

Board Mandate

The Board is responsible for the stewardship of Boardwalk. The Board supervises Management of Boardwalk with the goal of enhancing long-term Unitholder value. Management, in turn, is responsible for the day-to-day management of the business and affairs of Boardwalk and its subsidiaries. Management is also responsible for establishing strategic planning initiatives for Boardwalk. The Board assists in the development of these goals and strategies by acting as a sounding board and by contributing ideas. The Board ultimately approves the strategic plan, taking into account the risks and opportunities of the business of Boardwalk. The Board approves all significant decisions that affect Boardwalk before they are implemented, supervises the implementation and reviews the results. In some cases, the Board, by means of standing resolutions, will delegate limited authority to senior officers of the Trust to carry out certain tasks, usually within strict financial parameters and in a manner with the strategic plan of the Trust, both of which are reviewed on a quarterly basis by the Board.

The Board, in some cases through its committees, has specifically assumed responsibility for: (i) participating in the development of the strategic plan; (ii) identifying and managing business risks; (iii) ensuring the integrity and adequacy of Boardwalk's internal controls and management information systems; (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 Management and the performance of its subsidiaries; (vii) succession planning; (viii) ensuring effective and adequate communication with Boardwalk's Unitholders and other stakeholders as well as the public at large; and (ix) establishing committees of the Board of Trustees, where required, and defining their mandates.

Because of the Board's demanding role and responsibilities, all Trustees shall be required, on an annual basis concurrent with their performance assessments, to advise the Compensation, Governance and Nominations Committee of any outside, arms-length board of directors they have joined to ensure that such directorship(s) would not impair a Trustee's ability to fulfill the responsibilities of his or her position.

Position Descriptions

Chair, Lead Trustee and Chair of each Board Committee

The Board has developed written position descriptions for the chair, lead Trustee and chair of each Board committee. The Board has also adopted written mandates for each Board committee. The Board as a whole and the members of each Board committee are responsible for taking such steps as may be necessary to ensure that the Board and the committees of the Board fulfill their respective mandates. Such position descriptions and mandates can be found on Boardwalk's investor website at www.BoardwalkREIT.com.

Chief Executive Officer

The Board has developed objectives which the Chief Executive Officer is responsible for meeting and the Board assesses the Chief Executive Officer against those objectives. A position description for the Chief Executive Officer can be found on Boardwalk's investor website at www.BoardwalkREIT.com.

Board Committees

General

The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision in the Declaration of Trust to the contrary, delegate to such committee or committees any of the powers of the Trustees.

The Board has two committees: (i) the Audit and Risk Management Committee; and (ii) the Compensation, Governance and Nominations Committee. Each of these committees is composed entirely of independent Trustees, and have the following responsibilities:

Compensation, Governance and Nominations Committee – Terms of Reference

The Declaration of Trust provides that Boardwalk shall establish a Compensation, Governance and Nominations Committee consisting of at least three (3) independent Trustees. The duties of the Compensation, Governance and Nominations Committee will be to review the governance of the Trust with the responsibility for the Trust's corporate governance, human resources and compensation policies. In particular, the Compensation, Governance and Nominations Committee will be responsible for:

1. Review human resources development, organize and recommend to the Board compensation principles and practices and approve any significant changes to structure or principles and practices;
2. Review and make recommendations on the performance and compensation of the Chief Executive Officer and other senior executives of the Trust;
3. Review and recommend to the Board the form and adequacy of compensation for the Trustees;
4. Monitor the appropriateness of the Trust's governance systems with regard to external governance standards, "**best practices**" guidelines and with an emphasis on "**ongoing improvements**";
5. Review the makeup and needs of the Board of Trustees and develop criteria for adding new Trustees to the Board; and
6. Circulate and report on questionnaires to each Trustee annually to evaluate and assess the effectiveness of the Board, its committees in meeting governance objectives and each individual's own contribution.

Notwithstanding the appointment of the Compensation, Governance and Nominations Committee, the Trustees may consider and approve any matter, which the Compensation, Governance and Nominations Committee has authority to consider or approve.

The Compensation, Governance and Nominations Committee conducts an annual evaluation of the effectiveness of the Board and each of the committees of the Board. The latter survey covers the operation of the Board and its committees, the adequacy of information provided to Trustees, Board structure and agenda planning for Board meetings. These assessments take into account the Board mandate and the relevant committee mandates. The results of the surveys form the basis of recommendations to the Board for change.

Effective February 13, 2008, the Board adopted a policy respecting annual peer evaluations of Trustees (see "*Term Limits and Retirement of Trustees*" below.)

Audit and Risk Management Committee – Terms of Reference

The Declaration of Trust provides that Boardwalk shall establish an Audit and Risk Management Committee consisting of at least three (3) independent Trustees. The Audit and Risk Management Committee shall be composed of Trustees who comply with the provisions of National Instrument 52-110 of the CSA. Subject to the delegation to the Audit and Risk Management Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes to its form and function as may be mandated by any relevant regulatory authorities, the Audit and Risk Management Committee is responsible for:

- (a) Financial Disclosure Issues – review and recommend to the Board for its approval quarterly and annual financial statements, accounting policies that affect the statements, press releases associated with the financial statements, Management's Discussion and Analysis, significant issues affecting financial reports; review emerging generally accepted accounting principles ("**GAAP**") developments and pronouncements; communicate and discuss directly with the Trust's external auditors the quality of the Trust's financial statements and the findings of their audit work; and review and approve the Annual Information Form of the Trust;

- (b) Internal Control – consider the effectiveness and integrity of the Trust’s management information system and internal controls over financial reporting and related information technology, security and control; review and approve fees for audit and non-audit services involving the current audit firm; review with management, external auditors and legal counsel, if necessary, any material litigation claims or other contingencies, including tax assessments and the adequacy of financial provisions in the Trust’s financial statements;
- (c) Risk Management – identify and oversee the management of the principal financial risks that could impact the operations and financial reporting of the Trust; review and monitor the processes in place for identifying principal risks and reporting thereon to the Board; review and report to the Board on significant business and financial matters affecting the Trust; help senior executives to monitor these risks; and
- (d) In accordance with National Instrument 52-110, implement and supervise a whistleblower policy for safe reporting of any accounting and other financial irregularities and monitor compliance with same on a quarterly and annual basis.

The external auditors of the Trust are entitled to receive notice of every meeting of the Audit and Risk Management Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Audit and Risk Management Committee, shall attend any meeting of the Audit and Risk Management Committee held during the term of office of the external auditors.

SCHEDULE “A”

BOARDWALK REAL ESTATE INVESTMENT TRUST (THE “TRUST”)

MANDATE OF THE BOARDS OF TRUSTEES (COLLECTIVELY, THE “BOARD”)

The Board is responsible for the stewardship of the Trust. The Board supervises Management of the Trust with the goal of enhancing long-term Unitholder value. Management, in turn, is responsible for the day-to-day management of the business and affairs of the Trust and its subsidiaries. Management is also responsible for establishing strategic planning initiatives for the Trust. The Board assists in the development of these goals and strategies by acting as a sounding board and by contributing ideas. The Board ultimately approves the strategic plan of the Trust (the “**Strategic Plan**”), taking into account the risks and opportunities of the business of the Trust. The Board approves all significant decisions that affect the Trust before they are implemented, supervises the implementation and reviews the results.

The Board has specific responsibility for:

- (i) participating in the development of the Strategic Plan;
- (ii) identifying and managing business risks;
- (iii) ensuring the integrity and adequacy of the Trust’s internal controls and management information systems;
- (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 Management;
- (vii) succession planning;
- (viii) ensuring effective and adequate communication with the Trust’s Unitholders and other stakeholders as well as the public at large; and
- (ix) establishing committees of the Board, where required, and defining their mandates.

Because of a Trustee’s demanding role and responsibilities, each member of the Board shall be required, on an annual basis concurrent with his or her performance assessment by the entire Board, to advise the Compensation, Governance and Nominations Committee of any outside, arms-length board of directors he or she has joined to ensure that such other directorship(s) would not impair the Trustee’s ability to fulfill the responsibilities of his or her position with the Trust.

MANDATE OF THE LEAD TRUSTEE

In the event that the board of trustees (the “**Board**”) is chaired by a member of management (the “**Board Chair**”), an independent trustee shall be appointed to fulfill the role of lead trustee (the “**Lead Trustee**”). The Lead Trustee shall chair meetings of the independent trustees, and is responsible for ongoing liaison between the independent trustees and management.

TERM OF OFFICE

7. The Lead Trustee will be elected by the independent members of the Board annually, and shall be fully independent of management; and
8. The Lead Trustee shall commit to a term of 3 years, with the option to continue for one second term subject to Board support.

RESPONSIBILITIES

The Lead Trustee has the following responsibilities:

With respect to meetings of the independent trustees, the Lead Trustee shall:

9. call and chair all meetings of the independent trustees;
10. set the agenda of each meeting of the independent trustees;
11. take all reasonable steps to ensure that the conduct of such meetings facilitates discussions and provides adequate time for effective study and consideration of items on the agenda;
12. adopt procedures to ensure that the independent trustees conduct their work effectively and efficiently;
13. take all reasonable steps to ensure that, where responsibilities are delegated to committees or individual trustees, they are carried out and results thereof are reported as directed;
14. take all reasonable steps to ensure that independent trustees meet regularly without management and other non-independent trustees present and chair these meetings;
15. ensure that a process is in place to regularly assess the effectiveness of the Board, its committees, and individual trustees; and
16. consult with the Board Chair to set the agenda for Board meetings.

With respect to relationships between the independent trustees and management, the Lead Trustee shall:

17. ensure Board leadership in times of crisis;
18. take all reasonable steps to ensure that the expectations of the independent trustees toward management, and the expectations of management towards the independent trustees, are clearly expressed, understood and respected;
19. act as liaison between the independent trustees and management. This involves working closely with the Board Chair to ensure that the Trust is building a healthy governance culture;
20. act in an advisory capacity to the Board Chair and to other senior management members in all matters concerning the interests and management of the Trust;
21. at the request of the Board, and with the agreement of the Board Chair, represent the Trust to external groups such as Unitholders and other stakeholders, including local community groups and governments; and
22. Chair Board meetings when the Board Chair is not in attendance.

PERFORMANCE ASSESSMENT

The independent members of the Board will annually assess the performance of the Lead Trustee.

MANDATE OF THE BOARD CHAIR

The board of trustees (the “**Board**”) is chaired by a trustee (the “**Board Chair**”). The Board Chair is responsible for the management, development and effective performance of the Board. He or she should take all reasonable measures to ensure that the Board fully executes its mandate and that trustees clearly understand and observe the boundaries between Board and management responsibilities.

RESPONSIBILITIES

The Board Chair has the following responsibilities:

With respect to Board effectiveness:

23. to take all reasonable steps to ensure that the Board works as a cohesive team and provide the leadership essential to achieve this;
24. to arrange for adequate resources to be available to the Board (in particular, timely and relevant information) to support its work; and
25. to take all reasonable steps to ensure that a process is in place for the regular assessment of the effectiveness of the Board, its committees and each Trustee.

With respect to Board management the Board Chair shall:

26. chair all Board meetings;
27. set the agenda of each Board meeting, in consultation with the Lead Trustee and Chief Executive Officer (the “**CEO**”), if the Board Chair is not also the CEO;
28. take all reasonable steps to ensure that the conduct of Board meetings facilitates discussions and provides adequate time for effective study and consideration of items on the agenda;
29. adopt procedures to ensure that the Board conducts its work effectively and efficiently, including the review of committee structure and composition;
30. oversee the Board’s full discharge of its responsibilities;
31. take all reasonable steps to ensure that, where responsibilities are delegated to committees or individual Trustees, they are carried out and results thereof are reported to the Board;
32. take all reasonable steps to ensure that independent directors meet regularly without management and other non-independent directors present and chair these meetings; and

With respect to relationships between the Board and management, Unitholders and other stakeholders, the Board Chair shall:

33. take all reasonable steps to ensure that the expectations of the Board toward management, and the expectations of management towards the Board, are clearly expressed, understood and respected;
34. act as liaison between the Board and management. If the Board Chair is not also the CEO, this involves working closely with the CEO or, if the Board Chair is also the CEO, working closely with the Lead Trustee, to ensure that the Trust is building a healthy governance culture;
35. act in an advisory capacity to the CEO (if the Board Chair is not also the CEO) and to other senior management members in all matters concerning the interests and management of the Trust;
36. chair annual and special meetings of the Unitholders; and
37. at the request of the Board, and, if the Board Chair is not also the CEO, with the agreement of the CEO, represent the Trust to external groups such as Unitholders and other stakeholders, including local community groups and governments.

PERFORMANCE ASSESSMENT

The Compensation, Governance and Nominations Committee annually supervises the performance assessment of the Board Chair and reports to the Board on such assessment.

MANDATE OF THE COMMITTEE CHAIRS

Each committee of the Board of Trustees of Boardwalk Real Estate Investment Trust (the “**Board**”) is chaired by an outside trustee (the “**Committee Chair**”). The Committee Chair is responsible for the management and effective performance of his or her committee. He or she should take all reasonable measures to ensure that the committee fully executes its mandate.

RESPONSIBILITIES

The Committee Chair has the following responsibilities:

With respect to committee effectiveness:

38. to take all reasonable steps to ensure that the Committee works as a cohesive team and provide the leadership to achieve this;
39. to arrange for adequate resources to be available to the committee (in particular, timely and relevant information) to support its work; and
40. to take all reasonable steps to ensure that a process is in place for the regular assessment of the effectiveness of the Committee of each of its members.

With respect to committee management the Committee Chair shall:

41. chair all committee meetings;
42. set the agenda of each committee meeting, in consultation with the Board Chair, when appropriate;
43. take all reasonable steps to ensure that the conduct of committee meetings facilitates discussions and provides adequate time for effective study and consideration of items on the agenda;
44. adopt procedures to ensure that the committee conducts its work effectively and efficiently;
45. oversee the committee’s full discharge of its responsibilities;

Each Committee Chair shall report to the board at the next full Board meeting on the deliberations of the committee and on any decisions or recommendations of the committee.

PERFORMANCE ASSESSMENT

The Compensation, Governance and Nominations Committee annually supervises the performance assessment of each Committee Chair and reports to the Board on such assessment.

MANDATE OF THE CHIEF EXECUTIVE OFFICER

Reporting to the board of trustees of the Trust (the “**Trust**”) and, as one of its members, the Chief Executive Officer (“**CEO**”) is responsible for the management of Boardwalk Real Estate Investment Trust’s strategic and operational agenda, and for the execution of the Board’s decisions.

RESPONSIBILITIES

The CEO has the following responsibilities:

With respect to strategic planning:

46. formulating, and recommending to the Board, a strategy that leads to Unitholder value creation;
47. assuming ultimate accountability for the execution of the Trust’s strategy and policies and, where appropriate, their communication to the Trust’s key internal and external stakeholders; and
48. developing and recommending to the Board annual business plans and budgets that support the Trust’s strategy and, when approved by the Board, implementing such business plans within the parameters of such budgets.

With respect to operations of the Trust:

49. running the Trust’s day-to-day business operations;
50. seeing to the continuous improvement in the quality and value of the suites and service provided by the Trust;
51. identifying and managing the risks and opportunities that the Trust faces in the course of its business;
52. assuming responsibility for the hiring, compensation, performance assessment, leadership development and succession planning of management resources, subject to the approval of the Board as to senior management;
53. maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top-quality employees at all levels; and
54. directing and monitoring the activities of the Trust in a manner that ensures that agreed upon targets are met and that the assets of the Trust are safeguarded and optimized in the best interests of the Unitholders.

With respect to governance matters:

55. serving as the Trust’s key spokesperson for the Trust on all major issues;
56. collaborating with the Board Chair in the setting of Board agendas, and taking all reasonable steps to ensure that the Board Chair or Lead Trustee, as applicable,

and the Board are kept appropriately informed of the Trust's overall business operations and of major issues facing the Trust;

57. maintaining an effective communication link with the Board Chair or Lead Trustee, as applicable, and the Board as a whole, and meeting regularly and as required with the Board Chair or Lead Trustee, as applicable, and other Board members to ensure that they are provided in a timely manner with all information and access to management necessary to allow the Board to fulfill its statutory and other obligations;
58. fostering a corporate culture that promotes ethical practices, encourages individual integrity, and fulfills social responsibility;
59. taking all reasonable steps to ensure that the Trust's policies with respect to legal, accounting, safety, security and environmental standards are implemented and the Trust is in full compliance with applicable laws and regulations; and
60. taking all reasonable steps to ensure that the Trust has in place a reporting system capable of producing financial statements that fairly present the Trust's financial condition and enables investors to understand the Trust's business and to make investment decisions accordingly.

Because of the CEO's demanding role and responsibilities, the CEO shall be required, on an annual basis concurrent with his or her performance assessment, to advise the Compensation, Governance and Nominations Committee of any outside, arms-length board of directors he or she has joined to ensure that such directorship(s) would not impair the CEO's ability to fulfill the responsibilities of his or her position.

PERFORMANCE ASSESSMENT

The Compensation, Governance and Nominations Committee reviews and annually recommends to the Board the objectives which the CEO is responsible for meeting, assesses the CEO against these objectives and recommends to the Board CEO compensation.

COMPENSATION, GOVERNANCE AND NOMINATIONS COMMITTEE
BOARDWALK REAL ESTATE INVESTMENT TRUST

Mandate

The Compensation, Governance and Nominations Committee (the "Committee") is responsible for:

- 1) ensuring the adequacy and equity of compensation arrangements for all employees and Trustees of Boardwalk Real Estate Investment Trust and its subsidiary entities (the "Trust")
- 2) reviewing principles of good corporate governance that are appropriate for the Trust and making recommendations to the Board of Trustees to ensure that the Trust adopts and follows best governance practices
- 3) assessing the necessary competencies of the Board of Trustees and overseeing new candidates for the Board of Trustees to determine that such candidates contribute to the necessary skills and competencies of the Board of Trustees as a whole.

In discharging its mandate with respect to compensation arrangements the Committee shall review and approve the goals and objectives of the Trust relevant to the compensation of the Chief Executive Officer (the "CEO") of the Trust and evaluate the CEO's performance in meeting those goals and objectives. Based on this evaluation the Committee shall make recommendations to the Board of Trustees with respect to the CEO's compensation level. The Committee will also make recommendations to the Board with respect to the compensation of other officers of the Trust and the Trustees and shall review and make recommendations to the Board of Trustees with respect to any incentive compensation plans, equity-based plans or other compensation arrangements.

The Committee shall also review executive compensation disclosure in the annual management proxy circular and any other public documents, including offering documents, prior to their public release.

In discharging its mandate with respect to governance the Committee shall periodically assess the standards of governance of the Trust and review changes in recommended best governance practices and adopt such governance proposals for implementation by the Trust. The Committee shall make recommendations to the Board of Trustees regarding the adoption of such practices by the Trust.

The Committee shall also supervise the annual assessment of the effectiveness of the Board of Trustees, committees of the Board of Trustees and individual Trustees.

The Committee will review the disclosure of Trust governance practices as contained in the Annual Information Form, management information proxy circular and all other Trust documents intended for publication.

In discharging its mandate with respect to nominations and orientation of new Trustees the Committee shall periodically review the competencies and skills that the Board of Trustees as a whole should have and assess what necessary skills new Trustees might contribute. The Committee shall review the experience, qualifications, education and other appropriate factors of potential new Trustees and make recommendations to the Board of Trustees regarding the size and composition of the Board and identify appropriate candidates for the Board of Trustees to fill vacancies caused by an increase in the size of the Board or the resignation of current Trustees.

The Committee shall also be responsible for the ongoing development and implementation of Trustee education and orientation programs for new members of the Board of Trustees.

- (a) investigate competitive practices and trends to determine the adequacy of the Corporation's executive compensation programs, including all forms of compensation and perquisites;
- (b) review who should participate in the various elements of the total executive compensation package; and
- (c) advise the full Board of Directors as to necessary actions and exposure issues.

Membership

The Committee will be composed of at least three Trustees. All members of the Committee shall be independent Trustees. The Chairman of the Board of Trustees shall be entitled to notice of and to attend all meetings of the Committee.

Meetings

The Committee will meet at least semi-annually and will report to the full Board of Trustees at least semi-annually. Members of the Committee shall annually agree on a schedule of meetings of sufficient frequency and duration to ensure that the Committee can discharge its mandate.

Independent Advice

The Committee shall be entitled to retain independent advisors to assist in meeting its mandate. The Committee shall not retain advisors associated with the Trust's auditors unless the Committee obtains the prior approval of the Chairman of the Audit and Risk Management Committee.

AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Policy Statement

It is the policy of Boardwalk Real Estate Investment Trust and its subsidiary entities (the "**REIT**") to establish and maintain an audit and risk management committee (the "**Audit Committee**"), composed entirely of independent trustees, to assist the Board of Trustees (the "**Board**") in carrying out its oversight responsibility for the REIT's internal controls, financial reporting and risk management processes. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the authority to retain independent advisors.

Composition of the Committee

1. The Audit Committee shall consist of at least three trustees. The Board shall appoint the members of the Audit Committee and the Chair of the Audit Committee.
2. Each trustee appointed to the Audit Committee by the Board shall be an independent trustee who is unrelated. An unrelated trustee is a trustee who is independent of management and is free from any interest, any business or other relationship which, in the view of the Board, could, or could reasonably be perceived, to materially interfere with the trustee's ability to act with a view to the best interests of the REIT. Although unitholding may be a factor in such determination, unitholding alone will not lead to a conclusion that there is a lack of independence. In determining whether a trustee is independent of management, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.
3. Each member of the Audit Committee shall be "**financially literate**". In order to be financially literate, a trustee must be, at a minimum, able to read and understand financial statements of the complexity of those of the REIT and the accounting principles used in their preparation, as well as an understanding of internal controls and procedures for financial reporting.
4. A trustee appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board or until his or her resignation.

Meetings of the Committee

1. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee and whenever a meeting is requested by the Board, a member of the Audit Committee, the auditors, or a senior officer of the REIT. Meetings of the Audit Committee shall correspond with the review of the quarterly and annual financial statements and management discussion and analysis.

2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee.
3. Notice of a meeting of the Audit Committee shall:
 - (a) be in writing;
 - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
 - (d) be given at least five business days prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.
4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of at least half of the members of the Audit Committee.
5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Audit Committee may invite the Secretary of the REIT or such other person, who need not be a member of the Committee, as they may choose to be Secretary of the meeting.
7. Senior management of the REIT and other parties may attend meetings of the Audit Committee at the Audit Committee's invitation; however, the Audit Committee: (i) shall meet with the external auditors independent of management; and (ii) may meet separately with management.
8. Minutes shall be kept of all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting.

Duties and Responsibilities of the Committee

1. The Audit Committee's primary duties and responsibilities are to:
 - (a) identify and monitor the management of the principal risks that could impact the financial reporting of the REIT;
 - (b) monitor the integrity of the REIT's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
 - (c) monitor the independence and performance of the REIT's external auditors;

- (d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
 - (e) directly oversee the external audit process and results (in addition to items described in Section 4 below);
 - (f) provide an avenue of communication among the external auditors, management and the Board; and
 - (g) ensure that an effective anonymous "whistle blowing" procedure exists to permit stakeholders to express concerns regarding accounting or financial matters to an appropriately independent individual.
2. The Audit Committee shall have the authority to:
- (a) inspect any and all of the books and records of the REIT, its subsidiaries and affiliates;
 - (b) discuss with the management of the REIT, its subsidiaries and affiliates and senior staff of the REIT, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;
 - (c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
 - (d) set and pay the compensation for any advisors employed by the Audit Committee.
3. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
4. The Audit Committee shall:
- (a) review the audit plan with the REIT's external auditors and with management;
 - (b) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
 - (c) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
 - (d) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (e) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;

- (f) review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;
- (g) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the REIT and subsequent follow-up to any identified weaknesses;
- (h) review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public; and
- (i) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases.

5. The Audit Committee shall:

- (a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted and the compensation of the external auditor;
- (b) pre-approve all non-audit services to be provided to the REIT or its subsidiary entities by the REIT's external auditors;
- (c) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, considering the potential impact of such services on the independence of the external auditors;
- (d) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Policy 31 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period; and
- (e) review all reportable events as determined on the advice of counsel, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

6. The Audit Committee shall:

- (a) evaluate the REIT's policies with respect to ensuring compliance with environmental regulations applicable to the REIT's assets and shall

periodically obtain assurance from management that such policies have been applied;

- (b) evaluate the REIT's policies with respect to derivative trading and hedge transactions and periodically obtain assurance from management that such policies have been adhered to;
 - (c) evaluate the REIT's policies with respect to disaster recovery, including policies and programs for computer systems and buildings;
 - (d) annually review the amount and terms of any insurance to be obtained or maintained by the REIT with respect to risks inherent in its operations and potential liabilities incurred by the trustees or officers in the discharge of their duties and responsibilities; and
 - (e) evaluate risks related to fraud in financial reporting and provide recommendations to management of procedures to manage such risks.
7. The Audit Committee shall annually review the amount and terms of any insurance to be obtained or maintained by the REIT with respect to risks inherent in its operations and potential liabilities incurred by the trustees or officers in the discharge of their duties and responsibilities.
 8. The Audit Committee shall provide advice to the board regarding the appointments of the Chief Financial Officer.
 9. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a unitholder of the REIT, the external auditors, or senior management.
 10. The Audit Committee shall annually review with management the need for an internal audit function.
 11. The Audit Committee shall establish and maintain procedures for:
 - (a) the receipt, retention and treatment of complaints received by the REIT regarding accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the REIT on concerns regarding questionable accounting or auditing matters.
 12. The Audit Committee shall review and approve the REIT's hiring policies regarding employees and former employees of the present and former external auditors or auditing matters.
 13. The Audit Committee shall review with the Trust's internal legal counsel as required but at least annually, any legal matter that could have a significant impact on the REIT's financial statements, and any enquiries received from regulators, or government agencies.
 14. The Audit Committee shall assess, on an annual basis, the adequacy of this Charter and the performance of the Audit Committee.

15. In contributing to the Audit Committee's discharging of its duties under this Charter, each Member shall be entitled to rely in good faith upon:
- (a) accounting information of the Trust represented to him by an officer of the Trust or in a written report of the auditors; and
 - (b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.
16. In contributing to the Audit Committee's discharging of its duties under this Charter, each Member shall 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, to impose on any Member a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board Members are subject. The essence of the Audit Committee's duties is the monitoring and reviewing to gain reasonable assurance (but not to ensure) that the Trust's business activities are being conducted effectively and that the financial reporting objectives are being met and to enable the Audit Committee to report thereon to the Board.