) acquired in connection with the carrying on, directly or indirectly, of the REIT's activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the "**Acquired Issuer**"), the investment is made for the purpose of pursuing the merger or combination of the business and assets of the REIT and the Acquired Issuer or for otherwise ensuring that the REIT will control the business and operations of the Acquired Issuer;

(g) the REIT will not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

(h) the REIT will not invest, directly or indirectly, in operating businesses unless:

(i) revenue will be principally associated with the ownership, directly or indirectly, of industrial, flex or office properties, or

(ii) it principally involves the ownership, maintenance, development, improvement, leasing or management, directly or indirectly, of an industrial, flex or office property (in each case as determined by the Trustees), or

(iii) it is an indirect investment and is incidental to a transaction which satisfies (h)(i) or (h)(ii) above;

(i) the REIT will not invest in raw land for development, except (i) for existing properties with additional development or properties adjacent to existing properties of the REIT for the purpose of the renovation or expansion of existing properties, or (ii) the development of new properties which will be capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land, excluding raw land under development, after giving effect to the proposed investment, will not exceed 5% of Gross Book Value;

(j) the REIT may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:

(i) the real property which is security for such mortgages and similar instruments is income producing real property which otherwise meets the other investment guidelines of the REIT; and

(ii) the aggregate book value of the investments of the REIT in mortgages, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value; and

(k) the REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 10% of the Gross Book Value of the REIT in investments which do not comply with one or more of paragraphs (a), (e), (f), (h) and (i).

Operating Policies

The Declaration of Trust provides that the operations and affairs of the REIT are to be conducted in accordance with the following policies:

(a) the REIT will not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "**hedging**" has the meaning ascribed thereto by National Instrument 81-102 — *Mutual Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;

(b) (i) any written instrument creating or including an obligation on the REIT to grant a mortgage, and (ii) to the extent practicable, any written instrument which in the judgment of the Trustees (exercised in accordance with their fiduciary duties to act in the best interest of the Unitholders) creates a material obligation of the REIT, must, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound; the REIT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of real property;

(c) the REIT may engage in construction or development of real property: (i) to maintain its real properties in good repair or to improve the income producing potential of properties in which the REIT has an interest; and (ii) to develop new properties that will be capital properties of the REIT on completion, provided that the aggregate value of the investments of the REIT in properties under development after giving effect to the proposed investment in the construction or development, will not exceed 10% of Gross Book Value;

(d) title to each real property will be held by and registered in the name of a corporation or other entity wholly owned, directly or indirectly, by the REIT or jointly-owned, directly or indirectly, by the REIT, with joint venturers; provided, that where land tenure will not provide fee simple title, a corporation or other entity wholly owned, directly or indirectly, by the REIT or jointly owned, directly or indirectly, by the REIT will hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;

(e) the REIT will not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the REIT would be more than 60% of Gross Book Value (or 65% of Gross Book Value including convertible debentures);

(f) the REIT will not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the REIT holds an interest, directly or indirectly, or by an entity jointly owned by the REIT with joint venturers and operated solely for the purpose of holding a particular property or properties, where such indebtedness, if granted by the REIT directly, would cause the REIT to contravene its investment guidelines or operating policies. The REIT is not required but will use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the REIT pursuant to the acquisition of real property; or (ii) if doing so is necessary or desirable in order to further the initiatives of the REIT permitted under the Declaration of Trust;

(g) the REIT will directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties;

(h) the REIT will have obtained an appraisal of each real property that it intends to acquire and an engineering survey with respect to the physical condition thereof, in each case, by an independent and experienced consultant, unless the requirement for such an appraisal or engineering survey is waived by the Independent Trustees;

(i) the REIT will obtain a Phase I ESA Report of each real property to be acquired by it and, if the Phase I ESA Report recommends that a further environmental site assessment be conducted, the REIT will have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments will be satisfactory to the Trustees; and

(j) the REIT will not engage in any sales of properties, directly or indirectly, if it would subject the REIT to tax under Section 857 of the Code.

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

Amendments to Investment Guidelines and Operating Policies

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

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the REIT or any property of the REIT will enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the REIT then in force (other than paragraph (b) under the heading "— Investment Guidelines"), such investment guideline or operating policy in conflict will, if the Trustees on the advice of legal counsel to the REIT so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Trustees will not require the prior approval of Unitholders.

DECLARATION OF TRUST AND DESCRIPTION OF UNITS

General

The REIT is an unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. Although the REIT is a "mutual fund trust" as defined in the Tax Act, the REIT is not a "mutual fund" as defined by applicable securities legislation.

Operations and Assets of the REIT

All operations and assets of the REIT are held through the Partnership unless (i) the Board of Trustees determines that an alternative ownership structure would be in the best interests of the REIT; and (ii) such alternative structure provides Welsh with legal rights and economic benefits derived therefrom that are equivalent to the rights and benefits that Welsh would have had if the operations and assets were held through the Partnership. This requirement may not be amended, modified or removed without the prior written consent of Welsh.

Units

The REIT is authorized to issue an unlimited number of Units. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders. As of December 31, 2014, there were 14,210,619 Units issued and outstanding. As a result of the January 2015 Offering, there are 18,523,119 Units issued and outstanding as of the date of this Annual Information Form.

No Unit has any preference or priority over another. Each Unit represents a Unitholder's proportionate undivided beneficial ownership interest in the REIT and confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are fully paid and non-assessable when issued and are transferable. The Units are redeemable by the holder thereof, as described below under "Declaration of Trust and Description of Units — Redemption Right" and, except as set out in "Arrangements with Welsh — Retained Interest", "Declaration of Trust

and Description of Units — Issuance of Units" and "The Partnership — Operation", the Units have no other conversion, retraction, redemption or pre-emptive rights. Fractional Units may be issued as a result of an act of the Trustees, but fractional Units do not entitle the holders thereof to vote, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

The Declaration of Trust provides that in exercising their discretion to declare a cash distribution on the Units, the Trustees are required to confirm that the Partnership has or will have sufficient funds to make a corresponding cash distribution on the Class B Units in accordance with their terms. On February 25, 2014, the Board approved the suspension of distributions on the Illinois Property Class B Units until the Requisite Unitholder Approval was received by the REIT. Requisite Unitholder Approval was received at the 2014 Unitholder Meeting, following which the REIT resumed payment of monthly distributions on the Illinois Property Class B Units.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such act or any other legislation. The Units are not shares in the REIT and, although the protections, rights and remedies set out in the Declaration of Trust are similar to those provided under the CBCA, Unitholders do not have statutory rights of shareholders of a corporation including, for example, "dissent rights" in respect of certain corporate transactions and fundamental changes, the right to apply to a court to order the liquidation or dissolution of the REIT, or the right to bring "oppression" or "derivative" actions. Furthermore, the REIT is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Issuance of Units

The REIT may allot and issue new Units from time to time, in such manner, for such consideration and to such person or persons as the Trustees determine. Unitholders do not have any pre-emptive rights whereby additional Units proposed to be issued would be first offered to existing Unitholders, except that, for so long as Welsh continues to hold at least 10% of the Units (on a fully diluted basis assuming all Class B Units are redeemed for Units), Welsh will have the pre-emptive right to purchase additional Units issued by the REIT to maintain its *pro rata* ownership interest in the REIT (on a fully diluted basis assuming all Class B Units are redeemed for Units).

If the Trustees determine that the REIT does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution.

The REIT may also issue new Units (i) as consideration for the acquisition of new properties or assets by it, at a price or for the consideration determined by the Trustees, (ii) pursuant to any incentive or option plan established by the REIT from time to time, and (iii) pursuant to a Unitholder rights plan of the REIT.

The Declaration of Trust also provides that immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Where amounts distributed represent income, Unitholders may be subject to withholding tax and the consolidation will not result in such Unitholders holding the same number of Units. Such Unitholders will be required to surrender the certificates (if any) representing their original Units in exchange for a certificate representing post-consolidation Units.

Restrictions on Ownership and Transfer

REIT Qualification

In order for the REIT to qualify as a real estate investment trust for U.S. federal income tax purposes, the Units must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding Units (after

taking into account options to acquire Units) may be owned, directly or through certain constructive ownership rules, by five or fewer individuals (as defined in the Code to include certain entities such as private foundations) at any time during the last half of a taxable year.

The Declaration of Trust contains restrictions on the ownership and transfer of the Units that are intended to assist the REIT in complying with these requirements to qualify as a real estate investment trust. The relevant sections of the Declaration of Trust provide that, subject to the exceptions described below, no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% of the Units, excluding any Units that are not treated as outstanding for U.S. federal income tax purposes. Each of these restrictions, as well as the restrictions described below under "Declaration of Trust and Description of Units — FIRPTA", is referred to as an "**ownership limit**" and collectively as the "**ownership limits**." A person or entity that would have acquired actual, beneficial or constructive ownership of the Units but for the application of the ownership limits or any of the other restrictions on ownership and transfer of the Units is a "**prohibited owner**."

The constructive ownership rules under the Code are complex and may cause Units owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of the Units (or the acquisition of an interest in an entity that owns, actually or constructively, the Units) by an individual or entity could, nevertheless, cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% of the Units and thereby violate the applicable ownership limit.

The Declaration of Trust provides that the Board of Trustees, subject to certain limits including any applicable fiduciary duties, will prospectively exempt a person from the ownership limits and, if necessary, establish a different limit on ownership for such person if it determines that such exemption could not cause or permit:

- five or fewer individuals to actually or beneficially own more than 49% in value of the outstanding Units; or
- the REIT to own, actually or constructively, an interest in a tenant of the REIT (or a tenant of any entity owned in whole or in part by the REIT).

As a condition of the exception, the Board of Trustees may require an opinion of counsel or an IRS ruling, in either case in form and substance satisfactory to the Board of Trustees, in its sole and absolute discretion, in order to determine or ensure the REIT's status for U.S. federal income tax purposes, and such representations, covenants and/or undertakings as are necessary or prudent to make the determinations above. Notwithstanding the receipt of any ruling or opinion, the Board of Trustees may impose such conditions or restrictions as it deems appropriate in connection with such an exception.

In connection with a waiver of an ownership limit or at any other time, the Board of Trustees may, in its sole and absolute discretion, increase or decrease Unit ownership limits for one or more persons, except that a decreased ownership limit will not be effective for any person whose actual, beneficial or constructive ownership of the Units exceeds the decreased ownership limit at the time of the decrease until the person's actual, beneficial or constructive ownership of the Units equals or falls below the decreased ownership limit, although any further acquisition of the Units will violate the decreased ownership limit. The Board of Trustees may not increase or decrease any ownership limit if the new ownership limit would allow five or fewer persons to actually or beneficially own more than 49% of the Units.

The REIT has entered into an amended and restated excepted holder agreement with Welsh (which agreement was originally entered into at the IPO Closing) permitting Welsh (and/or any of its Permitted Transferees) to receive and own Units acquired through the redemption of Class B Units, including Class B Units received through the exercise of Welsh's pre-emptive right, up to an aggregate of 70% of the outstanding Units. This special ownership limitation applies only to Welsh (and/or any of its Permitted Transferees) and will be reduced over time as Welsh (and/or any of its Permitted Transferees) sells or otherwise disposes of any Units received by it on redemption of Class B Units. Welsh (and/or its Permitted Transferees) is subject to the excess units provisions (described below under "— Excess Units") with respect to any Units acquired in excess of its special ownership limitation.

The Declaration of Trust further prohibits:

- any person from actually, beneficially or constructively owning Units that could result in the REIT being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause the REIT to fail to qualify as a real estate investment trust (including, but not limited to, actual, beneficial or constructive ownership of Units that could result in the REIT owning (actually or constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income the REIT derives from such tenant, taking into account the REIT's other income that would not qualify under the gross income requirements of Section 856(c) of the Code, would cause the REIT to fail to satisfy any of the gross income requirements imposed on real estate investment trusts); and

- any person from transferring Units if such transfer would result in the Units being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire actual, beneficial or constructive ownership of Units that will or may violate the ownership limits or any of the other restrictions on ownership and transfer of the Units described above must give written notice immediately to the REIT or, in the case of a proposed or attempted transaction, provide us at least 15 days prior written notice, and provide the REIT with such other information as the REIT may request in order to determine the effect of such transfer on the REIT's status for U.S. federal income tax purposes.

The ownership limits and other restrictions on ownership and transfer of the Units described above will not apply if the Board of Trustees determines that it is no longer in the REIT's best interests to continue to qualify as a real estate investment trust or that compliance is no longer required in order for the REIT to qualify as a real estate investment trust.

Every owner of 5% or more (or such lower percentage as required by the Code or the Treasury regulations promulgated thereunder) of the outstanding Units, within 30 days after the end of each taxable year, must give written notice to the REIT stating the name and address of such owner, the number of Units that the owner actually or beneficially owns and a description of the manner in which the Units are held. Each such owner also must provide the REIT with any additional information that the REIT requests in order to determine the effect, if any, of the person's actual or beneficial ownership on the REIT's status for U.S. federal income tax purposes and to ensure compliance with the ownership limits and the other restrictions on ownership and transfer of the Units set forth in the Declaration of Trust. In addition, any person that is an actual, beneficial owner or constructive owner of Units and any person (including the Unitholder of record) who is holding Units for an actual, beneficial or constructive owner must, on request, disclose to the REIT in writing such information as the REIT may request in good faith in order to determine the REIT's status for U.S. federal income tax purposes and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

FIRPTA

Under FIRPTA, if any non-U.S. person holds, actually or constructively, more than 5% of the outstanding Units, the REIT will be required to withhold 10% on distributions in excess of the REIT's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), and to withhold 35% (or less to the extent provided in applicable Treasury regulations) of any distribution to such non-U.S. person that could be designated by the REIT as a capital gain dividend. Any such withheld amount is creditable against such non-U.S. person's FIRPTA tax liability.

In order for the REIT to comply with its withholding obligations under FIRPTA, the Units are subject to notice requirements and transfer restrictions. Non-U.S. persons holding Units are required to provide the REIT with such information as the REIT may request. Furthermore, any non-U.S. person that would be treated as having acquired sufficient Units to be treated as owning more than 5% of the Units is required to notify the REIT by the close of the business day prior to the date of the transfer that would cause the non-U.S. person to own more than 5% of the Units.

The constructive ownership rules under the Code are complex and may cause Units owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of 5% or less of the Units (or the acquisition of an interest in an entity that owns, actually or constructively, the Units) by an individual or entity could, nevertheless, cause that individual or entity, or another individual or entity, to own constructively in excess of 5% of the Units and thereby become subject to the notice requirement. Under these rules of constructive ownership, Units can be attributed (i) among family members, (ii) to non-U.S. persons from entities that own Units, to the extent that such non-U.S. persons own interests in such entities and (iii) to entities from non-U.S. persons that own interests in such entities. Under these attribution rules, Units of related entities (including related investment funds) may be aggregated to the extent of overlapping ownership.

If any non-U.S. person that would otherwise be treated as having acquired sufficient Units to be treated as owning more than 5% of the Units fails to comply with the FIRPTA notice provisions described above, the excess Units (*i.e.*, the excess of the number of Units it would be treated as owning over an amount equal to 5% of the outstanding Units) will be sold, through the mechanism described below under "— Excess Units," with such non-U.S. person receiving the lesser of (i) its original purchase price for the excess Units and (ii) the sale price of the excess Units (net of commissions and other expenses of sale). Non-U.S. persons holding Units are strongly advised to monitor their actual and constructive ownership of Units.

Excess Units

Pursuant to the Declaration of Trust, if any purported transfer of the Units or any other event would otherwise result in any person violating the ownership limits described above under "— REIT Qualification" or such other limit established by the Board of Trustees or otherwise failing to qualify as a real estate investment trust, or if a non-U.S. person would otherwise be treated as owning more than 5% of the Units and has not complied with the notice provisions described above under "— FIRPTA," then the number of Units that exceeds the applicable ownership limit (rounded up to the nearest whole Unit) will be automatically transferred to, and held by, a charitable trust for the exclusive benefit of one or more charitable beneficiaries selected by the REIT. The prohibited owner will have no rights in Units held by the charitable trustee. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in the transfer to the charitable trust. Any dividend or other distribution paid to the prohibited owner, prior to the REIT's discovery that the Units had been automatically transferred to a charitable trust, must be repaid to the charitable trustee upon demand. If the transfer to the charitable trust as described above is not automatically effective, for any reason, to prevent violation of the applicable restriction on ownership and transfer of the Units, then the transfer of the number of Units that otherwise would cause any person to violate the above restrictions will be void and of no force or effect and the intended transferee will acquire no rights in the Units. If any transfer of the Units would result in Units being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution), then any such purported transfer will be void and of no force or effect and the intended transferee will acquire no rights in the Units.

Units transferred to the charitable trustee are deemed offered for sale to the REIT, or the REIT's designee, at a price per Unit equal to the lesser of (1) the price per Unit in the transaction that resulted in the transfer of the Units to the charitable trust (or, in the event of a gift, devise or other such transaction, the last sale price reported on the TSX on the day of the transfer or other event that resulted in the transfer of such Units to the charitable trust) and (2) the last sale price reported on the TSX on the date the REIT accepts, or the REIT's designee accepts, such offer. The REIT must reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner and owed by the prohibited owner to the charitable trustee and pay the amount of such reduction to the charitable trustee for the benefit of the charitable beneficiary. The REIT has the right to accept such offer until the charitable trustee has sold the Units held in the charitable trust. Upon a sale to the REIT, the interest of the charitable beneficiary in the Units terminates and the charitable trustee must distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the charitable trustee with respect to such Units will be paid to the charitable beneficiary.

If the REIT does not buy the Units, the charitable trustee must, within 20 days of receiving notice from the REIT of the transfer of Units to the charitable trust, sell the Units to a person or persons designated by the charitable trustee who could own the Units without violating the ownership limits or other restrictions on ownership and transfer of the Units. Upon such sale, the charitable trustee must distribute to the prohibited owner an amount equal to the lesser

of (1) the price paid by the prohibited owner for the Units (or, if the prohibited owner did not give value in connection with the transfer or other event that resulted in the transfer to the charitable trust (e.g., a gift, devise or other such transaction), the last sale price reported on the TSX on the day of the transfer or other event that resulted in the transfer of such Units to the charitable trust) and (2) the sales proceeds (net of commissions and other expenses of sale) received by the charitable trustee for the Units. The charitable trustee must reduce the amount payable to the prohibited owner by the amount of dividends and other distributions paid to the prohibited owner and owed by the prohibited owner to the charitable trustee. Any net sales proceeds in excess of the amount payable to the prohibited owner will be immediately paid to the charitable beneficiary, together with any dividends or other distributions thereon. In addition, if prior to discovery by the REIT that Units have been transferred to the charitable trustee, such Units are sold by a prohibited owner, then such Units will be deemed to have been sold on behalf of the charitable trust and, to the extent that the prohibited owner received an amount for or in respect of such Units that exceeds the amount that such prohibited owner was entitled to receive, such excess amount will be paid to the charitable trustee upon demand.

The charitable trustee will be designated by the REIT and will be unaffiliated with the REIT and with any prohibited owner. Prior to the sale of any Units by the charitable trust, the charitable trustee will receive, in trust for the beneficiary, all dividends and other distributions paid by the REIT with respect to such Units, and may exercise all voting rights with respect to such Units for the exclusive benefit of the charitable beneficiary.

Subject to Ontario law, effective as of the date that the Units have been transferred to the charitable trust, the charitable trustee may, at the charitable trustee's sole discretion:

- rescind as void any vote cast by a prohibited owner prior to the REIT's discovery that the Units have been transferred to the charitable trust; and

- recast the vote in accordance with the desires of the charitable trustee acting for the benefit of the beneficiary of the charitable trust.

However, if the REIT has already taken irreversible corporate action, then the charitable trustee may not rescind and recast the vote.

If the Board of Trustees determines in good faith that a proposed transfer or other event has taken place that violates the restrictions on ownership and transfer of the Units set forth in the Declaration of Trust, the Board of Trustees may take such action as it deems advisable in its sole discretion to refuse to give effect to or to prevent such transfer, including, but not limited to, causing the REIT to redeem Units, refusing to give effect to the transfer on the REIT's books or instituting proceedings to enjoin the transfer.

The Units are subject to the restrictions on ownership and transfer of the Units described herein under "Declaration of Trust and Description of Units — Restrictions on Ownership and Transfer." These restrictions on ownership and transfer could delay, defer or prevent a transaction or a change of control of the REIT that might involve a premium price for the Units that the Unitholders believe to be in their best interest.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders are required to be called and held in various circumstances, including (i) for the election or removal of Trustees; (ii) the appointment or removal of the auditors of the REIT; (iii) the approval of amendments to the Declaration of Trust (except as described below under "— Amendments to the Declaration of Trust"); (iv) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees); (v) the termination of the REIT; and (vi) for the transaction of any other business as the Trustees may determine or as may be properly brought before the meeting. Meetings of Unitholders will be called and held annually for the election of the Trustees and the appointment of the auditors of the REIT. All meetings of Unitholders must be held in Canada.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the holders of not less than 5% of the Units then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy. Two persons present in person or represented by proxy, and such persons holding or representing by proxy not less in the aggregate than 10% of the total number of outstanding Units, constitute a quorum for the transaction of business at all such meetings. Any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, if convened upon the request of the Unitholders, will be terminated, but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the chair of the meeting, and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy will be deemed to constitute a quorum.

Pursuant to the Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

Advance Notice Provisions

The Declaration of Trust includes certain advance notice provisions (the "**Advance Notice Provisions**"), which are intended to (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote.

Except as otherwise provided in the Declaration of Trust, only persons who are nominated by Unitholders in accordance with the Advance Notice Provisions are eligible for election as Trustees. Nominations of persons for election to the Board of Trustees may be made for any annual meeting of Unitholders, or for any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of Trustees: (a) by or at the direction of the Board of Trustees, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with the Declaration of Trust; or (c) by any person (a "**Nominating Unitholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the REIT's register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the Trustees.

To be timely, a Nominating Unitholder's notice to the Trustees must be made: (a) in the case of an annual meeting of Unitholders, not less than 30 nor more than 60 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the 10th day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Unitholders was made. In no event will any adjournment or postponement of a meeting of Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Unitholder's notice as described above.

To be in proper written form, a Nominating Unitholder's notice to the Trustees must set forth: (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business

address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Unitholders (if such date will then have been made publicly available and will have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws (as defined in the Declaration of Trust); and (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws. The REIT may require any proposed nominee to furnish such other information as may reasonably be required by the REIT to determine the eligibility of such proposed nominee to serve as an Independent Trustee or that could be material to a reasonable Unitholder's understanding of the independence, or lack thereof, of such proposed nominee.

The chairperson of the meeting will have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination will be disregarded.

Notwithstanding the foregoing, the Board of Trustees may, in its sole discretion, waive any requirement in the Advance Notice Provisions.

Redemption Right

Units are redeemable at any time on demand by the holders thereof upon delivery to the REIT of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Units to be redeemed. A Unitholder not otherwise holding a fully registered Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the REIT and to CDS. Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption will be surrendered and the holder thereof will be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of:

(a) 90% of the Market Price (defined below) of a Unit calculated as of the date on which the Units were surrendered for redemption (the "**Redemption Date**"); and

(b) 100% of the Closing Market Price (defined below) on the Redemption Date.

For purposes of this calculation, the "**Market Price**" of a Unit as of a specified date will be:

(a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;

(b) an amount equal to the weighted average of the closing market prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or

(c) if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The "**Closing Market Price**" of a Unit for the purpose of the foregoing calculations, as of any date will be:

(a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date and the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;

(b) an amount equal to the closing price of a Unit on the principal market or exchange if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;

(c) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or

(d) the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

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

The aggregate Redemption Price payable by the REIT in respect of any Units surrendered for redemption during any calendar month will be paid by cheque, drawn on a Canadian chartered bank or trust company in Canadian dollars within 30 days after the end of the calendar month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed $50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) on the date such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, to provide representative fair market value prices for the Units; (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately before the Redemption Date; and (iv) the redemption of the Units must not result in the delisting of the Units from the principal stock exchange on which the Units are listed.

Cash payable on redemptions will be paid *pro rata* to all Unitholders tendering Units for redemption in any month. To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of any of the foregoing limitations, then the balance of the Redemption Price for such Units will, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution in specie to such Unitholder of Redemption Notes. In the event of distributions of Redemption Notes, each Redemption Note so distributed to the redeeming holder of Units will be in the principal amount of $100 or such other amount as may be determined by the Trustees. No fractional Redemption Notes will be distributed and where the number of Redemption Notes to be received upon redemption by a holder of Units would otherwise include a fraction, that number will be rounded down to the next lowest whole number. The Trustees may deduct or withhold from all payments or other distributions payable to any Unitholder pursuant to the Declaration of Trust all amounts required by law to be so withheld. Where the REIT makes a distribution in specie on the redemption of Units of a Unitholder, the REIT currently intends to allocate to that Unitholder any capital gain or income realized by the REIT on or in connection with such distribution.

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

Purchases of Units by the REIT

The REIT may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange and regulatory policies. Any such purchase will constitute an "issuer bid" under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Take-Over Bids

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

The Declaration of Trust and the Partnership Agreement provide that in the event that a non-exempt take-over bid from a person acting at arm's length to holders of Class B Units (or any affiliate or associate thereof) is made for Units, unless the take-over bid is structured (i) to permit holders of Class B Units to both redeem for Units and tender conditional on take-up, or (ii) such that the offer is made for all Class B Units on identical terms, then, from and after the first take-up of Units under the said take-over bid (provided that not less than 25% of the Units other than Units held at the date of the take-over bid by the offeror or associates or affiliates of the offeror are so taken up) the terms and conditions of the Class B Units will be amended such that the redemption rate will be varied to equal 110% of the redemption rate then in effect (such that on conversion, exercise, redemption or exchange the holder will receive 1.1 Units for each Unit that the holder would otherwise have received). Notwithstanding any adjustment on completion of an exclusionary offer as described above, the distribution rights attaching to the Class B Units will also not be adjusted until the redemption right is actually exercised.

Non-Certificated Inventory System

Other than pursuant to certain exceptions, registration of interests in and transfers of Units held through CDS, or its nominee, are made electronically through the NCI system of CDS. Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled are made or delivered by CDS or the CDS participant through which the Unitholder holds such Units. A holder of a Unit participating in the NCI system is not entitled to a certificate or other instrument from the REIT or the REIT's transfer agent evidencing that person's interest in or ownership of Units, nor, to the extent applicable, is such Unitholder shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Information and Reports

The REIT will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Declaration of Trust and by applicable law. Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information as required by applicable tax and securities laws.

Amendments to the Declaration of Trust

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

Declaration of Trust require approval by a majority of the votes cast at a meeting of Unitholders called for such purpose.

The following amendments, among others, require the approval of two-thirds of the votes cast by all Unitholders at a meeting:

(a) any amendment to Section 14.3 of the Declaration of Trust, which sets out amendments to the Declaration of Trust that require approval by two-thirds of the votes cast by all Unitholders at a meeting of Unitholders;

(b) any amendment to Section 7.23 of the Declaration of Trust regarding take-over bids;

(c) an exchange, reclassification or cancellation of all or part of the Units;

(d) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units, including: (i) the removal or change of rights to distributions; (ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or (iii) the reduction or removal of a distribution preference or liquidation preference;

(e) any constraint on the issue, transfer or ownership of the Units or the change or removal of such constraint;

(f) the sale or transfer of the assets of the REIT or its subsidiaries as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT or its subsidiaries approved by the Trustees and not prejudicial to Unitholders);

(g) the termination of the REIT or its subsidiaries (other than as part of an internal reorganization of the assets of the REIT or its subsidiaries approved by the Trustees and not prejudicial to Unitholders);

(h) the combination, amalgamation or arrangement of any of the REIT or its subsidiaries with any other entity (other than as part of an internal reorganization of the assets of the REIT or its subsidiaries approved by the Trustees and not prejudicial to Unitholders);

(i) any change to the minimum size of the Board of Trustees; and

(j) except as described herein, the amendment of the investment guidelines and operating policies of the REIT. See “Investment Guidelines and Operating Policies — Amendments to Investment Guidelines and Operating Policies”.

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

(a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees or the REIT; (ii) the status of the REIT as a “mutual fund trust” under the Tax Act; (iii) the status of the REIT as a “real estate investment trust” for U.S. federal income tax purposes; or (iv) the distribution of Units;

(b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;

(c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;

(d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the Declaration of Trust;

(e) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;

(f) which, in the opinion of the Trustees, are necessary or desirable: (i) to ensure continuing compliance with IFRS; or (ii) to ensure the Units are classified as equity for purposes of IFRS;

(g) which, in the opinion of the Trustees, are necessary or desirable to enable the REIT to implement a Unit option plan, Unit purchase plan or other compensation plan or issue Units for which the purchase price is payable in instalments;

(h) which, in the opinion of the Trustees, are necessary or desirable for the REIT to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, including to qualify for the definition of "real estate investment trust" in the Tax Act or to qualify for the definition of "real estate investment trust" for the Code or to otherwise prevent the REIT or any of its Subsidiaries from becoming subject to tax under the SIFT Rules;

(i) to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable, redeemable, exercisable or convertible for Units entitling the holder thereof to a number of votes not exceeding the number of Units into which the exchangeable shares, units or other securities are exchangeable, redeemable, exercisable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to the REIT's property or income other than a return of capital; and

(j) for any purpose (except one in respect of which a consent of any person and/or a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable.

No amendment that would adversely affect the legal rights of Welsh under the Declaration of Trust or the economic benefits derived therefrom may be made without its prior written consent. For greater certainty, this provision applies only to any amendment that would adversely affect (i) the legal rights expressly ascribed to Welsh in the Declaration of Trust or the economic benefits derived therefrom; or (ii) the legal rights of Welsh that are different than those of public holders of Units or the economic benefits derived therefrom. For greater certainty, any amendment, modification or removal of provisions relating to (i) operations and assets of the REIT, as described under "Declaration of Trust and Description of Units — Operations and Assets of the REIT"; (ii) the right of Welsh to nominate Trustees to the Board of Trustees, as described under "Arrangements with Welsh — Retained Interest — Board Nomination Rights" and "Governance of the REIT — Governance and Board of Trustees"; (iii) cash distributions by the Partnership, as described under "Declaration of Trust and Description of Units — Units"; and (iv) amendments to the Declaration of Trust, as described in this section, may not be made without the prior written consent of Welsh. In addition, changes to the size of the Board of Trustees (other than a change to the minimum size of the Board of Trustees which requires unanimous consent of the Board of Trustees and approval by not less than two-thirds of the votes cast at a meeting of Unitholders) may only be made with the prior written consent of the Partnership in accordance with the Partnership Agreement, as described under "Governance of the REIT — Governance and Board of Trustees".

US HOLDCO

US Holdco is a corporation established under the laws of the State of Delaware. US Holdco owns all of the Class A Units and is the sole general partner of the Partnership. The Board of Directors of US Holdco is determined (and may be removed without cause) by the Trustees; provided, that the Board of Directors of US Holdco will always be comprised of a majority of (i) U.S. residents and (ii) individuals who are neither employed by, affiliated with, or otherwise not independent of Welsh. The Board of Directors of US Holdco is currently comprised of the Chief Executive Officer and two trustees of the REIT. The REIT exercises effective oversight of US Holdco.

THE PARTNERSHIP

General

The Partnership is a limited partnership governed by the Partnership Agreement and the laws of the State of Delaware. The general partner of the Partnership is US Holdco. The sole holder of the Class A Units is US Holdco. The REIT is the sole shareholder of US Holdco.

The Partnership is considered an umbrella partnership real estate investment trust (an "**UPREIT**"). An UPREIT is a structure that REITs often use to acquire real property from sellers on a tax-deferred basis because the sellers can generally accept partnership units and defer taxable gain otherwise required to be recognized by them upon the disposition of their properties. Such sellers may also desire to achieve diversity in their investment and other benefits afforded to stockholders in a real estate investment trust. For purposes of satisfying the asset and income tests for qualification as a real estate investment trust, the REIT's proportionate share of the assets and income of the Partnership are deemed to be assets and income of the REIT.

Partnership Units

The Partnership currently has outstanding (i) Class A Units, all of which are held by US Holdco; and (ii) Class B Units, all of which are held directly or indirectly by Welsh. US Holdco is the sole general partner of the Partnership and Welsh is the sole limited partner of the Partnership. As of December 31, 2014, there were 15,225,314 Class B Units outstanding. At the IPO Closing, 10,867,362 Class B Units were issued to Welsh as part of the consideration for its equity interests in the limited liability companies and limited partnerships through which Welsh held the Initial Properties prior to the IPO Closing. Under the Partnership Agreement, the Class B Units are, in all material respects, economically equivalent to the Units on a per unit basis. An additional 2,192,347 Class B Units (the Illinois Property Class B Units) were issued to a subsidiary of Welsh in connection with the closing of the Illinois Property Acquisition, and a further 2,165,605 Class B Units (the Louisville Property Class B Units) were issued to Welsh in connection with the closing of the Louisville Property Acquisition. It is anticipated that Class B Units may be subsequently issued to Welsh and other U.S. vendors in connection with the acquisition of additional properties by the REIT in the U.S. The holders of Class B Units are not entitled to vote on matters to be voted on by Unitholders of the REIT. Pursuant to the Partnership Agreement, the Class B Units are redeemable from time to time by the holder thereof for cash or Units (on a one-for-one basis subject to customary anti-dilution adjustments), at the option of the general partner of the Partnership. Pursuant to the terms of the Illinois Property Contribution Agreement, the Illinois Property Class B Units were not redeemable for Units until TSX approval had been received by the REIT. TSX approval was received on May 15, 2014 following the annual and special meeting of Unitholders, where Requisite Unitholder Approval for the issuance of the Illinois Property Class B Units was received. For further details on the restrictions on the redemption of Class B Units and the Illinois Property Class B Unit Restrictions, see "Arrangements with Welsh — Retained Interest — Restrictions on Transfer, Redemption or Disposition of Class B Units".

Except as specifically provided in the Partnership Agreement or as otherwise consented to by the general partner of the Partnership, the Class B Units are not transferable. The Partnership Agreement provides that a holder of Class B Units is permitted to transfer its Class B Units: (i) pursuant to the redemption of the Class B Units into Units; (ii) to any members of Welsh; (iii) to any affiliates of the holder; and (iv) to Almanac Realty Investors, LLC ("**Almanac**") and its affiliates.

Redemption Rights

Subject to certain restrictions on the redemption of the Illinois Property Class B Units described above and under "Arrangements with Welsh — Retained Interest — Restrictions on Transfer, Redemption or Disposition of Class B Units", after holding Class B Units for at least 12 months (subject to acceleration in certain circumstances), the holders of Class B Units have the right to cause the Partnership to redeem all or a portion of such Class B Units for Units or cash, at the option of the general partner of the Partnership. Any exercise of the redemption right by a holder of Class B Units may be made on a conditional basis and subject to retraction (in whole or in part) by such holder in his, her or its sole discretion following the general partner of the Partnership's determination of whether the redemption will be paid in cash or Units (such determination to be provided by the general partner of the

Partnership in writing to the redeeming holder of Class B Units). If the general partner of the Partnership elects to redeem Class B Units for Units, the REIT will generally deliver (indirectly) one Unit for each Class B Unit redeemed (subject to customary anti-dilution adjustments). In connection with the exercise of these redemption rights, a holder of Class B Units will be required to make certain representations, including that the delivery of Units upon redemption will not result in such partner owning Units in excess of the ownership limits in the Declaration of Trust.

Operation

The purpose of the Partnership includes the conduct of any business that may be conducted lawfully by a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act (the "**DRULPA**"), except that the Partnership Agreement requires the business of the Partnership to be conducted in such a manner that will permit the REIT to qualify as a real estate investment trust under Sections 856 through 860 of the Code. Subject to the foregoing limitation, the Partnership may enter into partnerships, joint ventures or similar arrangements and may own interests in any other entity. The general partner of the Partnership will cause the Partnership not to take, or to refrain from taking, any action that, in its judgment, in its sole and absolute discretion:

- could adversely affect the REIT's ability to continue to qualify as a real estate investment trust for U.S. federal income tax purposes;

- could subject the REIT to any additional taxes under Section 857 of the Code or Section 4981 of the Code or any other related or successor provisions under the Code;

- could violate any law or regulation of any governmental body or agency having jurisdiction over the REIT, its securities or the Partnership; or

- could violate in any material respects any of the covenants, conditions or restrictions now or hereafter placed upon or adopted by the REIT pursuant to any agreements or applicable laws and regulations,

unless, in any such case, such action or inaction described in the bullet points above is specifically consented to by the REIT.

The Partnership Agreement requires that the Partnership be operated in a manner that will enable the REIT to (i) satisfy the requirements for being classified as a real estate investment trust for U.S. federal income tax purposes, unless the Board of Trustees elects for the REIT to cease to qualify as a real estate investment trust, (ii) not be subject to any federal income or excise tax liability, unless the Board of Trustees elects for the REIT to cease to qualify as a real estate investment trust, and (iii) ensure that the Partnership will not be classified as a "publicly traded partnership" for purposes of Section 7704 of the Code, which classification could result in the Partnership being taxed as a corporation, rather than as a partnership.

The authority of the general partner of the Partnership is limited in certain respects under the Partnership Agreement. Transactions not in the ordinary course of business that would generally constitute a fundamental change under corporate law that may be taken by the Partnership, or the general partner of the Partnership acting on its behalf, will require the approval of a majority of the board of directors of the general partner of the Partnership and Welsh, provided that, in the case of Welsh, the Retained Interest constitutes at least 33% of the Units (assuming all Class B Units are redeemed for Units), or, in the event the Retained Interest constitutes less than 33% of the Units (assuming all Class B Units are redeemed for Units), the Retained Interest constitutes at least that number of Units (assuming all Class B Units are redeemed for Units) equal to 33% of the votes cast at a meeting of Unitholders. The same approvals will also be required for the following:

- entering into any merger, consolidation or business combination, not in the ordinary course of business;

- selling, assigning, conveying or otherwise disposing of all or substantially all of its assets;

- adopting any plan or proposal for a complete or partial liquidation or dissolution, or any reorganization or recapitalization or commencement of any case, proceeding or action seeking relief under any existing or future laws relating to bankruptcy, insolvency, conservatorship or relief of debtors;

- adding, changing or removing any restriction on the business or businesses that the Partnership may carry on;

- any subdivision, re-division, consolidation, exchange, reclassification, reorganization, recapitalization, split, combination or similar change in any units or other securities of the Partnership;

- consenting to any change in the size of the Board of Trustees; and

- agreeing or committing to any of the preceding.

Pre-Emptive Rights in Favour of Welsh

In the event the REIT, the Partnership or one of their Subsidiaries decides to issue equity securities of the REIT or the Partnership or securities convertible into or exchangeable or redeemable for equity securities of the REIT or the Partnership or an option or other right to acquire such securities, Welsh, for so long as the Retained Interest constitutes at least 10% of the Units (assuming all Class B Units are redeemed for Units), will have pre-emptive rights to purchase Units, Class B Units or such other securities as are being contemplated for issuance by the REIT or the Partnership, as the case may be, to maintain the *pro rata* ownership interest represented by the Retained Interest (on a fully diluted basis assuming all Class B Units are redeemed for Units). Notice of exercise of such rights must be provided in advance of the commencement of any offering of securities of the REIT or the Partnership or such other securities as are being contemplated for issuance and otherwise in accordance with the terms and conditions set out in the Partnership Agreement. The pre-emptive rights will not apply to issuances in the following circumstances: to participants in a distribution reinvestment plan or similar plan; in respect of the exercise of options, warrants, rights or other securities issued under security-based compensation arrangements of the REIT or the Partnership; to holders of Partnership Units or Unitholders in lieu of cash distributions; as full or partial consideration for the direct or indirect purchase of real property by the REIT or the Partnership from Welsh; pursuant to the exercise by Welsh of its redemption right in respect of the Class B Units; exercise by a holder of a conversion, exchange or other similar right pursuant to the terms of a security in respect of which Welsh did not exercise, failed to exercise, or waived its pre-emptive right or in respect of which the pre-emptive right did not apply; pursuant to a unitholders' rights plan of the REIT; to the REIT, the Partnership or any Subsidiary or affiliate; and pursuant to the exercise of the IPO Over-Allotment Option.

Drag Along Right

If the REIT enters into a transaction that will involve: (i) the transfer, directly or indirectly, of all or substantially all of its assets to a third-party; (ii) the winding up, dissolution or termination of the REIT; or (iii) the exchange of Units for securities of a third-party issuer or successor issuer; and, at such time, the Retained Interest constitutes less than 15% of the Units (assuming all Class B Units are redeemed for Units), then the Partnership will be entitled to redeem all (but not less than all) of the Class B Units.

Compulsory Acquisition

In addition, in the event of a take-over bid that is accepted by the holders of not less than 90% of the Units (including Units issuable upon the exchange or redemption of Class B Units) by an offeror (including persons acting jointly or in concert with such person) and such offeror has exercised its right to acquire Units held by dissenting offerees (including Units issuable upon the redemption of Class B Units) in accordance with the Declaration of Trust, the Partnership will have the right, subject to applicable law, to acquire outstanding Class B Units in exchange for an equal number of Units (subject to adjustment in accordance with the Declaration of Trust), which exchange will be effected immediately prior to the acquisition by the offeror of the Units issuable upon redemption thereof.

Piggyback Rights

If the Retained Interest includes any Units (assuming all Class B Units are redeemed for Units), and Welsh so requests, the REIT will cause, in respect of the Partnership, a purchaser (other than the REIT or an affiliate of the REIT) of securities of the Partnership owned by the REIT (or any permitted assignee) to purchase a *pro rata* portion of the securities of the Partnership constituting the Retained Interest on the same terms and subject to the same conditions as are applicable to the purchase of securities of the Partnership by the purchaser.

Amendments

The Partnership Agreement may be amended by the general partner of the Partnership. No amendment that would adversely affect the rights of Welsh under the Partnership Agreement may be made without Welsh's prior written consent.

Distributions and Allocations of Profits and Losses

Distributions

Under the Partnership Agreement, the Class B Units are, in all material respects, economically equivalent to the Units and are entitled to receive distributions proportionately. Subject to the terms of any unit in the capital of the Partnership (each, a "**Partnership Unit**" and collectively, the "**Partnership Units**"), the general partner of the Partnership will cause the Partnership to distribute monthly, all, or such portion as the general partner of the Partnership may in its sole and absolute discretion determine, of Available Cash (as such term is defined in the Partnership Agreement) generated by the Partnership during such month to the holders of the Units:

- first, with respect to any Partnership Units that are entitled to any preference in distribution, in accordance with the rights of such class or classes of Partnership Units, and, within such class or classes, among the holders *pro rata* in proportion to their respective percentage interests; and

- second, with respect to any Partnership Units that are not entitled to any preference in distribution, in accordance with the rights of such class of the Partnership Units, as applicable, and, within such class, among the holders *pro rata* in proportion to their respective ownership interests.

Allocations of Net Income and Net Loss

Net income and net loss of the Partnership are determined and allocated with respect to each fiscal year of the Partnership as of the end of the fiscal year. Except as otherwise provided in the Partnership Agreement, net income and net loss are allocated to the holders of the Partnership Units in accordance with their respective equity interests at the end of each fiscal year so as to give effect to distribution preferences, if any. The Partnership Agreement contains provisions for special allocations intended to comply with certain regulatory requirements, including the requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Except as otherwise provided in the Partnership Agreement, for U.S. federal income tax purposes under the Code and the regulations promulgated by the U.S. Treasury Department, or the Treasury Regulations, each Partnership item of income, gain, loss and deduction is allocated among the holders of the Partnership Units in the same manner as its correlative item of book income, gain, loss or deduction is allocated pursuant to the Partnership Agreement. In addition, under Section 704(c) of the Code, items of income, gain, loss and deduction with respect to appreciated or depreciated property that is contributed to a partnership, such as the Partnership, in a tax-free transaction must be specially allocated among the partners in such a manner so as to take into account such variation between tax basis and fair market value. The Partnership will allocate tax items to the holders of the Partnership Units taking into consideration the requirements of Section 704(c) of the Code.

Management of the Partnership

In general, the Trustees manage the affairs of the Partnership by directing the management of the REIT's affairs, in its capacity as the sole stockholder of the general partner of the Partnership.

Except as otherwise expressly provided in the Partnership Agreement or as delegated or provided to an additional general partner by the general partner of the Partnership or any successor general partner pursuant to the Partnership Agreement, all management powers over the business and affairs of the Partnership are exclusively vested in the general partner of the Partnership. No limited partner or any other person to whom one or more Partnership Units have been transferred may, in its capacity as a limited partner, take part in the operations, management or control of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The general partner of the Partnership may not be removed by the limited partners without the general partner's consent. In addition to the powers granted to the general partner of the Partnership under applicable law or that are granted to the general partner of the Partnership under any other provision of the Partnership Agreement, the general partner of the Partnership, subject to the other provisions of the Partnership Agreement, has full power and authority to do all things deemed necessary or desirable by the general partner of the Partnership to conduct the business of the Partnership, to exercise all powers of the Partnership and to effectuate the purposes of the Partnership. The Partnership may incur debt or enter into other similar credit, guarantee, financing or refinancing arrangements for any purpose, including, without limitation, in connection with any acquisition of properties, upon such terms as the general partner of the Partnership determines to be appropriate. With limited exceptions, the general partner of the Partnership is authorized to execute, deliver and perform agreements and transactions on behalf of the Partnership without any further act, approval or vote of the limited partners.

Liability of the REIT and that of the Limited Partners

Under DRULPA, US Holdco, as sole general partner of the Partnership, is liable for all general obligations of the Partnership to the extent not paid by the Partnership. The limited partners are not required to make additional contributions to the Partnership. Assuming that a limited partner does not take part in the control of the business of the Partnership, the liability of the limited partner for obligations of the Partnership under the Partnership Agreement and DRULPA is limited, subject to limited exceptions, generally to the loss of the limited partner's investment in the Partnership represented by such limited partner's Partnership Units.

Exculpation and Indemnification

The Partnership Agreement generally provides that the REIT, as sole stockholder of the general partner of the Partnership, the general partner of the Partnership, and any of their respective trustees, directors or officers will incur no liability to the Partnership, or any limited partner, general partner or assignee, for losses sustained or liabilities incurred or benefits not derived as a result of errors in judgment, mistakes of law or of any act or omission if the REIT, the general partner of the Partnership or such trustee, officer or director acted in good faith. In addition, the REIT, as the sole stockholder of the general partner of the Partnership, and the general partner of the Partnership are not responsible for any misconduct or negligence on the part of the REIT's agents, provided the REIT appointed such agents in good faith.

The Partnership Agreement also provides for the indemnification, to the fullest extent permitted by law, of the REIT, as the sole stockholder of the general partner of the Partnership, of the general partner of the Partnership, of the Trustees, directors and officers, and of such other persons as the general partner may from time to time designate against any and all losses, claims, damages, liabilities, joint or several, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings in which such person may be involved that relate to the operations of the Partnership, provided that such person will not be indemnified for (i) any act or omission of such person that was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (ii) in the case of any criminal proceeding, any act or omission that such person had reason to believe was unlawful, or (iii) any transaction for which such person received an improper personal benefit in violation or breach of any provision of the Partnership Agreement.

Tax Matters

Pursuant to the Partnership Agreement, the general partner of the Partnership is the tax matters partner of the Partnership, and as such, has authority to make tax decisions under the Code on behalf of the Partnership. The general partner of the Partnership will file a federal income tax return annually on behalf of the Partnership on IRS Form 1065 (or such other successor form) or on any other IRS form as may be required.

UNITHOLDERS' RIGHTS PLAN

The REIT established a unitholders' rights plan (the "**Rights Plan**") effective as of April 26, 2013. The purposes of the Rights Plan are as follows: (i) to ensure, to the extent possible, that the Trustees have sufficient time to consider and evaluate any unsolicited take-over bid for the Units or other acquisition of control of the REIT; (ii) to provide the Trustees with adequate time to explore and develop alternatives, in order to maximize Unitholder value; and (iii) to ensure, to the extent possible, the equal treatment of Unitholders in connection with any unsolicited take-over bid. Under the Rights Plan, one right (a "**Right**" or "**Rights**") is issued and attaches to each outstanding Unit and Class B Unit pursuant to the Rights Plan.

The Rights Plan utilizes the mechanism of a "Permitted Bid" (as described below) to protect Unitholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions or risk being subject to the dilutive features of the Rights Plan. Generally, to qualify as a Permitted Bid, a bid must be made to all Unitholders and holders of Class B Units, if any, by way of take-over bid circular and must be open for at least 60 days after the bid is made. If more than 50% of the Units and Class B Units held by "Independent Unitholders" (as defined below) are deposited or tendered to the bid and not withdrawn, the bidder may take up and pay for such Units and associated Class B Units, if any. The take-over bid must then be extended for a further period of at least 10 business days on the same terms to allow those Unitholders who did not initially tender their Units and associated Class B Units, if any, to tender to the take-over bid if they so choose. Thus, there is no coercion to tender during the initial 60-day period because the bid must be open for acceptance for at least 10 business days after the expiry of the initial tender period. The Rights Plan is designed to make it impractical for any person to acquire more than 20% of the outstanding Units or Class B Units redeemable for Units without the approval of the Trustees except pursuant to the Permitted Bid procedures or pursuant to certain other exempt transactions outlined below.

Management believes that the Rights Plan taken as a whole should not be an unreasonable obstacle to a serious bidder willing to make a *bona fide* and financially fair offer open to all Unitholders. The provisions of the Rights Plan relating to portfolio managers are designed to prevent the triggering of the Rights Plan by virtue of the customary activities of such persons. See "— Portfolio Managers" below.

The Rights Plan is subject to re-confirmation by Unitholders and Independent Unitholders every three years and terminates upon the termination of the first annual meeting of the Unitholders following the third anniversary date of the IPO Closing, unless terminated earlier.

Issue of Rights

One Right has been issued and is attached to each outstanding Unit and each outstanding Class B Unit. One Right will also attach to any Units and Class B Units issued in the future and prior to the earlier of the Separation Time (as described below) and the Expiration of the Rights Plan. The Rights are not exercisable prior to the Separation Time (as defined below).

Rights Exercise Privilege

The Rights will separate from the Units and the Class B Units to which they are attached and will become exercisable (the "**Separation Time**") at the close of business on the tenth business day after the earlier of (A) the first date of public announcement by the REIT or an Acquiring Person (as defined below) of facts indicating that a person has become an Acquiring Person, and (B) the date of the commencement of, or first public announcement of, the intent of any person (other than the REIT or any subsidiary of the REIT) to commence, a take-over bid (other than a Permitted Bid or "Competing Permitted Bid" (as described below)), or the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such, or, in either case, such later date as may be determined by the Trustees.

The acquisition by an Acquiring Person, including persons acting jointly or in concert, of 20% or more of the Units, other than by way of a Permitted Bid in certain circumstances, is referred to as a "**Flip-In Event**". Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the first date of public announcement by the REIT or by an Acquiring Person that an Acquiring Person has become such, will become void upon the occurrence

of a Flip-In Event. Ten business days after the occurrence of the Flip-In Event, the Rights (other than those held by the Acquiring Person) will permit the holder to purchase, for example, Units with a total market value of $200, on payment of $100 (i.e., at a 50% discount).

The issue of the Rights is not initially dilutive. Upon a Flip-In Event occurring and the Rights separating from the attached Units or Class B Units, reported earnings per Unit on a fully diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-In Event may suffer substantial dilution.

Acquiring Person

An "**Acquiring Person**" is any person who is or becomes the beneficial owner of 20% or more of all Units. An Acquiring Person does not however, include: (a) the REIT or any subsidiary of the REIT; (b) a Grandfathered Person (as described below); or (c) any Person who becomes the Beneficial Owner of 20% or more of all Units as a result of any one or a combination of "exempt transactions", which include: (i) specified acquisitions or redemptions of Units; (ii) acquisitions pursuant to a Permitted Bid (which may include a Competing Permitted Bid), as described below; or (iii) acquisitions in exchange for additional properties being acquired by the REIT, provided, however, that if a person becomes a beneficial owner of 20% or more of all Units by reason of any one or a combination of exempt transactions, and, subsequently becomes the beneficial owner of more than an additional 1% of all Units outstanding (other than pursuant to an exempt transaction) then, as of the date of any such acquisition of additional Units such Person shall become an "Acquiring Person".

A "**Grandfathered Person**" is any person who (i) is the beneficial owner of 20% or more of all Units at the record time under the Rights Plan (the "**Record Time**"); or (ii) in the case of the Almanac Entities, would be deemed to be the beneficial owner of 20% or more of the outstanding Units, pursuant to the Almanac Entitlement at the Record Time; provided, however, that the foregoing exceptions shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time: (a) other than the Almanac Entities, cease to beneficially own at least 10% of the outstanding Units, or (b) in the case of the Almanac Entities, either (i) acquire any Units or Class B Units other than directly or indirectly from Welsh or (ii) cease to, collectively, beneficially own and be deemed to beneficially own pursuant to the Almanac Entitlement, 10% or more of the outstanding Units; or (c) in the case of Welsh and/or any of its affiliates, or individually, any one of them ("**Welsh Entities**") (other than pursuant to one or any combination of exempt transaction), become the beneficial owner, directly or indirectly, of Units that (x) if any Welsh Entity is at such time the beneficial owner of 25% or more of the Units, subsequently increases its percentage beneficial ownership of Units to an amount that exceeds the Welsh Entity's percentage beneficial ownership interest in the Units at such time plus more than an additional 1.0% of the number of Units outstanding, or (y) if the Welsh Entities and the Almanac Entities are collectively the beneficial owners of less than 25% of the Units, increases, pursuant to an acquisition by Welsh, their collective percentage beneficial ownership interest in the Units to an amount that exceeds 25% of the Units.

Certificates and Transferability

Prior to the Separation Time, Rights will not be evidenced by certificates. Rights will not be transferable separately from the attached Units or Class B Units. From and after the Separation Time, registration of interests in and transfer of Rights will only be made electronically via CDS, subject to certain exceptions. See "Declaration of Trust and Description of Units — Non-Certificated Inventory System".

Permitted Bid Requirements

The requirements of a Permitted Bid include the following: (a) the take-over bid must be made by way of a take-over bid circular; (b) the take-over bid must be made to all holders of record of Units and holders of record of Class B Units, if any, other than the bidder; (c) the take-over bid must not permit Units or Class B Units tendered pursuant to the take-over bid to be taken up prior to the expiry of a period of not less than 60 days from the date of the bid and then only if at such time more than 50% of the Units and Class B Units held by Unitholders and holders of Class B Units other than the bidder, and its affiliates and persons acting jointly or in concert with the bidder (the "**Independent Unitholders**") have been tendered pursuant to the take-over bid and not withdrawn; and (d) if more than 50% of the Units and Class B Units then outstanding and held by Independent Unitholders are tendered to

the takeover bid within the 60-day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits and tenders of Units and Class B Units for at least an additional 10 business days from the date of such public announcement.

The Rights Plan allows a competing Permitted Bid (a "**Competing Permitted Bid**") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that, provided it is outstanding for a minimum period of 35 days (or such minimum period prescribed by law in the Province of Ontario), it may expire on the same date as the earliest date for take-up specified in a Permitted Bid.

Waiver and Redemption

The Trustees acting in good faith may determine, with the prior consent of the Unitholders, or the holders of Rights, as the case may be, at any time prior to the occurrence of a Flip-In Event, to redeem all, but not less than all, of the outstanding Rights at a redemption price of $0.00001 per Right, subject to appropriate anti-dilution adjustments.

The Trustees acting in good faith may determine, with the prior consent of the Unitholders, or the holders of Rights, as the case may be, at any time prior to the occurrence of a Flip-In Event that may occur by reason of an acquisition of Units otherwise than pursuant to a take-over bid made by means of a take-over bid circular to all holders of record of Units and Class B Units, to waive the application of the Flip-In Event provisions to such Flip-In Event.

The Trustees acting in good faith may determine, at any time prior to the occurrence of a Flip-In Event that may occur by reason of a take-over bid made by take-over bid circular sent to all holders of record of Units and Class B Units, to waive the application of the Flip-In Event provisions to such Flip-In Event, provided that if the Trustees do so, they will be deemed to have waived the application of the Flip-In Event provisions to any other Flip-In Event occurring by reason of any take-over bid made by take-over bid circular to all holders of record of Units and Class B Units which is made prior to the expiry of any take-over bid (as the same may be extended from time to time) in respect of which such waiver is, or is deemed to have been, granted.

Redemption of Rights on Withdrawal or Termination of Bid

Where a take-over bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-In Event, provided that the provisions of the Rights Plan are deemed to continue to apply as if the Separation Time had not occurred, the Trustees acting in good faith may elect to redeem all the outstanding Rights at the applicable redemption price. Upon such redemption, the REIT is deemed to have issued replacement Rights to all holders of its then outstanding Units.

Waiver of Inadvertent Flip-In Event

The Trustees acting in good faith may, prior to the close of business on the tenth Business Day after a person has become an Acquiring Person, waive the application of the Rights Plan to an inadvertent Flip-In Event, on the condition that such person reduces its beneficial ownership of Units such that it is not an Acquiring Person within 14 days of the determination of the Trustees.

Portfolio Managers

The provisions of the Rights Plan relating to portfolio managers are designed to prevent the occurrence of a Flip-In Event solely by virtue of the customary activities of such managers, including trust companies and other persons, where a substantial portion of the ordinary business of such person is the management of funds for unaffiliated investors, so long as any such person does not propose to make a take-over bid either alone or jointly with others.

Supplement and Amendments

The Trustees may, prior to the time for re-confirmation of the Rights Plan, supplement, amend, vary, rescind or delete any of the provisions of the plan in order to make any changes which the Trustees acting in good faith deem necessary or desirable, without the approval of any holders of Rights, Class B Units or Units, only if such

supplement, amendment, rescission or deletion would not materially adversely affect the interests of holders of Rights. Any such change must be submitted for approval by Unitholders at the next meeting of Unitholders or, if made after the Separation Time, any such change must be submitted for approval by the holders of Rights at a meeting to be called by a date immediately following the next meeting of Unitholders, and will only continue in effect if such approval is obtained. The Trustees may also supplement or amend the Rights Plan to correct any clerical or typographical error or as required to maintain the validity of the Rights Plan as a result of change in applicable legislation, rules or regulations.

Notwithstanding any provision of the Rights Plan, certain amendments made by the REIT to the Rights Plan by supplement or otherwise are subject to the prior approval of any governmental or regulatory authority having jurisdiction over the REIT. In addition, for such period of time as any of Welsh or Almanac is a Grandfathered Person, any supplement or amendment to the Rights Plan that would have an adverse effect on any of Welsh's or Almanac's ability to qualify as a Grandfathered Person will require Welsh's consent.

Eligibility for Investment

The issue of Rights does not affect the status under the Tax Act of the Units as "qualified investments" (as defined in the Tax Act) for Plans.

Regulatory Approvals

Any obligation of the REIT or action or event contemplated by the Rights Plan will be subject to the receipt of any requisite approval or consent from any applicable governmental or regulatory authority having jurisdiction over the REIT.

General

Until a Right is exercised, the holder thereof, as such, will have no rights as a Unitholder.

GOVERNANCE OF THE REIT

Governance and Board of Trustees

The Declaration of Trust provides that, subject to certain conditions, the Trustees have absolute and exclusive power, control and authority over the REIT's assets and operations, as if the Trustees were the sole and absolute legal and beneficial owners of the REIT's assets. The governance practices, investment guidelines and operating policies of the REIT are overseen by a Board of Trustees consisting of a minimum of one and a maximum of nine Trustees, a majority of whom must be Canadian residents. The Declaration of Trust provides that the Board of Trustees will be comprised of not less than seven Trustees. The REIT must, at all times, have a majority of Independent Trustees; provided, however, that if at any time a majority of the Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement will not be applicable for a period of 60 days thereafter, during which time the remaining Trustees will appoint a sufficient number of Trustees who qualify as "independent" to comply with this requirement.

The Board of Trustees is currently comprised of seven Trustees, a majority of whom are Canadian residents and a majority of whom are independent. The Board of Trustees has also designated a lead Trustee of the Board of Trustees (the "**Lead Trustee**") from among the Independent Trustees to provide leadership for the Independent Trustees if the chair of the Board (the "**Chair**") is not independent. Pursuant to NP 58-201, an Independent Trustee is one who is free from any direct or indirect relationship which could, in the view of the Board of Trustees, be reasonably expected to interfere with a Trustee's independent judgment. The REIT has determined that Milo D. Arkema, Sarah B. Kavanagh, Harry Rosenbaum, Charles B. Swanson and Robert T. Wolf are independent under these standards. Scott T. Frederiksen, as Chief Executive Officer of the REIT, Chief Executive Officer of Welsh and a member of the board of managers of Welsh, and Andrew M. Silberstein, a Partner at Almanac, a securityholder in and member of the board of managers of Welsh, are not independent under these standards. The Independent

Trustees have appointed Robert T. Wolf to act as Lead Trustee. As Lead Trustee, Mr. Wolf is responsible for acting as the effective leader of the Board in circumstances where it is inappropriate for the Chair to act in that role as a result of a conflict of interest. All of the trusteeships and directorships of the Trustees with other public entities are disclosed in the biographical information for each Trustee set out below. Pursuant to the conflict of interest provisions in the Declaration of Trust (See "Governance of the REIT — Conflicts of Interest" below), Mr. Frederiksen is required to disclose the nature and extent of his interest in, and is not entitled to vote on any resolution to approve, any material contract or transaction or any proposed material contract or transaction, between the REIT and Welsh or any of its affiliates or any other entity in which Mr. Frederiksen has an interest (unless the contract or transaction relates to his remuneration or an indemnity under the provisions of the Declaration of Trust on liability insurance).

The mandate of the REIT's Board of Trustees is one of stewardship and oversight of the REIT and its business. In fulfilling its mandate, the Board of Trustees has adopted a written charter setting out its responsibility for, among other things, (i) participating in the development of and approving a strategic plan for the REIT; (ii) supervising the activities and managing the investments and affairs of the REIT; (iii) approving major decisions regarding the REIT; (iv) defining the roles and responsibilities of management; (v) reviewing and approving the business and investment objectives to be met by management; (vi) assessing the performance of and overseeing management; (vii) reviewing the REIT's debt strategy; (viii) identifying and managing risk exposure; (ix) ensuring the integrity and adequacy of the REIT's internal controls and management information systems; (x) succession planning; (xi) establishing committees of the Board of Trustees, where required or prudent, and defining their mandates; (xii) maintaining records and providing reports to Unitholders; (xiii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public; (xiv) determining the amount and timing of distributions to Unitholders; and (xv) acting for, voting on behalf of and representing the REIT as a holder of shares of US Holdco and, indirectly, the Class A Units.

The Board of Trustees has adopted a written position description for the Chair of the Board of Trustees, which sets out the Chair's key responsibilities, including, as applicable, duties relating to setting Board of Trustees meeting agendas, chairing Board of Trustees and Unitholder meetings, Trustee development and communicating with Unitholders and regulators. The Board of Trustees has also adopted a written position description for each of the committee chairs which set out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The REIT has adopted a written code of conduct (the "**Code of Conduct**") that applies to all Trustees, officers, and management of the REIT and its Subsidiaries. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the REIT and its Subsidiaries. The Code of Conduct addresses conflicts of interest, protecting the REIT's assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the REIT's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board of Trustees has the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct has been filed with the Canadian securities regulatory authorities on SEDAR website at www.sedar.com.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the REIT and the Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee is entitled to indemnification from the REIT in respect of the exercise of the Trustee's powers and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the REIT and the Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Trustees will be elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting, or until a successor is appointed, and will be eligible for re-election. Other than the nominee(s)

(determined from time to time based on the Retained Interest (as defined herein) and board size) nominated by Welsh in connection with its nomination right (See "Arrangements with Welsh — Retained Interest — Board Nomination Rights") and the Chief Executive Officer of the REIT, who will be nominated to serve as a Trustee pursuant to the terms of the Declaration of Trust, nominees are nominated by the compensation, governance and nominating committee of the Board (the "**Compensation, Governance and Nominating Committee**"), in each case for election by Unitholders as Trustees in accordance with the provisions of the Declaration of Trust and will be included in the proxy-related materials to be sent to Unitholders prior to each annual meeting of Unitholders.

A quorum of the Trustees, being the majority of the Trustees then holding office (provided a majority of the Trustees comprising such quorum are residents of Canada), are permitted to fill a vacancy in the Trustees, except a vacancy resulting from an increase in the number of Trustees, from a failure of the Unitholders to elect the required number of Trustees or a vacancy in the Trustee appointed by virtue of serving as Chief Executive Officer of the REIT. In the absence of a quorum of Trustees, or if the vacancy has arisen from an increase in the number of Trustees other than in accordance with the provision regarding the appointment of trustees in the Declaration of Trust or from a failure of the Unitholders to elect the required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any Trustee may resign upon 30 days' written notice to the REIT, unless such resignation would cause the number of remaining Trustees to be less than a quorum, and may be removed by an ordinary resolution passed by a majority of the votes cast at a meeting of Unitholders.

Currently, Andrew M. Silberstein and Milo D. Arkema serve on the Board of Trustees pursuant to Welsh's nomination right and Scott T. Frederiksen, as the Chief Executive Officer of the REIT, serves on the Board of Trustees pursuant to the terms of the Declaration of Trust (See "Arrangements with Welsh — Retained Interest — Board Nomination Rights").

The following table sets forth the name, municipality of residence, office held with the REIT and principal occupation during the five preceding years of each Trustee of the REIT:

Name and Municipality of Residence	Position with the REIT	Principal Occupation	Trustee Since
MILO D. ARKEMA[1] Minnesota, U.S.	Trustee	Independent Consultant	March 4, 2013
SARAH B. KAVANAGH[1] Ontario, Canada	Trustee	Corporate Director	March 4, 2013
HARRY ROSENBAUM[2] Ontario, Canada	Trustee	Founding Principal, Great Gulf Group of Companies; Partner, Ashton Woods Homes	March 4, 2013
ANDREW M. SILBERSTEIN[2] New York, U.S.	Trustee	Partner, Almanac	March 4, 2013
CHARLES B. SWANSON[2][4] British Columbia, Canada	Trustee	Corporate Director	March 4, 2013
ROBERT T. WOLF[1][3][6] Ontario, Canada	Trustee	Corporate Director	March 4, 2013
SCOTT T. FREDERIKSEN[5] Minnesota, U.S.	Trustee and Chief Executive Officer	Chief Executive Officer of the REIT and Chief Executive Officer of Welsh	March 4, 2013

Notes:

(1) Member of the audit committee of the REIT (the "**Audit Committee**").
(2) Member of the Compensation, Governance and Nominating Committee.
(3) Chair of the Audit Committee.
(4) Chair of the Compensation, Governance and Nominating Committee.
(5) Chair of the Board of Trustees.
(6) Lead Trustee of the Board of Trustees.

As at December 31, 2014, the Trustees and executive officers of the REIT, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 40,800 Units, representing approximately 0.29% of the Units outstanding at that time (on a non-diluted basis). For the year ended December 31, 2014, the Trustees and officers of the REIT were granted 113,824 deferred trust units of the REIT (the "**DTUs**") pursuant to the terms of the first amended and restated deferred unit incentive plan of the REIT dated May 29, 2013, and an additional 6,331 DTUs were credited to the Trustees' and executive officers' DTU accounts in lieu of cash distributions on such DTUs. In addition, Welsh (in which Scott T. Frederiksen, Dennis G. Heieie and Matthew J. Cimino currently hold an aggregate equity interest of 15.7% (on an issued and outstanding basis)) owned, directly or indirectly, 752,700 Units and 15,225,314 Class B Units, representing 47.3% of the Units (assuming all of the Class B Units were exchanged for Units but otherwise on a non-diluted basis) on such date.

Biographical Information Regarding the Trustees

Additional biographical information regarding the Trustees is set out below:

Scott T. Frederiksen, 49, Eden Prairie, Minnesota, USA – Chief Executive Officer and Trustee. Mr. Frederiksen is the Chief Executive Officer of the REIT. He is also the Chief Executive Officer and a member of the board of managers of Welsh. Mr. Frederiksen has served in many distinguished roles during his 25-year tenure with the Welsh organization. Starting as an industrial broker in 1987, he was named Senior Vice President in 1996 and became a Principal of Welsh Companies, LLC in 2006. Mr. Frederiksen also served as President of WelshInvest, LLC from January 2008 until his appointment as Chief Executive Officer of Welsh in 2010. In his current role as Chief Executive Officer of Welsh, Mr. Frederiksen is responsible for strategic oversight of the asset-based growth of the company, leading a team of dedicated professionals in the areas of financial analysis, acquisitions, due diligence, legal, investor relations, financing, asset management and dispositions. Mr. Frederiksen was also instrumental in negotiating and structuring a $200 million credit facility for Welsh as part of a strategic consolidation of Welsh's industrial portfolio. He serves as a frequent speaker and panellist for regional and national industry organizations in the U.S. and Canada, including the UBS Industrial Summit, the National Association of Industrial and Office Parks, REALpac, the BMO Global Real Estate Conference, NAREIT and RealREIT. Mr. Frederiksen holds a Bachelor of Science degree from St. Cloud State University, where he graduated summa cum laude. He is a Certified Commercial Investment Member, a member of the National Association of Real Estate Investment Trusts and the Society of Industrial and Office Realtors, and holds a Real Estate Broker's License in the State of Minnesota. Mr. Frederiksen also holds his Series 24, 7 and 63 securities licenses and is a principal license holder for Welsh Securities, LLC.

Milo D. Arkema, 64, Minneapolis, Minnesota, USA – Independent Trustee. Mr. Arkema is an independent consultant with Chima Consulting, LLC. Prior to joining Chima Consulting, LLC in 2013, Mr. Arkema was a director and employee of Baker Tilly Virchow Krause, LLP, an accounting and advisory firm, from 2007 to 2012. Prior to 2007, Mr. Arkema was a partner at Baker Tilly Virchow Krause LLP, and served as a member of its executive committee for five years. Mr. Arkema's principal focus has been advising and consulting with entrepreneurs, shareholders, family businesses, and boards regarding strategy, capital formation, management issues, executive compensation and general business issues. Currently, he also leads and manages financial due diligence engagements for private equity firms and strategic buyers. Mr. Arkema is a member of the board of Data Sciences International Inc., and is the former Chairman of the board of directors of CaringBridge, a non-profit organization that provides free websites to connect family and friends during serious health events. Mr. Arkema also previously served as an independent member of the investment committee of two investment funds that hold minority equity interests in Welsh. He is a member of the American Institute of Certified Public Accountants and the Minnesota Society of Certified Public Accountants and holds his Series 7 and 63 securities licences through the Financial Industry Regulatory Authority. Mr. Arkema holds a Bachelor of Arts in Accounting from Dordt College.

Sarah B. Kavanagh, 58, Toronto, Ontario, Canada – Independent Trustee. Since 2011, Ms. Kavanagh has served as a Commissioner at the Ontario Securities Commission. She is also currently a Director and Chair of the Audit Committee of Hudbay Minerals Inc. (TSX: HBM; NYSE: HBM) and a Director and Chair of the Audit Committee at the American Stock Transfer and Canadian Stock Transfer. Between 1999 and 2010, Ms. Kavanagh served in various roles in Investment Banking at Scotia Capital Inc., including Vice-Chair and Co-Head of Diversified Industries Group, Managing Director and Head of Equity Capital Markets, Head of Investment Banking and Head of Canadian Relationship Management. Ms. Kavanagh graduated from Harvard Business School with a Masters in Business Administration and received a Bachelor of Arts degree in Economics from Williams College. Ms. Kavanagh also completed the Directors Education Program at the Institute of Corporate Directors in May 2011.

Harry Rosenbaum, 65, Toronto, Ontario, Canada – Independent Trustee. Mr. Rosenbaum is a founding principal and director of the Great Gulf Group of Companies, one of North America's premier real estate conglomerates. He has been instrumental in manifesting such iconic projects as One Bloor East, Toronto, Ontario. Mr. Rosenbaum is a partner and director of Ashton Woods Homes, one of the largest private homebuilders in the United States. Prior to the creation of the Great Gulf Group of Companies, Mr. Rosenbaum practised commercial and real estate law at a Toronto law firm. He has also served as a director of Ashton Woods USA LLC since 1997. Mr. Rosenbaum is active as a director of various charitable and non-profit organizations including the ACL (Advocates for Civil Liberties) and CZCA (Canadian Zionist Cultural Association). Mr. Rosenbaum holds a Bachelor of Laws degree from Osgoode Hall Law School and a degree in Economics from York University.

Andrew M. Silberstein, 47, Scarsdale, New York, USA –Trustee. Mr. Silberstein is a Partner at Almanac. Mr. Silberstein joined Almanac in 2009 and is responsible for the origination, structuring, and management of Almanac's investments. In 2007, Mr. Silberstein founded AMS Real Estate Partners. From 2004 through 2007, Mr. Silberstein served as the Chief Investment Officer and Chief Operating Officer for Stoltz Real Estate Partners. From 1994 through 2004, Mr. Silberstein worked in real estate investment banking and private equity, first at The Bear Stearns Companies, Inc., from 1994 to 1999, and then at Morgan Stanley, from 1999 to 2004. Mr. Silberstein has been a member of the National Association of Real Estate Investment Trusts, the Urban Land Institute, the International Council of Shopping Centres and the Real Estate Roundtable, and he is a former director of RXR Realty LLC, and a current director of Welsh, Westcore Properties, LLC, Winter Properties, LLC, NRES Holdings, LLC and RAIT Financial Trust (NYSE: RAS). Mr. Silberstein graduated from Yale University with a Bachelor of Arts degree and received a Masters of Business Administration degree from New York University Stern School of Business where he was a Glucksman Fellow.

Charles B. Swanson, 68, Nanoose Bay, British Columbia, Canada – Independent Trustee. Mr. Swanson brings to the Board of Trustees over 25 years of experience in finance and investments, during which time he has been involved in economic and credit analysis, money market and bond trading, stock, bond and mortgage portfolio management, private placement lending, strategic investment management, and global real estate investing. From 1988 to 2012, Mr. Swanson was Vice President, Real Estate at British Columbia Investment Management Corporation (and its predecessor). In this role, Mr. Swanson managed investments in Canadian and foreign real estate and grew the real estate portfolio to approximately Cdn$13 billion in net assets in Canadian and international investments. Mr. Swanson served as a director at SilverBirch Management Ltd. from 2009 to 2011 and as a director at Bentall Capital Limited Partnership from 2006 to 2008. Previously, Mr. Swanson has served on boards of numerous companies, including Delta Hotels Limited, Kennedy Associates Real Estate Counsel, LP, Landon Butler and Company, LP, Heritage Realty Properties Ltd., B.G. Preeco 5 Ltd. and Hillhurst-Sunnyside Community Association. Mr. Swanson has been a member of the Law Society of Alberta since 1988. Mr. Swanson received a Bachelor of Science (Psychology) degree from Washington State University, a Bachelor of Commerce degree and a Masters of Business Administration from the University of Alberta and a Bachelor of Laws from the University of Calgary.

Robert T. Wolf, 55, Toronto, Ontario, Canada – Independent Trustee. Mr. Wolf currently serves as a trustee and Chair of the Investment Committee of InnVest Real Estate Investment Trust (TSX: INN.UN). Mr. Wolf serves as a trustee, Chair of the Audit Committee and Vice-Chair of the Investment Committee of Retrocom Real Estate Investment Trust (formerly Retrocom Mid-Market Real Estate Investment Trust) (TSX: RMM.UN). Mr. Wolf also serves as a director of Crosswinds Holdings, Inc., fka C.A. Bancorp Inc. (TSX: CWI), which is a merchant bank and alternative asset manager with a primary focus on the insurance industry. Mr. Wolf was a director of C.A. Bancorp Canadian Realty Finance Corporation from February 2008 to April 2011. Prior to March 2008, Mr. Wolf served as

Chief Financial Officer of RioCan Real Estate Investment Trust, Canada's largest real estate investment trust, from its inception in 1994. Prior to 1994, Mr. Wolf held a variety of positions in both public and private real estate companies. Mr. Wolf holds a Chartered Accountancy designation and received a Masters of Business Administration from the Schulich School of Business at York University and a Bachelor of Commerce from McGill University.

Penalties or Sanctions

None of the REIT's Trustees or executive officers, and to the best of the REIT's knowledge, no Unitholder holding a sufficient number of the REIT's securities to materially affect the control of the REIT, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

None of the REIT's Trustees or executive officers, and to the best of the REIT's knowledge, no Unitholder holding a sufficient number of the REIT's securities to affect materially the control of the REIT, has, within the ten years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Corporate Cease Trade Orders and Bankruptcies

None of the REIT's Trustees or executive officers, and to the best of the REIT's knowledge, no Unitholder holding a sufficient number of the REIT's securities to affect materially the control of the REIT, is, as at the date of this Annual Information Form, or has been within the ten years prior to the date of this Annual Information Form, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order issued while the existing or proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the existing or proposed director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Committees of the Board of Trustees

The Board has established two committees: the Audit Committee and the Compensation, Governance and Nominating Committee. All members of the Audit Committee and a majority of the members of the Compensation, Governance and Nominating Committee are individuals determined by the Board to be Independent Trustees, except for temporary periods where a sufficient number of Independent Trustees are not available to form the committee and then only until such time as a new Independent Trustee is appointed. The Board of Trustees has not established a separate investment committee; instead, all potential acquisitions by the REIT will be considered by the Board of Trustees as a whole.

Audit Committee

The Audit Committee consists of three Trustees, all of whom are persons determined by the REIT to be both Independent Trustees and financially literate within the meaning of National Instrument 52-110 — *Audit*

Committees ("**NI 52-110**"). The Audit Committee is comprised of Robert T. Wolf, who acts as chair of the committee, Sarah B. Kavanagh and Milo D. Arkema, all of whom have been determined to be independent. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The following is a brief summary of the education or experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the REIT to prepare its financial statements.

Sarah B. Kavanagh — Ms. Kavanagh holds a Bachelor of Arts in Economics from Williams College and a Masters in Business Administration from Harvard Business School. Ms. Kavanagh has significant experience in finance and investments, including in her current role as Commissioner for the Ontario Securities Commission and in her various roles with Scotia Capital Inc., including Vice-Chair and Co-Head of Diversified Industries Group (Investment Banking) and Managing Director and Head of Equity Capital Markets, Head of Investment Banking and Head of Canadian Relationship Management. Ms. Kavanagh has also developed expertise in financial matters and an understanding of financial reporting in her role as a Director and Chair of the Audit Committee of HudBay Minerals Inc. and Director and Chair of the Audit Committee for the American Stock Transfer and Canadian Stock Transfer.

Milo D. Arkema — Mr. Arkema holds a Bachelor of Arts in Accounting from Dordt College. He is a member of the American Institute of Certified Public Accountants and the Minnesota Society of Certified Public Accountants and holds his Series 7 and 63 securities licences through the Financial Industry Regulatory Authority. Mr. Arkema has significant experience in finance and investments, including as a director, employee and partner of Baker Tilly Virchow Krause, LLP, an accounting and advisory firm, where he also served as a member of its executive committee for five years, and previously as an independent member of the investment committee of two investment funds that hold minority equity interests in Welsh. Currently, Mr. Arkema leads and manages financial due diligence engagements for private equity firms and strategic buyers. Through his experience, Mr. Arkema has also developed an understanding of financial reporting.

Robert T. Wolf — Mr. Wolf is a Chartered Professional Accountant and holds a Masters of Business Administration from The Schulich School of Business at York University and a Bachelor of Commerce from McGill University. Mr. Wolf has significant experience in financial matters, particularly in the real estate industry and including with respect to public companies, having served as the Chief Financial Officer of RioCan Real Estate Investment Trust, Canada's largest real estate investment trust and as a director of C.A. Bancorp Canadian Realty Finance Corporation. In these roles, and in his current roles as trustee and Chair of the Investment Committee of Innvest Real Estate Investment Trust, trustee and Chair of the Audit Committee and Vice-Chair of the Investment Committee of Retrocom Real Estate Investment Trust (formerly Retrocom Mid-Market Real Estate Investment Trust) and director of Crosswinds Holdings, Inc. (fka Bancorp Inc.), Mr. Wolf has developed expertise in financial matters particular to real estate and an understanding of financial reporting.

The Board of Trustees has adopted a written charter for the Audit Committee, as set out in Appendix "A" to this Annual Information Form, which sets out the Audit Committee's responsibilities. The Audit Committee's responsibilities include: (i) reviewing the REIT's procedures for internal control with the REIT's auditors and Chief Financial Officer; (ii) reviewing and approving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including the REIT's annual information form and management's discussion and analysis; (iv) assessing the REIT's financial and accounting personnel; (v) assessing the REIT's accounting policies; (vi) reviewing the REIT's risk management procedures; (vii) reviewing any significant transactions outside the REIT's ordinary course of business and any pending litigation involving the REIT; (viii) overseeing the work and reviewing of the independence of the external auditors; and (ix) reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. The Audit Committee has direct communication channels with the Chief Financial Officer and the external auditors of the REIT to discuss and review such issues as the Audit Committee may deem appropriate.

Auditor's Fees

The aggregate fees accrued by KPMG LLP, as external auditor, for the year ended December 31, 2014 for audit and non-audit related services provided to the REIT or its subsidiaries are summarized as follows:

	Year ended December 31, 2014
Audit Fees[(1)]	
Annual Audit	$377,000
Acquisition-Related Audit	$20,000
April 2014 Prospectus-Related Audit	$110,000
Tax Fees[(2)]	$179,808
All Other Fees	$5,000
Total	**$**685,808

Notes:

(1) "Audit fees" relate to the audits of financial statements of the REIT for the year ended December 31, 2014 and the review of the interim financial statements of the REIT for the quarters ended March 31, 2014, June 30, 2014 and September 30, 2014.
(2) "Tax fees" relates to certain tax advisory fees provided to management.

Compensation, Governance and Nominating Committee

The Compensation, Governance and Nominating Committee is comprised of three Trustees, a majority of whom are persons determined by the REIT to be Independent Trustees, and are charged with reviewing, overseeing and evaluating the compensation, corporate governance and nominating policies of the REIT. The Compensation, Governance and Nominating Committee is comprised of Charles B. Swanson, who acts as chair of the committee, Harry Rosenbaum and Andrew M. Silberstein, a majority of whom (Messrs. Swanson and Rosenbaum) have been determined by the REIT to be independent. The Board of Trustees has adopted a written charter for the Compensation, Governance and Nominating Committee setting out its responsibilities for: (i) assessing the effectiveness of the Board of Trustees, each of its committees and individual Trustees; (ii) overseeing the recruitment and selection of candidates as Trustees of the REIT, other than the candidates nominated by Welsh and the Chief Executive Officer of the REIT; (iii) organizing an orientation and education program for new Trustees; (iv) considering and approving proposals by the Trustees to engage outside advisors on behalf of the Board of Trustees as a whole or on behalf of the Independent Trustees; (v) reviewing and making recommendations to the Board of Trustees concerning any change in the number of Trustees composing the Board of Trustees; (vi) considering questions of management succession; (vii) administering securities-based compensation plans of the REIT, including the unit option plan of the REIT, any securities purchase plan of the REIT, the Deferred Unit Incentive Plan and any other compensation incentive programs; (viii) assessing the performance of management of the REIT; (ix) reviewing and approving the compensation paid by the REIT, if any, to the officers of the REIT; (x) reviewing and making recommendations to the Board of Trustees concerning the level and nature of the compensation payable to Trustees and officers of the REIT; and (xi) reviewing and approving the compensation paid by the REIT, if any, to consultants of the REIT.

The Compensation, Governance and Nominating Committee oversees the orientation process for new Trustees under which a new Trustee will meet with the Chair of the Board of Trustees, the Chair of each committee of the Board of Trustees and members of the executive management team of the REIT. A new Trustee will be provided with orientation and education as to the nature and operation of the REIT and its business, the constating documents of the REIT, the role of the Board of Trustees and its committees, and the contribution that an individual Trustee is expected to make. The Compensation, Governance and Nominating Committee is responsible for coordinating development programs for continuing Trustees to enable the Trustees to maintain or enhance their skills and abilities as Trustees as well as ensuring that their knowledge and understanding of the REIT and its business remains current.

Remuneration of Trustees

Each Trustee who is not also an employee of Welsh will be paid a fee of $30,000 per year as well as a fee of $1,500 per meeting of the Board of Trustees or any committee thereof (or $750 per meeting if attending remotely). Each Trustee will be reimbursed for all reasonable travel and ancillary expenses incurred. The Lead Trustee will receive an annual retainer of an additional $10,000. The chair of the Audit Committee will receive an annual retainer of an additional $15,000 and each member of the Audit Committee will receive an annual retainer of an additional $2,500. The chair of the Compensation, Governance and Nominating Committee will receive an annual retainer of an additional $5,000. The Trustees will not receive any additional remuneration for acting as directors on the boards of any of the REIT's Subsidiaries. The Trustees may elect to be paid their board retainer and meeting fees in cash or in an equivalent value of deferred trust units of the REIT in accordance with the terms and provisions of the deferred unit inventive plan of the REIT. Each of the Trustees has elected to be paid their board retainer and meeting fees for 2014 in deferred trust units of the REIT in lieu of cash payments.

Conflicts of Interest

The Declaration of Trust contains "conflict of interest" provisions to protect Unitholders without creating undue limitations on the REIT. As the Trustees are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the CBCA, that require each Trustee to disclose to the REIT, at the first meeting of Trustees at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the REIT or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee will be required to disclose in writing to the REIT, or request to have entered into the minutes of meetings of Trustees, the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect will not be entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction relates to his or her remuneration or an indemnity under the provisions of the Declaration of Trust or the purchase or maintenance of liability insurance.

All decisions of the Board of Trustees require the approval of a majority of the Trustees present in person or by phone at a meeting of the Board of Trustees, except for each of the following matters which also require the approval of a majority of the Independent Trustees:

(a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in which Welsh or any related party of the REIT has any direct or indirect interest, whether as owner, operator or manager;

(b) a material change to any agreement (for greater certainty, not including any agreements relating to compensation of employees of Welsh) with Welsh or a related party of the REIT or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;

(c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the REIT, or the making, directly or indirectly, of any co-investment, in each case with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;

(d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or any entity for which any Trustee acts as a director or other similar capacity;

(e) decisions relating to any claims by or against one or more parties to any agreement with Welsh or any related party to the REIT (for greater certainty, not including any agreements relating to compensation of employees of Welsh); or

(f) the election or appointment of members of the board of directors of US Holdco.

In connection with any transaction involving the REIT, including any transaction which requires the approval of a majority of the Independent Trustees, the Board of Trustees have the authority to retain external legal counsel, consultants or other advisors to assist it in negotiating and completing such transaction without consulting or obtaining the approval of any officer of the REIT.

In the event that the Chair of the Board of Trustees is determined not to be an Independent Trustee, an Independent Trustee will be appointed as Lead Trustee in order to ensure appropriate leadership for the Independent Trustees. The primary responsibilities of the Lead Trustee is to: (i) ensure that appropriate structures and procedures are in place so that the Board of Trustees may function independently of management of the REIT; and (ii) lead the process by which the Independent Trustees seek to ensure that the Board of Trustees represents and protects the interests of all Unitholders.

The Independent Trustees hold *in camera* meetings, with members of management not in attendance, as part of regularly scheduled Board of Trustees meetings. The Chair conducts the in-camera meetings without the presence of management or the other non-Independent Trustees, and in circumstances where the Chair is subject to a potential conflict of interest in connection with his non-independence designation pursuant to NI 58-101 or otherwise, the Lead Trustee conducts such *in camera* sessions both without the presence of management and without the presence of management or the non-Independent Trustees (including the Chair).

Welsh's continuing businesses may lead to conflicts of interest between Welsh and the REIT. In addition, the ongoing relationships between Welsh and each of Scott T. Frederiksen (Trustee and Chief Executive Officer of the REIT), Dennis G. Heieie (Chief Financial Officer of the REIT) and Matthew J. Cimino (General Counsel and Secretary of the REIT) and the ownership interests that Messrs. Frederiksen, Heieie and Cimino hold in Welsh, may lead to such conflicts of interest between such persons and the REIT.

Executive Officers

The responsibilities of the executive officers of the REIT (including pursuant to the Asset Management Agreement) include: (i) providing the Board of Trustees with information and advice relating to the operation of the REIT's properties, acquisitions and financings; (ii) establishing, at least on an annual basis, investment and operating plans for the ensuing period; (iii) conducting and supervising the due diligence required in connection with proposed acquisitions and completing any acquisitions or dispositions; (iv) maintaining the books and financial records of the REIT; (v) determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of the REIT for tax and accounting purposes; (vi) preparing reports and other information required to be sent to Unitholders and other disclosure documents; (vii) calculating all distributions; (viii) communicating with Unitholders and other persons, including investment dealers, lenders and professionals; and (ix) administering or supervising the administration, on behalf of the Board of Trustees, of the payment of distributions by the REIT.

The Board of Trustees has adopted a written position description and mandate for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer. The primary functions of the Chief Executive Officer are to lead management of the business and affairs of the REIT, to lead the implementation of the resolutions and the policies of the Board of Trustees, to supervise day to day management and to communicate with Unitholders and regulators. The Chief Executive Officer mandate will be considered by the Board of Trustees for approval annually.

The following table sets forth the name, municipality of residence and office held with the REIT of each executive officer of the REIT on Closing:

Name and Municipality of Residence	Office with the REIT
SCOTT T. FREDERIKSEN Eden Prairie, Minnesota	Chief Executive Officer
DENNIS G. HEIEIE Apple Valley, Minnesota	Chief Financial Officer
MATTHEW J. CIMINO Minneapolis, Minnesota	General Counsel and Secretary

Additional biographical information regarding the executive officers of the REIT, including a description of each individual's principal occupation within the past five years, is provided below.

Scott T. Frederiksen — Chief Executive Officer. See "Governance of the REIT — Governance and Board of Trustees — Biographical Information Regarding the Trustees".

Dennis G. Heieie — Chief Financial Officer. Mr. Heieie is the Chief Financial Officer of the REIT. Mr. Heieie joined the Welsh organization in 1998 and is currently the Chief Financial Officer of Welsh. As Chief Financial Officer, Mr. Heieie oversees all accounting, analysis and financial operations. Mr. Heieie and his staff are also responsible for all of Welsh's budgeting, forecasting, cash management and financial reporting. Before joining Welsh in 1998, Mr. Heieie was Portfolio Controller for General Growth Properties, Inc. from 1991 to 1998, where he was responsible for accounting and financial reporting to third-party clients. Prior to General Growth, Mr. Heieie spent five years working for Target Corporation in various financial capacities, and prior to that, Mr. Heieie worked for PricewaterhouseCoopers LLP within their audit staff. Mr. Heieie received a Bachelor of Science degree in accounting from Minnesota State University and is a member of the Minnesota Society of Certified Public Accountants. Mr. Heieie also holds his series 27 securities license.

Matthew J. Cimino — General Counsel and Secretary. Mr. Cimino is the General Counsel and Secretary of the REIT. Mr. Cimino joined the Welsh organization in 2007. He currently serves as the General Counsel of Welsh. In this role, Mr. Cimino oversees all legal operations for Welsh and its subsidiaries, including securities matters, corporate governance compliance, insurance, litigation and the structuring and negotiation of all joint ventures, private placements, acquisitions, dispositions, financing and leasing. Mr. Cimino also manages Welsh's in-house legal department and serves as Welsh's corporate secretary. Prior to his appointment as General Counsel of Welsh, Mr. Cimino served as Senior Corporate Counsel for Welsh, with primary responsibility for all legal aspects of Welsh's leasing, acquisition and disposition transactions. Before joining Welsh in 2007, Mr. Cimino served as external counsel to Welsh. While in private practice, Mr. Cimino focused in the areas of real estate, finance, corporate and environmental law. He is a frequent speaker on real estate legal matters such as the structuring and negotiation of joint ventures and commercial lease transactions and was also a recipient of the First Chair Award for "Top General Counsel" in 2012 and 2013. Mr. Cimino is admitted to practice law in Missouri and Minnesota and is a member of the Real Property Law Section of the Minnesota State Bar Association The Association of Corporate Counsel and The Society of Corporate Secretaries and Governance Professionals. Mr. Cimino is also the Chairman of the NAIOP National Forum for Real Estate Law and Transactions. He received a Juris Doctor degree from Creighton University School of Law and a Bachelor of Science degree from Montana State University.

Trustees' and Officers' Liability Insurance

The REIT carries trustees' and officers' liability insurance policies, which cover indemnification of trustees and officers of the REIT in certain circumstances, including coverage for the REIT and its Trustees and officers in relation to the IPO Prospectus, the April 2014 Prospectus and the January 2015 Prospectus. The REIT has also obtained a seven-year prospectus liability insurance policy providing coverage to the Trustees and officers of the REIT, Welsh and the REIT, subject to certain limits, deductibles and other terms and conditions. In addition, the REIT has entered into indemnification agreements with each of its Trustees and officers for liabilities and costs in respect of any action or suit against them in connection with the execution of their duties, subject to customary limitations prescribed by applicable law.

ARRANGEMENTS WITH WELSH

Asset Management Agreement

Welsh is the external asset manager of the properties directly or indirectly owned by the REIT and provides the REIT and the Partnership with certain advisory and investment management services, including the services of the Chief Executive Officer, Chief Financial Officer and General Counsel and Secretary, which are currently provided by Scott T. Frederiksen, Dennis G. Heieie and Matthew J. Cimino, respectively. Welsh provides the following asset management services pursuant to the terms of the Asset Management Agreement:

(a) provide the services of a senior management team to provide advisory and investment management services (including the services of the Chief Executive Officer, the Chief Financial Officer and the Secretary) and monitor the financial performance of the REIT and the Partnership, as approved by the REIT;

(b) advise the Trustees and executive officers of the REIT and the directors of the general partner of the Partnership on strategic matters, including potential acquisitions, dispositions, financings and development, as approved by the REIT;

(c) provide guidance to property managers on operating and capital expenditures, in accordance with budgets approved by the REIT;

(d) identify, evaluate, recommend and assist in the structuring of acquisitions, dispositions and other transactions, as approved by the REIT;

(e) advise and assist with borrowings, issuances of securities and other capital requirements, including assistance in dealings with banks and other lenders, investment dealers, institutions and investors;

(f) provide advice in connection with the preparation of business plans and annual budgets, as approved by the REIT, implement such plans and budgets and monitor the financial performance of the REIT and the Partnership;

(g) advise the REIT and the Partnership with respect to investor relations strategies and activities;

(h) advise the REIT and the Partnership with respect to regulatory compliance requirements, risk management policies and certain litigation matters;

(i) assist the Partnership in carrying out its compliance with the real estate investment trust provisions of the Code and the REIT's maintenance of its status as a real estate investment trust for U.S. federal income tax purposes; and

(j) assist the REIT in carrying out its tax compliance in order to maintain its status as a real estate investment trust for U.S. federal income tax purposes, including soliciting required information from Unitholders and complying with the applicable provisions of the Declaration of Trust.

Welsh also provides in-house legal services to the REIT.

Welsh is entitled to the following fees in consideration for providing the asset management services:

(a) *Asset Management Fee*. An annual management fee, calculated and payable in cash on a monthly basis and in arrears on the first day of each month with respect to the preceding calendar month, equal to 0.25% of Gross Book Value, which in respect of the Initial Properties, was calculated as the sum of the purchase prices reflected in the IPO Contribution Agreement.

(b) *Acquisition Fee.* An acquisition fee (the "**Acquisition Fee**") equal to: (i) 1.0% of the purchase price paid for the first $100 million of properties acquired by the REIT, the Partnership or any of their affiliates in each fiscal year; (ii) 0.75% of the purchase price paid for the next $100 million of properties acquired by the REIT, the Partnership or any of their affiliates in each fiscal year; and (iii) 0.50% of the purchase price paid in excess of $200 million for properties acquired by the REIT, the Partnership or any of their affiliates in each fiscal year (in all cases, other than the Initial Properties and properties owned by Welsh or any of its affiliates at the time of IPO Closing).

(c) *Construction Management Fee*. With respect to any capital project with costs in excess of $100,000 undertaken by the REIT, the Partnership or any of their affiliates, a construction management fee equal to 5.0% of aggregate tenant improvements, capital expenditures and construction costs incurred in respect of such capital project provided that such fee will not apply to repair and maintenance costs incurred in the ordinary course.

No disposition, financing, leasing or development fees are payable to Welsh under the Asset Management Agreement. Additionally, no compensation expenses, including amounts in respect of salary or other compensation payable to employees of Welsh, are directly billed to the REIT; however, the REIT is responsible for any compensation paid pursuant to incentive compensation plans of the REIT.

Pursuant to the Asset Management Agreement, Welsh is reimbursed by the REIT for all legal services provided to the REIT and its subsidiaries by the legal department of Welsh in amounts budgeted by Welsh and presented to the Board of Trustees for approval on an annual basis. Any legal services expenses that exceed or otherwise deviate from an approved legal services budget must be presented to the Board of Trustees for approval. Welsh is also reimbursed by the REIT for all reasonable and necessary actual out-of-pocket costs and expenses incurred by Welsh in connection with the performance of the services described in the Asset Management Agreement and any other services required by the REIT. The Board of Trustees will establish annually a budget (a "**pursuits budget**") for purposes of determining the aggregate amount of costs and expenses that Welsh will be entitled to receive reimbursement for in connection with the pursuit of potential acquisitions, whether such acquisitions are ultimately completed and approved by the Board of Trustees or not. Any pursuit expenses that exceed the pursuits budget will be presented to the Board of Trustees for approval. Notwithstanding the foregoing, the REIT will pay for all appraisals, environmental, engineering, title and other third party reports required by the REIT whether or not an acquisition is completed. For greater certainty, it is not intended that Welsh be reimbursed for any overhead costs or other internal costs, including in respect of Welsh's premises, general office and administrative costs, computer services and support, office services support and personnel costs.

The Asset Management Agreement has an initial term of five years (the "**AMA Initial Term**"). Upon completion of the AMA Initial Term, the Asset Management Agreement may be renewed upon the approval of a majority of the Independent Trustees in their sole discretion for an additional five-year term unless or until terminated in accordance with the provisions of the Asset Management Agreement. In the event that the term of the Asset Management Agreement is not renewed by the Independent Trustees, the REIT shall provide Welsh with at least 12 months written notice or, in lieu of such notice, shall pay Welsh an amount equal to 12 months of fees to be calculated based on the gross fees paid to Welsh under the Asset Management Agreement over the 12 months immediately preceding the end of the AMA Initial Term.

Subject to earlier termination, at such time as the REIT has achieved a fully-diluted market capitalization of $750 million based on the volume weighted average price of the Units on a recognized stock exchange over a 20 trading day period, the Asset Management Agreement shall be terminated and the management of the REIT shall be internalized, provided that the REIT shall provide Welsh with at least 12 months written notice of the internalization of management services of the REIT or, in lieu of such notice, shall pay Welsh an amount equal to 12 months of fees to be calculated based on the gross fees paid to Welsh under the Asset Management Agreement over the 12 months immediately preceding the date of termination of the Asset Management Agreement.

The Asset Management Agreement will automatically terminate on: (i) as to any property, the date such property ceases to be owned by the REIT, the Partnership or an affiliate of the REIT or the Partnership; or (ii) the date when all the properties have been disposed of by the REIT, the Partnership and/or the affiliates of the REIT and the

Partnership owning the properties or when neither the REIT, the Partnership nor any of their affiliates has any direct or indirect ownership interest in any of the properties.

The REIT and the Partnership will have the right to terminate the Asset Management Agreement at any time upon: (i) a material breach by Welsh of any of the terms of the Asset Management Agreement, subject to 30 days' prior written notice and provided that such breach is not cured within the notice period or within the subsequent 30-day period provided that Welsh has within such initial notice period commenced the curing of such breach and continues to diligently pursue the same to completion, subject to force majeure; (ii) an event of insolvency of Welsh (as defined in the Asset Management Agreement); or (iii) fraud or wilful misconduct of, or misappropriation of funds by, Welsh.

At any time after the AMA Initial Term, Welsh will have the right to terminate the Asset Management Agreement upon 180 days' prior written notice. Welsh will also have the right to terminate the Asset Management Agreement at any time upon (i) a breach by the REIT and/or the Partnership of any of the terms of the Asset Management Agreement, subject to 30 days' prior written notice (or five days' prior written notice if such breach is in respect of a payment required to be made in accordance with the terms of the Asset Management Agreement) and provided that such breach is not cured within the notice period; or (ii) an event of insolvency in respect of the REIT or the Partnership (as defined in the Asset Management Agreement).

If a change in control of the REIT and/or the Partnership (as defined in the Asset Management Agreement) occurs, Welsh will have the right to terminate the Asset Management Agreement at any time by giving at least three months' prior written notice to such effect to the REIT and the Partnership. Upon any such termination within 12 months following such change in control of the REIT and/or the Partnership, the REIT and the Partnership will pay in cash to Welsh, an amount equal to all fees paid or payable to Welsh for the prior 12-month period immediately preceding such termination.

A copy of the Asset Management Agreement has been filed under the REIT's SEDAR profile at www.sedar.com

Property Management Agreement

Welsh is the property manager of the properties directly or indirectly owned by the REIT and administers the day-to-day operations of the REIT's portfolio of properties pursuant to the terms of the Property Management Agreement.

Welsh is responsible for providing property and facility management services in respect of the REIT's properties pursuant to the Property Management Agreement. Welsh may subcontract property management in respect of all or any portion of the properties, provided that such subcontracting will not relieve Welsh of its obligations under the Property Management Agreement.

Pursuant to the Property Management Agreement, Welsh is entitled to receive a fee, calculated and payable in cash on a monthly basis, in an amount equal to 2.0%, 3.0% and 4.0% of the REIT's annual gross revenues received in respect of the single-tenant industrial properties, multi-tenant industrial properties and office properties, respectively, that are directly or indirectly owned by the REIT. If the Property Management Agreement is renewed upon completion of the PMA Initial Term (as defined below), the fees will be subject to review by the Independent Trustees at the end of the PMA Initial Term.

Unless otherwise set forth in the in-place lease(s) at a particular property, services provided under the Property Management Agreement include the following: supervising and directing the making of renovations, repairs and maintenance; preparing and maintaining accounting books, records and financial reports; overseeing the maintenance of heating, ventilation and air conditioning equipment and ensuring proper climate control; maintaining interior and exterior common areas of the properties; arranging and supervising security with respect to the properties; paying charges and expenses relating to the operation of the properties; supervising all construction and technical services; obtaining and maintaining necessary permits; monitoring the payment of taxes; and other general services reasonably necessary for the management, operation and maintenance of the properties.

The Property Management Agreement has an initial term of five years (the "**PMA Initial Term**"). Upon completion of the PMA Initial Term, the Property Management Agreement may be renewed upon the approval of a majority of the Independent Trustees in their sole discretion for an additional five-year term unless or until terminated in accordance with the provisions of the Property Management Agreement. In the event that the term of the Property Management Agreement is not renewed by the Independent Trustees, the REIT shall provide Welsh with at least 12 months written notice or, in lieu of such notice, shall pay Welsh an amount equal to 12 months of fees to be calculated based on the gross fees paid to Welsh under the Property Management Agreement over the 12 months immediately preceding the end of the PMA Initial Term.

Subject to earlier termination, such time as the REIT has achieved a fully diluted market capitalization of $750 million based on the volume weighted average price of the Units on a recognized stock exchange over a 20 business day period, the Property Management Agreement will be terminated and management of the REIT will be internalized, provided that the REIT will provide Welsh with at least 12 months written notice of the internalization of management services of the REIT or, in lieu of such notice, will pay Welsh an amount equal to 12 months of fees to be calculated based on the gross fees paid to Welsh under the Property Management Agreement over the 12 months immediately preceding date of termination of the Property Management Agreement.

The Property Management Agreement will automatically terminate on: (i) as to any property, the date such property ceases to be owned by the REIT, the Partnership or an affiliate of the REIT or the Partnership; or (ii) the date when all the properties have been disposed of by the REIT, the Partnership and/or the affiliates of the REIT and the Partnership owning the properties or when neither the REIT, the Partnership nor any of their affiliates has any direct or indirect ownership interest in any of the properties.

The REIT and the Partnership will have the right to terminate the Property Management Agreement at any time upon: (i) a material breach by Welsh of any of the terms of the Property Management Agreement, subject to 30 days' prior written notice and provided that such breach is not cured within the notice period or within the subsequent 30-day period provided that Welsh has within such initial notice period commenced the curing of such breach and continues to diligently pursue the same to completion, subject to force majeure; (ii) an event of insolvency of Welsh (as defined in the Property Management Agreement); or (iii) fraud or wilful misconduct of, or misappropriation of funds by, Welsh.

At any time after the PMA Initial Term, Welsh will have the right to terminate the Property Management Agreement upon 180 days' prior written notice. Welsh will also have the right to terminate the Property Management Agreement at any time upon (i) a breach by the REIT and/or the Partnership of any of the terms of the Property Management Agreement, subject to 30 days' prior written notice (or five days' prior written notice if such breach is in respect of a payment required to be made in accordance with the terms of the Property Management Agreement) and provided that such breach is not cured within the notice period; or (ii) an event of insolvency in respect of the REIT or the Partnership (as defined in the Property Management Agreement).

If a change in control of the REIT and/or the Partnership (as defined in the Property Management Agreement) occurs, Welsh will have the right to terminate the Property Management Agreement at any time by giving at least three months' prior written notice to such effect to the REIT and the Partnership. Upon any such termination within 12 months following such change in control of the REIT and/or the Partnership, the REIT and the Partnership will pay in cash to Welsh an amount equal to all fees paid or payable to Welsh for the prior 12-month period immediately preceding such termination.

Non-Competition and Non-Solicitation Agreement

Pursuant to the Non-Competition and Non-Solicitation Agreement, Welsh will not, without the prior written consent of the Independent Trustees, in any manner whatsoever, including, without limitation, either individually, in partnership, jointly or in conjunction with any other person: (i) act as the promoter of, or asset manager of, any other publicly traded industrial real estate business; (ii) invest in or manage any private fund that invests principally in industrial real estate that satisfies the REIT's investment guidelines; (iii) directly solicit an existing tenant of a REIT property to move from a REIT property to a non-REIT property that Welsh has an ownership interest in or that it manages for another client; or (iv) directly solicit an existing employee of the REIT to become employed by Welsh or any of its affiliates.

Welsh will conduct itself professionally, ethically and otherwise as a prudent manager would with respect to the entire property acquisition process. Welsh will agree to bring to the REIT any acquisition opportunity that satisfies the following investment criteria: (i) the property is an industrial property located in the U.S.; and (ii) the property is accretive to the REIT's AFFO per Unit assuming appropriate financing assumptions (the "**Investment Criteria**"). Further, the REIT will be granted a right of first opportunity to purchase any Offered Property. Prior to selling or disposing of an Offered Property to a third party, Welsh will be required to first offer it to the REIT on specified terms and conditions (including, but not limited to the acquisition price) that when taken as a whole and having reasonable regard to the overall economics are not materially less favourable to the REIT than those offered to the third party. If the REIT has given notice, or is deemed under the provisions of the Non-Competition and Non-Solicitation Agreement to have given notice, that it is not interested in purchasing the Offered Property, Welsh will be permitted to sell the Offered Property to a third party on terms no more favourable than were offered to the REIT within 180 days from the date the REIT receives notice from Welsh of the Offered Property. If within 180 days from the date the REIT received notice from Welsh of the Offered Property Welsh proposes to sell the Offered Property to a third party at a lower price than was offered to the REIT, the REIT will once again receive an opportunity to purchase the Offered Property at the lower price, irrespective of whether the REIT has previously given notice, or is deemed to have given notice, that it is not interested in purchasing the Offered Property.

For greater certainty, the provisions of the Non-Competition and Non-Solicitation Agreement do not apply in any manner to Almanac or its principals (including, without limitation, any restrictions under such agreement on investments in, or management of, any funds that invest in industrial real estate or otherwise), subject to appropriate confidentiality arrangements.

The Non-Competition and Non-Solicitation Agreement will be in effect so long as Welsh is the external asset manager of the REIT, provided that the non-solicitation provisions will remain in effect for a period of 12 months following the effective date of any termination of the Asset Management Agreement resulting from: (i) a material breach by Welsh of any of the terms of the Asset Management Agreement, subject to 30 days' prior written notice and provided that such breach is not cured within the notice period; (ii) an event of insolvency in respect of Welsh (as defined in the Asset Management Agreement); or (iii) fraud or wilful misconduct of, or misappropriation of funds by, Welsh.

License of WPT Name

Welsh has granted to the REIT and the Partnership the right to the use of the "WPT" name and trademark and related marks and designs under a non-exclusive, royalty-free trademark license agreement dated April 26, 2013.

Welsh may terminate the license at any time on 180 days' prior written notice following the date on which Welsh ceases to be the external asset manager to the REIT.

IPO Contribution Agreement

The REIT indirectly acquired the Initial Properties from Welsh pursuant to the IPO Contribution Agreement. Pursuant to the IPO Contribution Agreement, Welsh transferred its interest in the equity of the limited liability companies and limited partnerships through which Welsh indirectly held the Initial Properties (the "**Property SPEs**") to the Partnership in consideration for $68,382,000 in cash and 10,867,362 Class B Units.

The IPO Contribution Agreement contained representations and warranties typical of those contained in purchase agreements for similar real estate assets negotiated between sophisticated purchasers and vendors acting at arm's length. Certain of the representations and warranties were qualified as to knowledge (after reasonable inquiry), materiality and disclosure. The representations and warranties were given by Welsh in favour of the REIT, the Partnership and US Holdco and relate to Welsh, the Property SPEs and the Initial Properties. The representations and warranties included, among other things, representations and warranties as to existence and capacity, due authorization, no contravention, compliance with laws, authorized and issued capital, title to the Initial Properties, condition of tangible assets, financial information, material agreements, tax matters and environmental matters. Welsh also provided a representation and warranty that, to the best of its knowledge, the IPO Prospectus did not contain a misrepresentation (as defined in the Securities Act), subject to exceptions for portions of the IPO Prospectus containing extracts or summaries of expert reports. Such representations and warranties survive for a

period of 18 months following the IPO Closing; however, the representations and warranties regarding formation and status, power and due authorization and title to properties and securities survive indefinitely, the representations and warranties regarding tax and environmental matters survive for the applicable limitation periods and the representation and warranty regarding the IPO Prospectus survive for three years from the IPO Closing.

Welsh indemnified the REIT, US Holdco and the Partnership for breaches of its covenants, representations and warranties; however, no claim under the indemnity may be made until all claims exceed $750,000. The aggregate maximum liability of Welsh is limited to 35% of the gross proceeds of the IPO (with any amounts paid by Welsh under its indemnities in the underwriting agreement entered into in connection with the IPO operating to reduce its maximum liability under the IPO Contribution Agreement on a dollar-for-dollar basis). As security for its obligations under the Contribution Agreement, Welsh pledged to the REIT, as security agent for the REIT, US Holdco and the Partnership, for a period of 18 months following the IPO Closing, the number of Class B Units equivalent in value to 35% of the gross proceeds of the Offering, being 3,500,000 Class B Units. The pledge of these Units was released on October 26, 2014. In addition, the REIT obtained a seven-year prospectus liability insurance policy providing coverage to the Trustees and officers of the REIT, Welsh and the REIT (in such order of priority), subject to certain limits, deductibles and other terms and conditions.

A copy of the IPO Contribution Agreement is available under the REIT's SEDAR profile at www.sedar.com.

Illinois Property Contribution Agreement

Pursuant to the Illinois Property Contribution Agreement, the Partnership indirectly acquired the Illinois Property from an affiliate of Welsh (the "**Contributor**") for a total purchase price of approximately $53 million (exclusive of closing and transaction costs and acquisition fee). The Contributor contributed to the Partnership the Contributor's interest in the equity of the limited partnership and of the limited partnership's general partner (a limited liability company) through which Contributor indirectly held the Illinois Property (together, the "**Illinois Property SPEs**").

The Illinois Property Acquisition was completed with limited representations and warranties related to the Property, generally on an "as is" basis. The Illinois Property Contribution Agreement contains representations and warranties provided by Welsh and Contributor in favour of the REIT, US Holdco and the Partnership relating to Welsh, Contributor and the Illinois Property SPEs and representations and warranties provided by the REIT, US Holdco and the Partnership in favour of Welsh and Contributor relating to the REIT, US Holdco and the Partnership. Certain of the representations and warranties are qualified as to knowledge (after due inquiry), materiality and disclosure. The representations and warranties include, among other things, representations and warranties as to formation and status, power and due authorization, non-contravention, compliance with laws, authorized and issued capital, title to the Property, tax matters and representations and warranties provided by the vendor in connection with Welsh's acquisition of the Property. Such representations and warranties survived for a period of nine months following the closing of the Illinois Property Acquisition; however, certain representations and warranties including those regarding formation and status, power and due authorization and title to the Illinois Property and securities survive indefinitely, and the representations and warranties regarding tax matters survive for the applicable limitation period under applicable tax law, rules or regulations.

Welsh and Contributor jointly and severally agreed to indemnify the REIT, US Holdco and the Partnership for breaches of their covenants, representations and warranties; however, no claim under the indemnity may be made until all losses, in the aggregate, exceed $100,000, and any such claim may only be made for losses in excess of $100,000. The aggregate maximum liability of Welsh and Contributor is limited to an aggregate of $2.12 million.

Kentucky Property Purchase Agreement

Pursuant to the Kentucky Property Purchase Agreement, the REIT, through the Partnership, indirectly acquired the Kentucky Property from Welsh by acquiring the ownership interests in the limited partnership subsidiary of Welsh that owned the Kentucky Property (the "**Kentucky Property Owner**"). The purchase price for the Kentucky Property was approximately $13.3 million (exclusive of closing costs and acquisition fee). The Kentucky Property Purchase Agreement contains representations and warranties provided by Welsh in favour of the REIT, US Holdco and the Partnership with respect to Welsh, the Kentucky Property Owner and the Kentucky Property, including, among other things, representations and warranties with respect to formation and status, power and due

authorization, non-contravention, compliance with laws, authorized and issued capital, tax matters and title to the Kentucky Property. Such representations and warranties survived for a period of nine months following the closing of the Kentucky Property Acquisition; however, certain representations and warranties including those regarding formation and status, power and due authorization and title to the Kentucky Property and securities survive indefinitely, and the representations and warranties regarding tax matters survive for the applicable limitation period under applicable tax law, rules or regulations.

Louisville Property Contribution Agreement

Pursuant to the Louisville Property Contribution Agreement, the REIT indirectly acquired, through the Partnership, the Louisville Property from Welsh for a purchase price of approximately $45.4 million (exclusive of closing costs). Welsh contributed to the Partnership Welsh's equity interest in the limited partnership and in the limited partnership's general partner (a limited liability company) through which Welsh held the Louisville Property (together, the "**Louisville Property SPEs**").

The Louisville Property Contribution Agreement contains representations and warranties and covenants typical of those contained in purchase agreements for similar real estate assets negotiated between sophisticated purchasers and vendors acting at arm's length. Certain of the representations and warranties are qualified as to knowledge (after reasonable inquiry), materiality and disclosure. Welsh has provided representations and warranties in favour of the REIT, US Holdco and the Partnership relating to Welsh, the Louisville Property SPEs and the Louisville Property. Such representations and warranties survive for a period of 12 months following closing of the Louisville Property Acquisition; however, the representations and warranties regarding formation and status, power and due authorization, title to the Louisville Property and to the equity interests in the Louisville Property SPEs and absence of obligations to issue or purchase any securities of the Louisville Property SPEs survive indefinitely and the representations and warranties regarding tax and environmental matters survive for the applicable limitation periods.

Welsh has agreed to indemnify the REIT, US Holdco and the Partnership for breaches of its covenants, representations and warranties; however, no claim under the indemnity may be made until all losses, in the aggregate, exceed US$100,000. The aggregate maximum liability of Welsh is limited to $4 million. There can be no assurance of recovery by the REIT, US Holdco or the Partnership from Welsh for any breach of the covenants, representations and warranties provided under the Contribution Agreement, as there can be no assurance that the assets of Welsh will be sufficient to satisfy such obligations. Only the REIT, US Holdco or the Partnership will be entitled to bring a claim or action against Welsh for misrepresentation or breach of contract under the Louisville Property Contribution Agreement.

Related Party Considerations

MI 61-101 provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. The REIT has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of the REIT's market capitalization if the Class B Units held by Welsh and any of its Permitted Transferees are included in the calculation of the REIT's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to include the indirect effective interest held by Welsh and any of its Permitted Transferees in the REIT in the form of Class B Units. Each of the Illinois Property Acquisition and Louisville Property Acquisition constituted "related party transactions" within the meaning of MI 61-101; however, such acquisition were not subject to the formal valuation and minority approval requirements of MI 61-101, as the fair market value of each such transaction was not more than 25% of the REIT's market capitalization.

Although the formal valuation and minority approval requirements of MI 61-101 do not apply to any "related party transaction" if the subject matter of such transaction is not more than 25% of the issuer's market capitalization, Part 5 of MI 61-101 provides that if such transaction is one of two or more "connected transactions", the fair market value of all of those transactions shall be aggregated in determining whether the 25% market capitalization exemption is met. For the purposes of MI 61-101, two or more transactions may be considered "connected

transactions" if they have at least one party in common, directly and indirectly, and (a) are negotiated or completed at approximately the same time, or (b) the completion of at least one of the transactions is conditional on the completion of each of the other transactions. Since the Kentucky Property Acquisition and the Welsh Participation were negotiated at approximately the same time, they may have been deemed to be "connected transactions" for the purposes of MI 61-101. If so deemed, the aggregate fair market value of the subject matter of Kentucky Property Acquisition and the Welsh Participation would have been used for the purposes of determining whether the Kentucky Property Acquisition and the Welsh Participation were exempt from the formal valuation and minority approval requirements of MI 61-101. The aggregate fair market value of the subject matter of the Kentucky Property Acquisition and the Welsh Participation represented less than 25% of the REIT's market capitalization calculated in accordance with MI 61-101 (based on the inclusion of the Class B Units held by Welsh and its Permitted Transferees, other than the Illinois Property Class B Units, in such calculation). Accordingly, such transactions were not subject to the formal valuation and minority approval requirements under MI 61-101.

Retained Interest

As at the date of this Annual Information Form, Welsh holds, directly or indirectly, 752,700 Units and 15,225,314 Class B Units (being all of the outstanding Class B Units) representing an approximate 47.3% effective interest in the REIT on a fully diluted basis, assuming all Class B Units held by Welsh are redeemed for Units (the "**Retained Interest**").

Each Class B Unit is redeemable by the holder thereof for cash or Units (on a one-for-one basis subject to customary anti-dilution adjustments), as determined by the general partner of the Partnership in its sole discretion, and holders of Class B Units are entitled to distributions of cash from the Partnership equal to the cash distributions paid to holders of Units by the REIT. Any exercise of the redemption right by a holder of Class B Units may be made on a conditional basis and subject to retraction (in whole or in part) by such holder in his, her or its sole discretion following the general partner's determination of whether the redemption will be paid in cash or Units (such determination to be provided by the general partner in writing to the redeeming holder of Class B Units). See "The Partnership — Redemption Rights" for more information on the redemption of Class B Units.

Since the Class B Units held by Welsh do not carry voting rights, certain transactions not in the ordinary course of business that would generally constitute a fundamental change under corporate law that may be taken by the Partnership, or its general partner acting on its behalf, will require the approval of a majority of the board of directors of the general partner of the Partnership and Welsh, provided that, in the case of Welsh, the Retained Interest constitutes at least 33% of the Units (assuming all Class B Units are redeemed for Units), or, in the event the Retained Interest constitutes less than 33% of the Units (assuming all Class B Units are redeemed for Units), the Retained Interest constitutes at least that number of Units (assuming all Class B Units are redeemed for Units) equal to 33% of the votes cast at a meeting of Unitholders. Pursuant to the Declaration of Trust, Welsh will have the right to nominate a certain number of Trustees to the Board of Trustees depending on the size of the Board of Trustees and the Retained Interest (See "Governance of the REIT — Governance and Board of Trustees"). Welsh currently has the right to nominate two Trustees to the Board of Trustees (which, for greater certainty, does not include the Chief Executive Officer who is nominated pursuant to the Declaration of Trust).

Almanac is a provider of growth capital to public and private real estate companies across the U.S. Almanac holds an interest in Welsh through a convertible note maturing on November 30, 2015, under which approximately $160 million aggregate principal amount is currently outstanding. Assuming the conversion of the convertible note on the date hereof, Almanac would hold approximately 81% of the outstanding equity interests of Welsh.

To the best of the REIT's knowledge, (i) the following persons comprise the board of managers of Welsh: (a) Dennis Doyle, a resident of Eden Prairie, Minnesota, Chairman of the board, (b) Mr. Frederiksen, a resident of Eden Prairie, Minnesota, (c) Andrew M. Silberstein, a resident of Scarsdale, New York, and (d) John McGurk, a resident of New York, New York and (ii) the following persons act as officers of Welsh: (a) Mr. Frederiksen, a resident of Eden Prairie, Minnesota, is the Chief Executive Officer, (b) Dennis G. Heieie, a resident of Apple Valley, Minnesota, is the Chief Financial Officer of Welsh, (c) Matthew J. Cimino, a resident of Minneapolis, Minnesota, is the General Counsel and Secretary of Welsh, (d) Ben Applebaum, a resident of Edina, Minnesota, is the Vice President, Investments of Welsh, (e) Ryan Doyle, a resident of Deephaven, Minnesota is a Vice President of Welsh, (f) Randy Bauernfeind, a resident of

Chanhassen, Minnesota, is a Vice President of Welsh, and (g) Spencer Gerberding, a resident of St. Louis Park, Minnesota, is a Vice President of Welsh.

Pledge of Class B Units

At the IPO Closing, Welsh pledged to the REIT, as security agent for the Partnership, 50,000 Class B Units as security for the immediate work recommended by the BCA Reports for the Initial Properties. As at the date hereof, there is approximately $90,000 of work remaining to be completed, which work has not been performed as per the request of the affected tenant.

In addition, at the IPO Closing, Welsh pledged to the REIT, as security agent for the REIT, US Holdco and the Partnership, for a period of 18 months following the IPO Closing 3,500,000 Class B Units, as security for Welsh's obligations under the IPO Contribution Agreement. The pledge of these Class B Units was released on October 26, 2014.

Restrictions on Transfer, Redemption or Disposition of Class B Units

Welsh agreed with the underwriters of the IPO that, for a period of 18 months following the IPO Closing (the "**Hold Period**"), it would not, subject to certain exceptions, directly or indirectly, without the prior written consent of CIBC World Markets Inc. and RBC Dominion Securities Inc., on behalf of the underwriters, and of the Board of Trustees, which consents will not be unreasonably withheld or delayed (i) offer, sell, contract to sell, secure, pledge or grant any option, right or warrant to purchase (other than in connection with plans created on the IPO Closing or in connection with the IPO) or otherwise lend, transfer or dispose of (other than in connection with a redemption of its Class B Units for Units or in respect of transfers to its Permitted Transferees) the portion of the Units (or securities convertible into, or exercisable, exchangeable or redeemable for Units) then subject to the Hold Period, or (ii) make any short sale, engage in any hedging transaction, or enter into any swap, monetization, securitization or other arrangement that transfers to another in whole or in part, any of the economic consequences of ownership of the portion of the Units (or securities convertible into, or exercisable, exchangeable or redeemable for Units) then subject to the Hold Period. The Hold Period expired on October 26, 2014.

The Illinois Property Contribution Agreement contains provisions that restricted (i) the transfer of all or any portion of the Illinois Property Class B Units and (ii) the exercise of (and issuance of Units in connection therewith) the redemption right available under the Partnership Agreement in respect of the Illinois Property Class B Units unless and until the REIT had received TSX Approval and Requisite Unitholder Approval. TSX Approval and Requisite Unitholder Approval were received by the REIT on May 15, 2014 following the 2014 Unitholder Meeting.

Board Nomination Rights

Pursuant to the Declaration of Trust, Welsh has the exclusive right to nominate a certain number of Trustees to the Board of Trustees depending on the size of the Board of Trustees and the Retained Interest as described in the table below:

Retained Interest[(1)]	**Total Number of Trustees of the REIT**	**Number of Welsh Nominees**
Greater than 25%	Greater than 10	4
	10	3
	7 to 9	2
	5 to 6	1
	Less than 5	0
15% to 25%	10 or greater than 10	2
	7 to 9	1

Retained Interest[(1)]	Total Number of Trustees of the REIT	Number of Welsh Nominees
	Less than 7	0
Less than 15%[(2)]	Any	0

Notes:

(1) The following are percentages that the Retained Interest constitutes of the outstanding Units (assuming all Class B Units are redeemed for Units).

(2) In the event that Welsh is no longer the external asset manager of the REIT and/or the Partnership, the following modification will apply: If the retained interest held by Welsh and its Permitted Transferees (as defined below under "— Registration Rights") is between 5% and less than 15% of the outstanding Units (assuming all Class B Units are redeemed for Units), Welsh will in all circumstances be entitled to one nominee.

The Declaration of Trust will provide that the Board of Trustees will at all times have not less than seven trustees and such provision may only be amended with the unanimous consent of the Board of Trustees and the approval of not less than two-thirds of the votes cast at a meeting of Unitholders. See ''Governance of the REIT — Governance and Board of Trustees''. Any other changes to the size of the Board of Trustees will require the prior written consent of the Partnership, such consent to be provided in accordance with the Partnership Agreement.

In addition, the Declaration of Trust provides that the Chief Executive Officer of the REIT will be nominated to serve as a Trustee. In the event that the Chief Executive Officer of the REIT is not elected or appointed to the Board, the Chief Executive Officer of the REIT will have the right to attend all meetings of the Board of Trustees as an observer (except for any meetings that only Independent Trustees may attend).

In the event that no nominees of Welsh (which, for greater certainty, does not include the Chief Executive Officer of the REIT) are elected or appointed to the Board of Trustees, subject to the Retained Interest constituting at least 5% of the Units of the REIT (assuming all Class B Units are redeemed for Units of the REIT), Welsh will have the right to have a representative (the "**Board Observer**") attend all meetings of the Board of Trustees (except for any meetings at which only Independent Trustees may attend or in respect of which Welsh has a conflict of interest in accordance with the terms of the Declaration of Trust). The Board Observer will be subject to all confidentiality requirements of any other member of the Board of Trustees and will not have any voting rights, but will be given notice of, and the right to attend, every meeting of the Board of Trustees, except as noted above. In the event that Welsh is no longer the REIT's external asset manager, the following modification will apply: Subject to the Retained Interest constituting greater than zero and less than 5% of the Units of the REIT, Welsh will in all circumstances be entitled to one Board Observer.

Registration Rights

Pursuant to a registration rights agreement dated April 26, 2013 between the REIT and Welsh (the "**Registration Rights Agreement**"), Welsh has the right (the "**Piggy-Back Registration Right**") to require the REIT to include Units (including Units issuable upon the redemption of Class B Units) held by Welsh (and/or (i) any member of Welsh; (ii) any affiliate of Welsh; or (iii) Almanac and its affiliates (the "**Permitted Transferees**")) in any future offering undertaken by the REIT by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a "**Piggy-Back Distribution**"). The REIT is required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the Units Welsh requests to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the Units to be included in the Piggy-Back Distribution will be first allocated to the REIT.

In addition, the Registration Rights Agreement provides Welsh with the right (the "**Demand Registration Right**") to require the REIT to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying Units held (or issuable upon the redemption of Class B Units) by Welsh (and/or any of its Permitted Transferees) for distribution (a "**Demand Distribution**"). The REIT may also distribute Units in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter determines (acting reasonably) that the total number of Units to be included in such

Demand Distribution should be limited for certain prescribed reasons, the Units to be included in the Demand Distribution will be first allocated to Welsh.

Each of the Piggy-Back Registration Right and the Demand Registration Right is available in respect of Class B Units that are no longer subject to the Hold Period or otherwise pledged as security for on-going obligations to the REIT, provided that the Retained Interest constitutes a minimum of 10% of the Units (assuming all Class B Units are redeemed for Units). Welsh is entitled to request not more than two Demand Distributions per calendar year and each Demand Distribution must be in respect of gross proceeds of not less than $20 million.

If the Piggy-Back Distribution right or the Demand Distribution right are exercised by Welsh in respect of Units (including Units issuable upon the redemption of Class B Units) held by Permitted Transferees, such Permitted Transferee (and not Welsh) will be assigned the rights and assume all obligations (including, without limitation, with respect to indemnification and expense) of Welsh as if such Permitted Transferee were Welsh under the Registration Rights Agreement for all purposes of such exercised right.

The Piggy-Back Registration Right and the Demand Registration Right will be subject to various conditions and limitations and the REIT will be entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days. The expenses in respect of a Piggy-Back Distribution, subject to certain exceptions, will be borne by the REIT, except that any underwriting fees on the sale of Units by Welsh and the fees of Welsh's external legal counsel will be borne by Welsh. The expenses in respect of a Demand Distribution, subject to certain exceptions, will be borne by the REIT and Welsh on a proportionate basis according to the number of Units distributed by each.

Pursuant to the Registration Rights Agreement, the REIT will indemnify Welsh for any misrepresentation in a prospectus under which Welsh's Units are distributed (other than in respect of any information provided by Welsh, in respect of Welsh, for inclusion in the prospectus) and Welsh will indemnify the REIT for any information provided by Welsh, in respect of Welsh, for inclusion in the prospectus.

The REIT has not and will not, pursuant to the Registration Rights Agreement or otherwise, have any obligation to register, nor will it register, Units under the U.S. Securities Act of 1933, as amended.

A copy of the Registration Rights Agreement is available under the REIT's SEDAR profile at www.SEDAR.com.

Lease of Property to an Affiliate of Welsh

The REIT has a lease with a former affiliate of Welsh at an investment property located at 4350 Baker Road, Minnetonka, Minnesota. Rental revenue earned by the REIT from the affiliate of Welsh for the three months ended December 31, 2014 and for the year ended December 31, 2014 was $265,000 and $1,052,000 respectively. The lease commenced on June 1, 2008 and expires on May 31, 2020, with annual rent increases of 2%.

MARKET FOR SECURITIES

Trading Price and Volume

The Units are listed for trading on the TSX under the trading symbol "WIR.U." The following table sets out the monthly range of high and low prices per Unit and total monthly volumes traded on the TSX for each month during the period from April 26, 2013 (the date of the IPO Closing) to December 31, 2014**.**

Period	Price Per Unit Monthly High ($)	Price Per Unit Monthly Low ($)	Total Monthly Volume (Units)
January 2014	8.81	8.36	755,259
February 2014	9.80	8.32	491,406

Period	Price Per Unit Monthly High ($)	Price Per Unit Monthly Low ($)	Total Monthly Volume (Units)
March 2014	9.75	9.30	726,248
April 2014	9.82	9.32	574,460
May 2014	10.08	9.50	538,072
June 2014	10.25	9.65	329,980
July 2014	10.23	9.83	364,466
August 2014	10.16	9.81	618,983
September 2014	10.38	9.96	689,477
October 2014	10.39	9.53	511,061
November 2014	10.63	10.04	417,543
December 2014	11.41	10.40	1,046,843

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Description of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class[(1)]
Class B Units	50,000[(2)]	0.3%[(3)]
Total:	**50,000**	**0.3%**

Notes:

(1) Assuming all Class B Units are redeemed for Units but otherwise on a non-diluted basis. As of December 31, 2014, there were 15,225,314 Class B Units issued and outstanding. This represents an approximate 51.7% effective interest in the REIT as of such date assuming all Class B Units are redeemed for Units but otherwise on a non-diluted basis.

(2) At the IPO Closing, Welsh pledged to the REIT, as security agent for the Partnership, 50,000 Class B Units as security for the immediate work recommended by the BCA Reports for the Initial Properties. As at the date hereof, there is approximately $90,000 of work remaining to be completed, which work has not been performed as per the request of the affected tenant.

(3) Represents an approximate 0.2% effective interest in the REIT as of December 31, 2014.

MATERIAL CONTRACTS

This Annual Information Form includes a summary description of certain material agreements of the REIT. The summary description discloses all attributes material to an investor in securities of the REIT but is not complete and is qualified by reference to the terms of the material agreements, which have been filed with the Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com. Readers are encouraged to read the full text of such material agreements.

Other than contracts entered into in the ordinary course of business, the following are the only material agreements entered into in 2014 or after:

(a) an acquisition agreement dated March 6, 2014 by and between WPT Acquisitions, LLC (a wholly-owned subsidiary of the Partnership) and RG-Social Circle LLC, as vendor, in respect of the Georgia Property;

(b) an underwriting agreement dated March 21, 2014 among the REIT and a syndicate of underwriters co-led by RBC Dominion Securities Inc. and CIBC World Markets Inc., acting as joint bookrunners, and including, BMO Nesbitt Burns Inc., National Bank Financial Inc., Desjardins Securities Inc., TD Securities Inc., Canaccord Genuity Corp., GMP Securities L.P. and Scotia Capital Inc. in respect of the April 2014 Offering.

(c) The Louisville Property Contribution Agreement as described under “General Development of the Business — Louisville Property Acquisition”;

(d) The Tennessee Acquisition Agreement as described under "Recent Developments — Tennessee Portfolio Acquisition"; and

(e) an underwriting agreement dated January 14, 2015 among the REIT and a syndicate of underwriters co-led by RBC Dominion Securities Inc. and CIBC World Markets Inc., acting as joint bookrunners, and including, BMO Nesbitt Burns Inc., National Bank Financial Inc., Desjardins Securities Inc., TD Securities Inc., GMP Securities L.P. and Scotia Capital Inc. in respect of the January 2015 Offering.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the acquisition of certain of the REIT's properties from Welsh, as described under "General Development of the Business", and the arrangements with Welsh as described under "Arrangements with Welsh" and elsewhere in this Annual Information Form, there are no material interests, direct or indirect, of the Trustees or officers of the REIT, any Unitholder that beneficially owns more than 10% of the Units of the REIT or any associate or affiliate of any of the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the REIT or any of its Subsidiaries.

MI 61-101 provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. The REIT has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from minority approval and valuation requirements for transactions that would have a value of less than 25% of the REIT's market capitalization, if the Class B Units held by Welsh and any of its Permitted Transferees are included in the calculation of the REIT's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to include the approximately 47.3% indirect interest held by Welsh and any of its Permitted Transferees in the form of Class B Units. Accordingly, the REIT may not be required to obtain minority approval from Unitholders or prepare a formal valuation in connection with future "related party transactions" with Welsh.

PROMOTER

Welsh has taken the initiative in founding and organizing the REIT and was therefore considered a promoter of the REIT for the purposes of applicable securities legislation at the time of the IPO, the April 2014 Offering and the January 2015 Offering. Welsh holds, directly or indirectly, 752,700 Units and 15,255,314 Class B Units, which represents a 47.3% interest in the REIT as of the date of this Annual Information Form (assuming all Class B Units are redeemed for Units, but otherwise on a non-diluted basis).

The Initial Properties, the Illinois Property, the Kentucky Property and the Louisville Property were each indirectly acquired by the REIT from Welsh. See "General Development of the Business".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the REIT and the Properties may, from time to time, be subject to various pending and threatened lawsuits in which claims for monetary damages are asserted or regulatory actions in which the REIT may become liable for fines or other regulatory sanctions. The REIT is not aware of any material existing or contemplated legal proceedings or regulatory actions to which it or the Partnership are or were a party to, or to which any of the Properties is or was the subject of, during the year ended December 31, 2014.

INTERESTS OF EXPERTS

The REIT's auditor is KPMG LLP, Chartered Accountants, in Toronto, Ontario. KPMG LLP has advised the REIT that it is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario**.**

Altus Group U.S. Inc. is named as having prepared the appraisals of the Initial Properties and the Louisville Property, the descriptions of which were incorporated by reference in continuous disclosure filings made by the

REIT during the REIT's most recently completed financial year. As at the dates of such appraisals, and as at the date hereof, the "designated professionals" (as defined in NI 51-102F2) of Altus Group U.S. Inc. beneficially owned, directly or indirectly, less than 1% of the securities or other property of the REIT, its associates or its affiliates.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Units is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to the REIT may be found on SEDAR at www.sedar.com. Additional information, including with respect to Trustees' and officers' remuneration and indebtedness, principal holders of Units of the REIT and securities authorized for issuance under equity compensation plans, as applicable, will be contained in the REIT's information circular, which will be prepared in connection with the REIT's annual general meeting of Unitholders.

Additional financial information is provided in the REIT's audited consolidated financial statements and management's discussion and analysis of the financial condition of the REIT for the year ended December 31, 2014. A copy of such documents can be found on SEDAR at www.sedar.com.

Appendix "A"

CHARTER OF THE AUDIT COMMITTEE
(the "Charter")

This Charter was adopted by the board of trustees of WPT Industrial Real Estate Investment Trust (the "REIT") on May 29, 2013.

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1. **GENERAL**

A. Purpose

The Audit Committee (the "**Committee**") is a committee of the Board of Trustees (the "**Board**") of WPT Industrial Real Estate Investment Trust (the "**REIT**"). The members of the Committee and the chair of the Committee (the "**Chair**") are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the REIT's financial controls and reporting and monitoring whether the REIT complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. **COMPOSITION**

The Committee should be comprised of a minimum of three trustees and a maximum of five trustees.

(1) The Committee must be constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time ("**NI 52-110**").

(2) A majority of the members of the Committee must be Residents (as such term is defined in the REIT's declaration of trust).

(3) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.

(4) No members of the Committee will receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory or other compensatory fee from the REIT or any of its related parties or subsidiaries.

(5) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined as 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 of the issues that can reasonably be expected to be raised by the REIT's financial statements).

(6) Any member of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee on ceasing to be a trustee. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy will exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

3. LIMITATIONS ON COMMITTEE'S DUTIES

In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee will be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management of the REIT ("**Management**") as to the non-audit services provided to the REIT by the external auditor, (iv) financial statements of the REIT represented to them by a member of Management or in a written report of the external auditors to present fairly the financial position of the REIT in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. MEETINGS

The Committee should meet not less than four times annually. The Committee should meet within 45 days following the end of the first three financial quarters of the REIT and will meet within 90 days following the end of the fiscal year of the REIT. A quorum for the transaction of business at any meeting of the Committee will be a majority of the members of the Committee or such greater number as the Committee will by resolution determine. The Committee will keep minutes of each meeting of the Committee. A copy of the minutes will be provided to each member of the Committee.

Meetings of the Committee will be held from time to time and at such place as any member of the Committee will determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor will be entitled to request that the Chair call a meeting.

The Committee may ask members of Management and employees of the REIT (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee will have full access to information of the REIT (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and will be permitted to discuss such information and any other matters relating to the results of operations and financial position of the REIT with Management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with Management quarterly in connection with the REIT's interim financial statements.

The Committee will determine any desired agenda items.

5. COMMITTEE ACTIVITIES

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

A. Financial Disclosure

(1) Review, approve and recommend for Board approval the REIT's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related management's discussion & analysis and press release.

(2) Review, approve and recommend for Board approval the REIT's annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form and the related management's discussion & analysis and press release.

(3) Review and approve any other press releases that contain financial information and such other financial information of the REIT provided to the public or any governmental body as the Committee requires.

(4) Satisfy itself that adequate procedures have been put in place by Management for the review of the REIT's public disclosure of financial information extracted or derived from the REIT's financial statements and the related management's discussion & analysis.

(5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the REIT and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.

(6) Receive periodically Management reports assessing the adequacy and effectiveness of the REIT's disclosure controls and procedures.

B. Internal Control

(1) Review Management's process to identify and manage the significant risks associated with the activities of the REIT.

(2) Review the effectiveness of the internal control systems for monitoring compliance with financial disclosure matters, financial risk management, laws and regulations.

(3) Have the authority to communicate directly with the internal auditor (if any).

(4) Receive periodical Management reports assessing the adequacy and effectiveness of the REIT's internal control systems.

(5) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with Management, the internal auditor (if any) and the external auditors and assess whether recommendations made by the internal auditor (if any) or the external auditors have been implemented by Management.

C. Relationship with the External Auditor

(1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.

(2) Have the authority to communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed.

(3) Advise the external auditor that it is required to report to the Committee and not to Management.

(4) Monitor the relationship between Management and the external auditor, including reviewing any Management letters or other reports of the external auditor, discussing any material differences of opinion between Management and the external auditor and resolving disagreements between the external auditor and Management.

(5) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.

(6) Review and discuss on an annual basis with the external auditor all significant relationships they have with the REIT, Management, the external asset manager or employees that might interfere with the independence of the external auditor.

(7) Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable securities laws) to be provided by the external auditor.

(8) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.

(9) Periodically consult with the external auditor out of the presence of Management about (a) any significant risks or exposures facing the REIT, (b) internal controls and other steps that Management has taken to control such risks, and (c) the fullness and accuracy of the financial statements of the REIT, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(10) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the REIT.

D. Audit Process

(1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.

(2) Following completion of the annual audit and quarterly reviews, review separately with each of Management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

(3) Review any significant disagreements among Management and the external auditor in connection with the preparation of the financial statements.

(4) Where there are significant unsettled issues between Management and the external auditor that do not affect the audited financial statements, the Committee will seek to ensure that there is an agreed course of action leading to the resolution of such matters.

(5) Review with the external auditor and Management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

(6) Review the system in place to seek to ensure that the financial statements, management's discussion & analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

E. Financial Reporting Processes

(1) Review the integrity of the REIT's financial reporting processes, both internal and external, in consultation with the external auditor.

(2) Periodically consider the need for an internal audit function, if not present.

(3) Review all material balance sheet issues, material contingent obligations and material related party transactions.

(4) Review with Management and the external auditor the REIT's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with Management, the ramification of their use and the external auditor's preferred treatment and any other material communications with Management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

F. General

(1) Inform the Board of matters that may significantly impact on the financial condition or affairs of the business.

(2) Respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform.

(3) Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.

(4) Review the public disclosure regarding the Committee required from time to time by NI 52-110.

(5) The Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the REIT) the compensation for any such advisors.

(6) Review in advance, and approve, the hiring and appointment of the REIT's senior financial executives.

(7) Perform any other activities as the Committee or the Board deems necessary or appropriate.

6. **COMPLAINT PROCEDURES**

(1) Anyone may submit a complaint regarding conduct by the REIT or its employees or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing or other matters. The Chair will have the power and authority to oversee treatment of such complaints.

(2) Complaints are to be directed to the attention of the Chair.

(3) The Committee should endeavour to keep the identity of the complainant confidential.

(4) The Chair will have the power and authority to lead the review and investigation of a complaint. The Committee should retain a record of all complaints received. Corrective action may be taken when and as warranted.