



NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

June 4, 2010

CHARTER REAL ESTATE INVESTMENT TRUST

June 4, 2010

Dear Unitholders:

It is my great pleasure to invite you to the annual and special meeting (the “Meeting”) of Charter Real Estate Investment Trust (“Charter”, “we”, “us” and similar expressions) to be held at the Novotel Toronto North York Hotel, 3 Park Home Avenue, North York, Ontario M2N 6L3, on June 30, 2010 at 2:30 p.m. (Toronto time).

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

In April 2010, a copy of Charter’s audited financial statements (the “Financial Statements”) for the fiscal year ended December 31, 2009 and Management’s Discussion & Analysis of Financial Results (the “MD&A”) for the fiscal year ended December 31, 2009 was mailed to each unitholder who requested that a copy be mailed to it. A copy of the Financial Statements and MD&A are also available on our website (www.charterreit.com), from the SEDAR website (www.sedar.com) or you can write to the following address and request a copy: Floriana Cipollone, 130 King Street West, Suite 2810, P.O. Box 433, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com. The contents of our website and our SEDAR filings are expressly not incorporated by reference into this letter.

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

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

I will provide a report on Charter’s affairs at the Meeting. You will also have the opportunity to ask questions and to meet Charter’s Board of Trustees.

We look forward to seeing you on June 30, 2010.

Yours very truly,

“Patrick Miniutti”

Chief Executive Officer
Charter Real Estate Investment Trust

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CHARTER REAL ESTATE INVESTMENT TRUST

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON JUNE 30, 2010

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “Meeting”) of the unitholders of Charter Real Estate Investment Trust (“Charter”, “we”, “us” and similar expressions) will be held at the Novotel Toronto North York Hotel, 3 Park Home Avenue, North York, Ontario M2N 6L3, on Wednesday, June 30, 2010, at 2:30 p.m. (Toronto time), for the following purposes, namely:

- (a) to receive and consider the consolidated financial statements of Charter for the year ended December 31, 2009, together with the report of the auditors thereon;
- (b) to elect trustees of Charter for the ensuing year;
- (c) to appoint the auditors for the ensuing year and to authorize the trustees to fix their remuneration;
- (d) to pass an ordinary resolution approving an amendment to and renewing the amended and restated unit option plan for Charter, all as more particularly set forth in the accompanying management information circular (the “Circular”) dated June 4, 2010;
- (e) to pass a special resolution authorizing certain amendments to the declaration of trust of Charter dated March 27, 2007, all as more particularly set forth in the accompanying Circular; and
- (f) to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Only holders of units of record at the close of business on June 1, 2010 of Charter are entitled to notice of and to attend the Meeting or any adjournments or postponements thereof and to vote thereat.

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

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

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

Unitholders of Charter may obtain the most recent annual financial statements, interim financial statements, annual information form and other additional information relating to Charter at no cost by either accessing our website at www.charterreit.com, or the SEDAR website at www.sedar.com or you can write to the following address and request copies: Floriana Cipollone, 130 King Street West, Suite 2810, P.O. Box 433, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com. The contents of our website and our SEDAR filings are expressly not incorporated by reference into this notice.

DATED at Toronto, Ontario this 4th day of June, 2010.

BY ORDER OF THE BOARD OF TRUSTEES

“Patrick Miniutti”
Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the “Circular”) is furnished to unitholders of Charter Real Estate Investment Trust (“Charter”, the “REIT”, “we”, “us” and similar expressions) in connection with the **solicitation by and on behalf of the management of Charter** of proxies to be used at the Annual and Special Meeting of Unitholders (the “Meeting”) of Charter to be held at the Novotel Toronto North York Hotel in Toronto, Ontario, on Wednesday, June 30, 2010, commencing at 2:30 p.m. (Toronto time), and at any adjournment(s) or postponement(s) thereof, for the purposes set forth in the attached Notice of Annual and Special Meeting of Unitholders (the “Notice”).

This Circular, the Notice, and the accompanying form(s) of proxy are being mailed to unitholders of record as of the close of business on June 1, 2010. Charter will bear all costs associated with the preparation and mailing of this Circular, the Notice, and the accompanying form(s) of proxy, as well as the cost of the solicitation of proxies. The solicitation will be primarily by mail; however, officers and regular employees of Charter may also directly solicit proxies (but not for additional compensation) personally, by telephone, by fax or by other means of electronic transmission. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies and will be reimbursed for their reasonable expenses in doing so. In April 2010, a copy of Charter’s audited financial statements (the “Financial Statements”) for the fiscal year ended December 31, 2009 and Management’s Discussion & Analysis of Financial Results (the “MD&A”) for the fiscal year ended December 31, 2009 was mailed to each unitholder who requested that a copy be mailed to it. Copies of the Financial Statements and MD&A are also available on our website (www.charterreit.com), from the SEDAR website (www.sedar.com) or you can write to the following address and request a copy: Floriana Cipollone, 130 King Street West, Suite 2810, P.O. Box 433, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com. The contents of our website and our SEDAR filings are expressly not incorporated by reference into this Circular.

APPOINTMENT AND REVOCATION OF PROXIES

Registered Holders

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

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

To be valid, proxies or instructions must be:

- returned by (a) mail to Computershare Investor Services Inc., attention: Proxy Department, 9th Floor, North Tower, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (b) fax to Computershare Investor Services Inc., attention: Proxy Department at 416-368-2502, or (c) personal delivery at the foregoing address, such that the proxies or instructions so returned arrive no later than 2:30 p.m. (Toronto time) on June 28, 2010; or
- delivered to the Chair of the Meeting prior to the commencement of the Meeting; or
- if the Meeting is adjourned or postponed, (a) returned to Computershare at the address or fax number noted above such that the proxies or instructions so returned arrive at least 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any adjourned or postponed Meeting at which the proxy or instructions are

to be used, or (b) delivered by hand to the Chair of the Meeting before the commencement of such adjourned or postponed Meeting.

Non-Registered Holders

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

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

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

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

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

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

VOTING OF PROXIES

The units represented by any valid proxy in the accompanying form(s) of proxy will be voted for, against or withheld from voting for, as applicable:

- the election of Trustees;

- the re-appointment of the auditor, based on the recommendation of the audit committee (the “Audit Committee”) of the board of Trustees of the REIT (the “Board”) and the authorization of the Audit Committee to fix the remuneration of the auditor;
- the ordinary resolution authorizing an amendment to and the renewal of, the amended and restated unit option plan for the REIT (see “Matters to Be Considered at the Meeting – Renewal of Amended and Restated Unit Option Plan”); and
- the special resolution authorizing certain amendments to the declaration of trust of Charter dated March 27, 2007 (the “Declaration of Trust”) (see “Matters to Be Considered at the Meeting – Amendments to the Declaration of Trust”)

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

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

QUORUM

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

RECORD DATE

The Board has fixed the close of business on June 1, 2010 as the record date (the “Record Date”) for the Meeting. Pursuant to Section 12.8 of the Declaration of Trust, only unitholders of record at the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting or any adjournment thereof or to be treated or to be treated as a voting unitholder for purposes of such other action even though the unitholder has since that time disposed of his or her Units.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of this Circular, there were issued and outstanding 18,536,248 Units of the REIT. A holder of Units is entitled to one vote for each Unit held.

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

Name	Number of Units beneficially owned or over which control or direction is exercised	Percentage of Total Units
IGW Public Limited Partnership	6,047,095	33%
Sentry Select Capital Corp.	3,496,298	19%

MATTERS TO BE CONSIDERED AT THE MEETING

Financial Statements and Auditor's Report

Management, on behalf of the Board, will submit to the unitholders at the Meeting the consolidated financial statements of the REIT for the year ended December 31, 2009 and the Auditor's Report thereon, but no vote by the unitholders with respect thereto is required or proposed to be taken. The consolidated financial statements and Auditor's Report are included in Charter's Financial Statements. Unitholders who requested that a copy be mailed to them were mailed a copy in April 2010. A copy of the Financial Statements and MD&A are also available on our website www.charterreit.com, from the SEDAR website (www.sedar.com) or you can write to the following address and request a copy: Floriana Cipollone, 130 King Street West, Suite 2810, P.O. Box 433, Toronto, Ontario, M5X 1A4, or send an email to info@charterreit.com. The contents of our website and our SEDAR filings are expressly not incorporated by reference into this Circular.

Election of Trustees

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

Pursuant to the terms of a management agreement dated June 4, 2010 (the "New Management Agreement") between the REIT and LAPP Global Asset Management Inc. (the "New Manager"), a wholly owned subsidiary of IGW Public Limited Partnership, and the terms of the Declaration of Trust, the New Manager has the right to nominate two individuals to stand for election as Trustees of the REIT. The nominees of the New Manager at the Meeting shall be Louis Maroun and Patrick Miniutti.

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

Management recommends that unitholders vote FOR the election of the Trustees.

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

LOUIS J. MAROUN⁽¹⁾	Mr. Maroun is a nominee of the New Manager. Mr. Maroun is the Founder and Executive Chairman of Sigma Real Estate Advisors/Sigma Capital Corporation (since 2009), an international real estate advisory company. From 2006 to 2009 he was the Executive Chairman and Real estate Advisor and Asset Manager of ING Real Estate Canada, one of Canada’s leading real estate investment managers and largest industrial landlord. Prior to that, Mr. Maroun served as Chief Executive Officer to Summit REIT (2002 to 2006). Mr Maroun is also Past Chair of the National Board of Directors of the MS Society of Canada, a director of the MS Research Foundation, co-founder of Casting for Recovery Canada, Director of the End MS Training Network Committee, Board member of Techlink Entertainment and Chair of its Governance Committee, a Director of the Atlantic Salmon Federation and recently appointed to the Business Advisory Committee – Shannon School of Business.	
Devonshire, Bermuda		
Age: 59		
<i>Trustee of the REIT</i>		
Securities Owned/Controlled		
Units		Nil
Unit Options		Nil
Board and Committees		2009 Attendance at Meetings⁽²⁾
Board		N/A
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
Acadian Timber Corp.		Lead Director, Chair of the Compensation, Nominating and Corporate Governance Committee, Member of the Audit Committee
InStorage REIT		Chair of the Board

PATRICK MINIUTTI⁽¹⁾ Victoria, British Columbia Age: 62 <i>Chief Executive Officer and Trustee of the REIT</i>	<p>Patrick Miniutti became the Chief Executive Officer of the REIT on June 4, 2010. Mr. Miniutti is a nominee of the New Manager.</p> <p>Since September 2009, Mr. Miniutti has been the Chief Financial Officer of League Assets Corp. From 2001 to August 2009, Mr. Miniutti served as Managing Director with Sunset Realty Services, a financial and management advisory services firm which assisted in the development and management of low income and multi-family housing, and the acquisition and management of community and outlet centres. Prior to this, he served concurrently as Executive Vice President, Chief Financial Officer and Chief Operating Officer and also as a member of the Board of Directors for Konover Property Trust, which owned, developed and managed a group of grocery anchored centres and outlet centres and which, at the time Mr. Miniutti was a director and officer, was listed on the New York Stock Exchange (NYSE).</p> <p>Mr. Miniutti has also served as: Executive Vice President and Chief Financial Officer and as a member of the Board of Directors for Crown American Realty Trust, an owner/operator of regional malls, and which, at the time Mr. Miniutti was an officer, was listed on the NYSE; Chief Financial Officer at New Market Companies, one of the first developers of power centres; and, Chief Accounting Officer for Cadillac Fairview Corporation's Urban Business Unit, a developer and owner of office and mixed-used properties, and which, at the time, Mr. Miniutti was employed there, was listed on the Toronto Stock Exchange. He began his career in accounting with KPMG LLP and then moved to Kenneth Leventhal & Company, where he continued to specialize in land and residential housing development.</p> <p>Mr. Miniutti has a Bachelor of Science degree in Accounting from the University of Bridgeport and has substantially completed his MBA studies at Michigan State University. He is a Certified Public Accountant.</p>
Securities Owned/Controlled	
Units Unit Options	Nil Nil
Board and Committees	
2009 Attendance at Meetings⁽²⁾	
Board	N/A
Other Public Board Directorships During Last Five Years	
Other Board Committee Memberships of Public Entities	
None	None

JANET GRAHAM ⁽³⁾⁽⁴⁾	Janet Graham is a Trustee of the REIT. Since August 2002, Ms. Graham has been a Managing Director of IQ Alliance Incorporated, a Toronto-based real estate advisory services firm. Prior to joining IQ Alliance Incorporated, Ms. Graham was an independent consultant for a number of years, delivering real estate related financial advisory services to major corporate clients. Prior to March 1996, Ms. Graham held senior positions at a Canadian chartered bank and its affiliated investment bank for 15 years specializing in corporate finance and corporate lending to real estate and other companies.	
Toronto, Ontario		
Age: 55		
Trustee of the REIT	Ms. Graham is also a member of the Board of Directors of Crystal River Capital, Inc., a public Maryland corporation, a member of the Board of Directors of Leisureworld Senior Care Corporation, a TSX-listed public corporation and a member of the Board of Directors of Toronto Waterfront Revitalization Corporation, a corporation without share capital. Ms. Graham is also a former trustee of IPC US Real Estate Investment Trust, which was a publicly traded Canadian real estate investment trust.	
Ms. Graham holds a Bachelor of Applied Science from Guelph University and a Master of Business Administration from York University and is a chartered accountant.		
Securities Owned/Controlled		
Units	12,350	
Unit Options	50,000	
Board and Committees		2009 Attendance at Meetings ⁽²⁾
Board	9/9	
Audit Committee	4/4	
Independent Committee	17/17	
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
Leisureworld Senior Care Corporation	2010	Chair and Member of the Audit Committee Member of the Compensation, Nominating and Governance Committee
Crystal River Capital, Inc.	2005 – Present	Member of the Audit Committee Member of the Compensation Committee Member of the Nominating and Corporate Governance Committee
IPC US REIT	2003 – 2007	Member of the Audit Committee

JOHN VAN HAASTRECHT⁽⁴⁾	John van Haastrecht is a Trustee of the REIT. Mr. van Haastrecht is a Chartered Director and is currently the President of Vanreal Ltd., an operator and developer of commercial retail shopping centres that was founded by Mr. van Haastrecht in 2001. Prior to that, Mr. van Haastrecht was a trustee and the President and Chief Executive Officer of Morguard Real Estate Investment Trust, a publicly traded real estate investment trust. In addition to his business activities, Mr. van Haastrecht was also past President of the Board of the Royal Military College Foundation.	
Toronto, Ontario		
Age: 66		
Trustee of the REIT	Mr. van Haastrecht graduated from the Royal Military College with an Applied Science Degree.	
Securities Owned/Controlled		
Units	31,338	
Unit Options	50,000	
Board and Committees		
		2009 Attendance at Meetings⁽²⁾
Board	9/9	
Audit Committee	4/4	
Independent Committee	15/17	
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
–	–	–

SAUL SHULMAN⁽⁴⁾	Saul Shulman became a Trustee of the REIT on March 24, 2009. Since January 1, 2005 Mr. Shulman has been the Chief Executive Officer of MLG Management Inc. Prior to this, Mr. Shulman was a partner at Goodman and Carr LLP for 39 years. He is also a trustee of Brookfield Renewable Power Trust, a hydro company, a director of Tricon Capital Group Inc., a leading provider of equity and mezzanine loans to North America’s real estate development industry and a director of 1281216 Ontario Inc. (Castlemore Golf & Country Club/Intracorp Developments Ltd.), a residential developer. He also serves as a chairman for a number of private companies.	
Toronto, Ontario		
Age: 71		
Trustee of the REIT	Mr. Shulman is a former trustee of Summit Real Estate Investment Trust (now ING Real Estate Investment Trust), a public real estate investment trust and has previously held directorship positions with: Brookfield Asset Management, a public real estate, hydro and asset management company; Brookfield Power Inc., a power operation; JDS Investment Limited, a public real estate company and Triumph Energy Inc., an oil and gas company. In 1983, Mr. Shulman was appointed as Special Counsel to the Board of Directors of Mascan Corp. (the Board was appointed by the Supreme Court of Ontario), a publicly traded property developer.	
	Mr. Shulman earned a law degree from Osgoode Hall in 1963 and was appointed Queen’s Counsel in 1984. He also earned a Bachelor of Commerce degree from the University of Windsor in 1960.	
Securities Owned/Controlled		
Units	-	
Unit Options	-	
Board and Committees		2009 Attendance at Meetings⁽²⁾
Board		6/9 ⁽⁵⁾
Audit Committee		2/4 ⁽⁵⁾
Independent Committee		16/17
Other Public Board Directorships During Last Five Years		Other Board Committee Memberships of Public Entities
Brookfield Renewable Power Trust	2009 – Present	Member of the Audit Committee
Summit Real Estate Investment Trust	1985 – 2006	Member of the Investment Committee Member of the Audit Committee
Brookfield Asset Management Inc.	1997 – 2004	-

Notes:

- (1) Nominee of the New Manager.
- (2) Attendance figures reflect the attendance at meetings of the Board of Trustees of the REIT held in 2009.
- (3) Chair of the Audit Committee.
- (4) Member of the Audit Committee.
- (5) Mr. Shulman was appointed to the Board of Trustees on March 24, 2009 and the three unattended Board meetings and one of the two unattended Audit Committee meetings were prior to his appointment.

Re-Appointment of Auditor

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

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

Management recommends that unitholders vote FOR the election of the auditors and for the Audit Committee to fix the remuneration of the auditors.

Amendment to and Renewal of, the Amended and Restated Unit Option Plan

On June 24, 2009, unitholders ratified and renewed the amended and restated unit option plan (the “Unit Option Plan”) implemented by the Board of Trustees. The Unit Option Plan provides that the maximum number of Units that may be reserved and set aside for issuance under the plan shall not exceed 10% of the issued and outstanding Units at the time of grant. As a result of this “rolling cap”, the Unit Option Plan must be approved by unitholders on an annual basis pursuant to the policies of the TSX Venture Exchange. For a description of the material terms of the Unit Option Plan, see “Statement of Executive Compensation – Unit Option Plan”.

In addition, the Trustees have determined that, in light of the arrangements to manage the REIT, it is appropriate to approve an amendment to the Unit Option Plan to provide that the independent Trustees will approve grants of options to personnel engaged by the New Manager to manage the business of the Trust.

At the Meeting, unitholders will be asked to approve the following ordinary resolution of unitholders approving an amendment to the Unit Option Plan and the renewal of the Unit Option Plan (the “Option Plan Resolution”):

BE IT RESOLVED THAT:

1. the renewal of the unit option plan (the “Unit Option Plan”) of Charter described in Charter’s Management Information Circular for this annual and special meeting of unitholders be authorized and approved;
2. section 3 of the Unit Option Plan is hereby amended to add the following sentence at the end of that section:
 - (a) “Notwithstanding the foregoing, only the Independent Trustees shall grant Options to Eligible Persons who are Management Company Employees of the Trust or any subsidiary of the Trust.”; and
3. any one trustee or officer of Charter be and is hereby authorized, for and on behalf of Charter, to execute and deliver any and all documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action and the Trustees are hereby authorized to grant from time to time options in accordance with the provisions of the Unit Option Plan and the policies of the TSX Venture Exchange.

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

In order to be effective, the Option Plan Resolution must be approved by holders of a majority of the Units represented at the meeting and voted on a poll upon such resolution.

Management recommends that unitholders vote IN FAVOUR of the Option Plan Resolution.

Amendments to the Declaration of Trust

Background to Certain of the Proposed Amendments to the Declaration of Trust

In April 2009 the Board of Trustees began to consider the various strategic alternatives available to Charter and a committee of independent trustees (the “Independent Committee”) was formed, comprised of Saul Shulman and John van Haastrecht and chaired by Janet Graham.

The mandate of the Independent Committee was to identify strategic alternatives that would enhance unitholder value including, without limitation, entering into strategic alliances, the sale of all or some of the assets of Charter, the

purchase by others of some or all of the outstanding Units of Charter, including by existing major unitholders, the issuance of Units of Charter from treasury to others in exchange for either cash or non-cash consideration, and the recapitalization of Charter to enable additional acquisitions and the internalization of management of Charter. To assist in this mandate, in October 2009, the Independent Committee formally engaged the services of TD Securities Inc. to act as its financial advisor and McCarthy Tétrault LLP to act as its legal counsel.

Throughout the balance of 2009 and the early part of 2010, discussions were held with various parties pursuant to confidentiality agreements to ascertain the interest of third parties in Charter. These discussions resulted in several proposals to the Independent Committee, but the Independent Committee did not believe that any of them were in the interests of the unitholders to pursue, with the exception of a proposal by League Assets Corp. ("League").

After negotiation between League and Charter it was determined by the Independent Committee on May 3, 2010 that they would be prepared to recommend that Charter enter into a non-binding letter of intent with League and with C.A. Bancorp Inc. ("CAB") providing for the following transactions:

- CAB selling all of its Units in the capital of Charter, being 6,047,095 Units representing approximately 33% of the outstanding Charter Units, to League or an affiliate of League (the "Share Sale"); and
- CAB and Charter terminating the management agreement dated March 27, 2007 between the REIT and CAB's subsidiary, C.A. Realty Management Inc. and League (or an affiliate) and Charter entering into the New Management Agreement (the "Management Changes").

The letter also contemplated a separate transaction regarding a potential investment by League.

It was the view of the Independent Committee that the League proposal would allow Charter to obtain a new sponsor with the experience necessary to stabilize, enhance and grow the business of Charter, as well as provide funding for acquisitions and ongoing operations.

These intentions were set out in a non-binding letter of intent dated May 3, 2010 which was signed by all parties on May 4, 2010. Pursuant to that non-binding letter of intent, League had 15 business days to determine, based on due diligence, whether it would proceed on this basis, during which time the elements of the transaction would be further discussed, the necessary documentation would be negotiated. On May 26, 2010, League waived the due diligence condition. On June 1 and 2, 2010, the parties reached agreement on the pricing of the Share Sale and the Share Sale and Management Changes were announced.

On June 4, 2010 the Share Sale and Management Changes were completed and the completion of the transactions were announced. IGW Public Limited Partnership bought the 6,047,095 units formerly held by CAB and the former manager was replaced by the New Manager, a wholly owned subsidiary of IGW Public Limited Partnership. In order to assist the New Manager in carrying out its responsibilities under the new management agreement, CAB entered into a transition services agreement with the New Manager and Charter providing certain services to League and the New Manager until August 31, 2010. In addition, the former Chief Executive Officer, Mr. Silverberg, and the former Chief Financial Officer and current Acting Chief Financial Officer, Ms. Cipollone, have entered into consulting agreements with the New Manager to assist in the transition of management services to the New Manager until August 15, 2010. See "Statement of Executive Compensation".

On June 4, 2010, the two nominees on the Board of Trustees of Charter nominated by CAB resigned and the Board appointed two replacement trustees nominated by League, Lou Maroun and Patrick Miniutti.

During the course of negotiating the new management agreement, the Trustees also reviewed the Declaration of Trust, and noted that with the change of manager, certain changes should be made to the Declaration of Trust and to its corporate governance practices.

Amendments Relating to the Share Sale

The main amendments to the Declaration of Trust in connection with the transactions between League and CAB are to delete the pre-emptive rights previously granted to CAB (and certain consequential amendments) and to clarify the

process by which Trustees are appointed in between meetings of the Board of Trustees. Specifically, Charter proposes to amend Section 9.3(1) of the Declaration of Trust to provide that the Trustees may, between annual meetings of Voting Unitholders, and subject to Section 8.1, appoint one or more additional Trustees to serve until the next annual meeting of Voting Unitholders, but the number of additional Trustees so appointed may not at any time exceed the greater of:

- (a) two Trustees at any time that there are five or more Trustees; and
- (b) one-third of the number of Trustees who held office at the expiration of the immediately preceding annual meeting of Voting Unitholders,

provided that (i) any Trustees so appointed are Independent Trustees and (ii) the determination to increase the number of Trustees and the decision as to who to appoint as a Trustee is made solely by the then Independent Trustees, who are also the only Trustees eligible to vote on the matter.

Charter believes that this will ensure that any Trustees appointed in between meetings of Unitholders reflect the interests of minority unitholders, in that such Trustees will be independent (within the meaning of Multilateral Instrument 52-110) and will be chosen and elected only by independent Trustees.

Amendments Relating to IFRS

The Trustees are proposing certain amendments to the Declaration of Trust which they believe to be in the best interests of unitholders. The proposed amendments are necessary due to the requirement to adopt International Financing Reporting Standards ("IFRS") effective January 1, 2011.

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the adoption of IFRS would be effective for interim and annual periods beginning on or after January 1, 2011 for Canadian publicly accountable profit-oriented enterprises. IFRS will replace the current Canadian generally accepted accounting principles ("GAAP") for these enterprises. Comparative IFRS information for the previous fiscal year will also have to be provided. These new standards will be effective for the REIT on January 1, 2011. As a result, the REIT has developed a plan to convert its consolidated financial statements to IFRS by that date.

The Trustees have identified the following change to the Declaration of Trust that would be desirable in connection with the REIT's transition to IFRS.

Units to be Treated as Equity: Under GAAP, the Units are currently presented as equity in Charter's financial statements. Under both IFRS and GAAP, a Unit is a financial instrument, but under IFRS, a financial instrument is treated as a liability where it contains a contractual obligation to deliver cash or another financial asset to another entity.

Section 5.3 of the Declaration of Trust states, in effect, that notwithstanding the Trustees discretion to make distributions, on the last day of each taxation year, the net income of the REIT, determined in accordance with the *Income Tax Act* (Canada), is payable to unitholders. The Trustees believe that the current formulation of Article 5.3 of the Declaration of Trust constitutes such a contractual obligation, with the result that the Units are treated under IFRS as a liability, rather than as equity, on the REIT's balance sheet.

Canadian REITs typically have had similar provisions in their declarations of trust. Many have recently modified their respective declarations of trust, with the consent of their unitholders, to eliminate or modify this mandatory distribution requirement and to leave distributions, and their calculation and payment timing, wholly to the discretion of the Trustees, so that units can be presented as equity. Since financial information for 2010 for the REIT must be prepared in accordance with IFRS for comparative purposes in 2011, the implementation of this change at this time will ensure that the REIT may continue to account for its issued and outstanding Units, and distributions paid, as part of the unitholders' equity. At the same time, such an amendment will ensure that the REIT will not be required to reclassify its Units under IFRS as a liability and to treat all future distributions as an expense. If the REIT were required to reclassify its Units in this way, such reclassification could have a material adverse effect on some of the REIT's contractual covenants.

The Trustees, accordingly, consider that an amendment to Section 5.3 of the Declaration of Trust to modify this mandatory distribution requirement and to reinforce the discretionary nature of distributions will assist the REIT in its transition to IFRS.

Notwithstanding these amendments, it will remain the intention of the Trustees as set out in the Declaration of Trust to have the REIT make distributions to unitholders at least equal to the amount necessary to ensure that the REIT will not be liable to pay income tax under Part I of the *Income Tax Act* (Canada).

Resolution Approving Certain Amendments to the Declaration of Trust

At the Meeting, unitholders will be asked to vote on the following special resolution, with or without variation (the “Declaration of Trust Amendment Resolution”):

BE IT RESOLVED THAT:

1. The following amendments to the declaration of trust (the “Declaration of Trust”) of Charter Real Estate Investment Trust (“Charter”) dated March 27, 2007 be and they are hereby approved:
 - (a) The definition of “**CAB**” in Section 1.1 is hereby deleted in its entirety;
 - (b) The definition of “**Management Agreement**” in Section 1.1 is hereby deleted in its entirety and replaced with the following:
 - (i) ““**Management Agreement**” means the management agreement dated as of June 4, 2010 and made among Charter Real Estate Investment Trust and the Manager, as such agreement may be assigned to the Trust and amended, restated, superseded or replaced from time to time.”;
 - (c) The definition of “Manager” in Section 1.1 is hereby deleted in its entirety and replaced with the following:
 - (i) ““**Manager**” means the manager of the Trust as appointed by the Trustees from time to time in accordance with this Declaration of Trust and any duly appointed successor.”;
 - (d) Section 2.4 – Head Office is hereby deleted in its entirety and replaced with the following:
 - (i) “The principal office of the Trust will be located at such place or places in Canada as the Trustees may from time to time designate. The Trust may have such other offices or places in Canada for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.”;
 - (e) Section 3.7 – Pre-Emptive Rights is hereby deleted in its entirety;
 - (f) Sub-section 5.3(2) is hereby deleted in its entirety and replaced with the following:
 - (i) “Having regard to the present intention of the Trustees to allocate, distribute and make payable to Unitholders all of the Trust Income, a sufficient amount of the Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year (other than tax on Net Realized Capital Gains that would be recoverable by it with respect to the relevant taxation year or, in the event that the Trust is not a mutual fund trust at any time in the relevant taxation year, tax under Division E.1 of Part I of the Tax Act) (the “taxation distribution amount”), the following amounts will, unless the Trustees in their absolute discretion have otherwise determined to not distribute such taxation distribution amount but in lieu thereof to distribute

another specified amount, be due and payable to Unitholders of record at the close of business on December 31 in each year:

- (A) the amount of Trust Income for such year not previously paid or made payable to Unitholders in such year, provided that if the Trust is a SIFT Trust, the aggregate amount so payable for the year shall be reduced by such amount as is necessary to provide for the tax payable by the Trust by virtue of the SIFT Proposals, including, in particular, proposed paragraph 104(6)(b)(iv) of the Tax Act or any similar provision; and
- (B) the amount of Net Realized Capital Gains for such year not previously paid or made payable to Unitholders in such year, except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Trust would be refunded as a “capital gains refund” as defined in the Tax Act for such year, provided that if the Trust is a SIFT Trust, the aggregate amount so payable for the year shall be reduced by such amount as is necessary to provide for the tax payable by the Trust by virtue of the SIFT Proposals, including, in particular, proposed paragraph 104(6)(b)(iv) of the Tax Act or any similar provision.

For greater certainty, if the Trustees have exercised their absolute discretion to not distribute the taxation distribution amount in respect of any year, the difference between amounts actually declared as Distributions and the taxation distribution amount in respect of such year shall not be payable to Unitholders. Moreover, the Trustees, in their absolute discretion, may at any time refute the intention referred to above to distribute taxation distribution amounts in respect of any year or future year.”;

- (g) Sub-section 8.6 is hereby amended by deleting the reference to “Section 8.9” and replacing it with “Section 8.10”;
- (h) Section 8.10 is hereby deleted in its entirety and replaced with the following:
 - (i) “The Trustees may from time to time appoint one or more officers of the Trust, including without limitation, a Chair and a Secretary of the Trustees, provided that:
 - (A) no person shall be deemed to be non-independent under applicable securities laws by reason only of his or her appointment as Chair and/or Secretary of the Trustees), and
 - (B) unless the Independent Trustees otherwise unanimously determine, the Chair shall be an Independent Trustee,

and, without prejudice to rights under any employment contract with the Trust and/or the Manager, may remove any officer of the Trust. The powers and duties of each officer of the Trust will be determined from time to time by the Trustees and, in the absence of such determination, will be those usually applicable to the office held.”; and

- (i) Sub-section 9.3(1) is hereby deleted in its entirety and replaced with the following:
 - (i) “The appointment of the initial Trustees is hereby confirmed, such appointment to be for an initial term of office that, subject to Section 9.6, will expire (subject to further appointment) at the close of the first annual meeting of Voting Unitholders. The Trustees may, between annual meetings of Voting Unitholders, and subject to Section 8.1, appoint one or more additional Trustees to serve until the next annual meeting of Voting Unitholders, but the number of additional Trustees so appointed may not at any time exceed the greater of:

- (A) two Trustees at any time that there are five or more Trustees; and
- (B) one-third of the number of Trustees who held office at the expiration of the immediately preceding annual meeting of Voting Unitholders,

provided that (i) any Trustees appointed pursuant to this Section are Independent Trustees and (ii) the determination to increase the number of Trustees and the decision as to who to appoint as a Trustee is made solely by the then Independent Trustees, who are also the only Trustees eligible to vote on the matter.”;

2. The Declaration of Trust is hereby amended and restated to have effect as of June 4, 2010 (the “Amended and Restated Declaration of Trust”) to give effect to the foregoing resolutions and to correct any minor drafting or other similar typographical errors in such Amended and Restated Declaration of Trust and when so amended and restated, the Amended and Restated Declaration of Trust shall be the declaration of trust of Charter approved by these resolutions; and
3. Any one trustee or officer of Charter be and is hereby authorized, for and on behalf of Charter, to execute and deliver the Amended and Restated Declaration of Trust contemplated by these resolutions, and to execute and deliver any and all documents and instruments and to do all other things as in the opinion or such trustee or officer may be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

In order to be effective, the Declaration of Trust Amendment Resolution must be approved by holders of at least two-thirds of the Units represented at the meeting and voted on a poll upon such resolution.

A copy of the declaration of trust, blacklined to show all these changes, can be viewed on our website and, if approved by unitholders, the Amended and Restated Declaration of Trust will be filed on SEDAR.

Management recommends that unitholders vote IN FAVOUR of the Declaration of Trust Amendment Resolution.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Pursuant to the terms of a management agreement (the “Old Management Agreement”) between the REIT and C.A. Realty Management Inc. (the “Old Manager”) (such Old Management Agreement in effect from March 27, 2007 until June 4, 2010), the Old Manager provided strategic advisory, asset management and administrative services to the REIT, subject to the overriding supervision of the Board. The Old Manager provided the REIT with a management team with significant experience in all aspects of real property asset management, including leasing and tenant relations, property acquisitions and dispositions, real estate and corporate financing and development, redevelopment and construction. The REIT currently has no employees and bears no costs with respect to any staff. All staff has been paid through the Old Management Agreement and continues to be paid through the New Management Agreement.

In accordance with the terms of both the Old Management Agreement and the New Management Agreement, the Old Manager and the New Manager, as applicable, is required to consult with the independent Trustees with regard to compensation decisions for executives who devote substantially all of their time to the business of the REIT. This process helps ensure that the executive officers are compensated adequately, in order to attract, motivate and retain key personnel which is the key objective of the compensation program for the named executive officers set out in the table below entitled “Summary Compensation Table” (the “Named Executive Officers”).

The elements of compensation for the Named Executive Officers who have devoted substantially all of their time to the business of the REIT generally consisted of the following: (i) base salary; (ii) short-term incentives in the form of a cash

bonus; and (iii) long-term incentives in the form of Unit options. These three elements help to motivate key personnel both in the short-term and long-term with a long-term alignment with unitholders. The base salaries and short-term incentives are borne by the Old Manager and the New Manager through the mechanics of the Old Management Agreement and the New Management Agreement, respectively. The long-term incentives in the form of Unit options are borne by the REIT.

With respect to base salary and short-term incentives, there is no formal process in place (other than the consultation with the independent Trustees mentioned above) to adjust the base salaries and short-term incentives.

The base salaries paid to the Named Executive Officers are intended to reward their respective skills, capabilities, knowledge and experience and level of responsibility.

With respect to the short-term cash incentives, in 2009, the Named Executive Officers who devoted substantially all of their time to the business of the REIT received a fixed cash bonus.

The grant of options is designed to encourage long-term ownership in the REIT and also align the interests of the Named Executive Officers with unitholders. See “Unit Option Plan”.

Summary Compensation Table

The following table sets forth a summary of all compensation earned during fiscal 2008 and 2009 by the following Named Executive Officers whose services were provided by the Old Manager.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Option-Based Awards (\$)	Non-Equity Annual Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$)	Total Compensation (\$)
JOHN F. DRISCOLL ⁽²⁾ Chairman	2009	-	-	-	-	-
	2008	-	-	-	-	-
ARI SILVERBERG ⁽³⁾ Former President & Chief Executive Officer	2009	210,000	-	60,000	-	270,000
	2008	210,000	-	60,000	-	270,000
FLORIANA CIPOLLONE Former Chief Financial Officer and current Acting Chief Financial Officer	2009	170,000	-	40,000	-	210,000
	2008	170,000	-	40,000	-	210,000

Notes:

- (1) The compensation disclosed herein to the identified individual was paid by either Sentry Select (on behalf of the Old Manager) or the Old Manager, and represents that amount of the individual's total compensation which was attributable to services rendered to the REIT, on the basis of the proportion of the individual's time which was dedicated to the business and affairs of the REIT in the individual's capacity as an officer during the fiscal years ended December 31, 2008 and 2009. Each of Mr. Silverberg and Ms. Cipollone devoted all of their time to the affairs of the REIT. None of the compensation paid to Mr. Driscoll in 2008 and 2009 by Sentry Select was attributable to services provided by Mr. Driscoll to the REIT as the amount of time devoted to the REIT's affairs by him, as compared to the amount of time he devoted to the business of Sentry Select, was not material.
- (2) From March 27, 2007 until October 13, 2009, John F. Driscoll was Chairman and Chief Executive Officer of the REIT. On October 13, 2009, John Driscoll resigned as Chief Executive Officer of the REIT.
- (3) From February 28, 2007 until October 13, 2009, Ari Silverberg was President & Chief Operating Officer of the REIT. On October 13, 2009, Ari Silverberg became President & Chief Executive Officer of the REIT.

Outstanding Unit-Based Awards and Option-Based Awards

The following table provides a summary of Unit-based awards for each Named Executive Officer outstanding at December 31, 2009.

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

Notes:

- (1) All options have a term of five years and vest in equal proportions as follows: One third immediately on the date of grant, one third on the first anniversary date from the date of grant and one third on the second anniversary date from the date of grant.

Incentive Plan Awards – Value Vested or Earned During Year Ended December 31, 2009

The following table provides a summary of the value vested or earned for incentive plan awards for each Named Executive Officer during the fiscal year ended December 31, 2009.

Name	Option-Based Awards – Value Vested During Fiscal 2009 (\$)	Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2009 (\$)
JOHN F. DRISCOLL Chairman	-	-
ARI SILVERBERG Former President and Chief Executive Officer	-	60,000
FLORIANA CIPOLLONE Former Chief Financial Officer and current Acting Chief Financial Officer	-	40,000

Unit Option Plan

The REIT has proposed an amendment to the Unit Option Plan. The description below does not reflect this amendment. See “Amendment to and Renewal of, Unit Option Plan”.

Charter’s Unit Option Plan authorizes the REIT to grant options for the purchase of Units (“Unit Options”) to any employee, officer, Trustee or director of the REIT or its subsidiaries; any employee of the New Manager; and any consultant of the REIT and its subsidiaries to whom Unit Options can be granted in reliance on a prospectus and registration exemption under applicable securities laws (“Eligible Persons”, and each such person holding Unit Options and participating in the Unit Option Plan is hereinafter referred to as an “Optionee”). The number of Unit Options issuable under the Unit Option Plan is subject to the following restrictions:

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

The Unit Option Plan provides that the terms of the Unit Options granted and the Unit Option prices shall be fixed by the Trustees subject to the price and other restrictions imposed by the relevant regulatory authorities, but shall not be less than the market price per Unit at the time of grant less the permissible discount permitted by the rules of any stock exchange or other regulatory body having jurisdiction. Unit Options granted under the Unit Option Plan are not transferable or assignable. Unit Options granted under the Unit Option Plan shall be for a term determined by the Trustees but in any event must be exercisable for a period not in excess of five years. Unit Options granted under the Unit Option Plan shall vest in such a manner as determined by the Trustees and the exercise price must be paid in full upon exercise of the Unit Option. Notwithstanding the preceding sentence, the Unit Option Plan provides for the automatic vesting of options in the event (i) there is a direct or indirect change in control of Charter, or (ii) an employee

is terminated without cause or resigns for good reason in connection with a change in control of the New Manager. The administration and operation of the Unit Option Plan may be delegated by the Board of Trustees to a committee of the Trustees, any officer of the REIT or to a duly appointed manager of the affairs of the REIT.

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

Securities Authorized for Issuance under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5) sets forth all compensation plans under which equity securities of the Trust are authorized for issuance as of the end of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	1,218,000	\$3.26	628,553
Equity compensation plans not approved by securityholders	—	—	—
Total	1,218,000	\$3.26	628,553

Termination of Employment, Change of Control and Employment Contracts

Ari Silverberg and Floriana Cipollone had employment agreements with the Old Manager which were terminated in connection with the appointment of the New Manager on June 4, 2010.

The employment agreement of Ari Silverberg provided for a base salary of \$210,000 per year. Ms. Cipollone's employment agreement provided for a base salary of \$170,000 per year. Mr. Silverberg's bonus consisted of a fixed bonus of \$60,000 for 2009, while Ms. Cipollone's bonus consisted of a fixed bonus of \$40,000 for 2009. In respect of fiscal years ending after December 31, 2009, bonuses for both Mr. Silverberg and Ms. Cipollone were tied to the REIT achieving certain financial and performance targets as well as achieving certain personal performance measures (collectively, the "REIT Targets"). If the REIT Targets are achieved, Mr. Silverberg and Ms. Cipollone would be entitled to receive a bonus of 50% of base salary. If the REIT Targets are exceeded, then a further discretionary bonus could be awarded of up to 50% of base salary. As well, the employment agreements provided for the payment of a retention bonus of 1/3 of base salary as a result of a hostile take-over bid being made for the shares of the parent of the Old Manager.

The employment agreements for Mr. Silverberg and Ms. Cipollone were for indefinite terms until terminated in accordance with the provisions for termination contained therein. Each of the employment agreements had provisions

that it may be terminated on death of the employee, in certain circumstances where the employee is disabled or for cause. The employment agreements further provided that in any other case of termination of the employment agreement, a lump-sum payment of one year's base salary plus one year's bonus (both as determined based on the average of the last two years) would be payable. Effective June 4, 2010, Mr. Silverberg and Ms. Cipollone's employments were terminated in connection with the appointment of the New Manager. As a result of the termination, Mr. Silverberg was paid a severance of \$270,000, a retention bonus of \$70,000 and a further bonus of \$43,750 and Ms. Cipollone was paid a severance of \$210,000, a retention bonus of \$56,667 and a further bonus of \$35,417.

The Old Management Agreement

The Old Management Agreement provides that, in the event of termination of the Old Management Agreement by (i) the REIT following a change of control of the Old Manager or its parent or (ii) the Old Manager following a change of control of the REIT, and in the event of termination of the Old Management Agreement by either party under certain other circumstances, the REIT is required to pay to the Old Manager an amount equal to three times the annual management fee and is obligated to make an offer to employ the Named Executive Officers who devote substantially all of their time to the business of the REIT, in a similar position with similar responsibilities at the same compensation and on terms and conditions substantially similar to the terms under which such individuals were employed at the time of termination of the Old Management Agreement. Should those individuals not accept the offers of employment and whose employment with the Old Manager, or the entities providing services to the Old Manager in order to permit the Old Manager to fulfil its obligations under the Old Management Agreement, is terminated, then the REIT is required to pay severance costs to those individuals. These arrangements were terminated upon the termination of the Old Management Agreement without the payment of the multiple of the annual management fee and separate termination arrangements were made with the Named Executive Officers, all of which were paid by the Old Manager.

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

The New Management Agreement

The New Management Agreement provides that in the event of termination of the New Management Agreement by (i) the REIT on the expiry of any term of the agreement, or upon the independent Trustees determining that the fees paid to the New Manager are in excess of the expenses that Charter would incur if management were carried out by employees of Charter rather than employees of an external manager, or should IGW REIT Limited Partnership, IGW Public Limited Partnership, League Assets LP or League Assets Corp. or any of their respective affiliates no longer control the New Manager or (ii) the New Manager following a change of control of the REIT (except where the change of control occurred or was agreed to at any time that IGW REI Limited Partnership, IGW Public Limited Partnership, League Assets LP, League Assets Corp. or any of their respective affiliates held or controlled, in aggregate, 20% or more of the issued and outstanding Units immediately prior to the change of control), or in the case of a material breach of the New Management Agreement by Charter or should Charter or the unitholders of Charter agree to wind-up, dissolve, or sell all or substantially all of the assets of Charter, Charter and/or its subsidiaries is required to pay to the New Manager an amount equal to two times the annual management fee, provided that the New Manager pays all costs associated with terminating the employment or services of any named executive officers (and all other employees) and all other costs and expenses incurred or required to be incurred by the New Manager in terminating contracts the New Manager (or entities providing services to the New Manager) entered into in respect of the performance by the New Manager of its obligations under the New Management Agreement. See also "Management Contracts".

Compensation of Trustees

The following table presents the details of all compensation provided to the Trustees for the year ended December 31, 2009.

Name	Fees Earned (\$)	Option-Based Awards	Non-Equity Incentive Plan Compensation	Total (\$)
JANET GRAHAM	\$65,750	–	–	\$65,750
JOHN VAN HAASTRECEHT	\$53,000	–	–	\$53,000
SAUL SHULMAN	\$49,000	–	–	\$49,000
RICHARD J. ZARZECZNY ⁽¹⁾	\$28,000	–	–	\$28,000

Notes:

(1) Richard J. Zarzeczny resigned as a Trustee of the REIT on June 4, 2010.

Each of the Trustees who are not officers of the REIT receive from the REIT an annual retainer in the amount of \$20,000 per year plus a fee of \$1,000 for each meeting of the Board attended. The chair of the Audit Committee receives an extra \$500 for each meeting of the Audit Committee attended. Trustees are also reimbursed for reasonable travel and other expenses incurred by them in attending meetings of the Board or any committee meeting. As well, the Independent Committee received a retainer of \$5,000 plus a fee of \$1,000 for each meeting of the Independent Committee attended. The chair of the Independent Committee received a retainer of \$7,500 plus a fee of \$1,250 for each meeting of the Independent Committee attended. In fiscal 2010, the chair of the Independent Committee received a further retainer of \$20,000. The Trustees may also be granted Unit Options from time to time.

The following table provides a summary of Unit-based awards for each Trustee outstanding at December 31, 2009.

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

Notes:

(1) Richard J. Zarzeczny resigned as a Trustee of the REIT on June 4, 2010 and as a result, Mr. Zarzeczny will have 90 days to exercise his options, which period ends on September 2, 2010. Any options unexercised at this date will be cancelled.

MANAGEMENT CONTRACTS

Under the Old Management Agreement (which is described in more detail in the Annual Information Form of the REIT dated April 12, 2010 and filed on SEDAR), management fees of \$439,906 for the year ended December 31, 2009 were paid and payable to the Old Manager.

New Management Agreement

The REIT is currently managed by the New Manager pursuant to the New Management Agreement. The registered office of the New Manager is 217-2187 Oak Bay Avenue, Vancouver, British Columbia V8R 1G1. The initial term of the New Management Agreement is for a three year period, expiring on June 4, 2013. Upon expiry of the initial term, the New Management Agreement will renew automatically for successive three year terms, unless terminated in accordance with its terms.

Management Services

Services provided to the REIT under the Management Agreement include:

- (a) managing the day-to-day operations of the REIT;
- (b) preparing or overseeing the preparation of annual budgets and business plans for presentation to the Trustees;
- (c) advising the Trustees on strategic matters relating to properties, potential acquisitions, dispositions and development, and Unit value maximization;
- (d) searching for, identifying, introducing, evaluating and screening property acquisition opportunities;
- (e) conducting and/or managing due diligence with respect to potential acquisitions;
- (f) structuring, sourcing, negotiating and organizing the financing of acquisitions;
- (g) organizing and coordinating the completion of investments, including structuring and negotiating the business terms on which acquisitions are made;
- (h) monitoring and maintaining the REIT's properties (including retaining property management and leasing agents);
- (i) overseeing the lease negotiations and providing leasing guidelines with respect to the leasing of the REIT's properties;
- (j) re-developing or re-selling the REIT's properties;
- (k) providing investor relations services to the REIT;
- (l) providing advice and assistance in connection with the REIT's borrowings, raising of capital and issuance of securities, including representing the REIT in its dealings with banks and other lenders, investment dealers, institutions and investors;
- (m) conducting day-to-day relations on behalf of the REIT with third parties, including property managers, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;
- (n) managing and providing direction to the REIT's property manager(s) and negotiating arrangements for the engagement of any new property manager(s) or the renewal of the arrangements with existing property manager(s); and
- (o) such further duties as may be reasonably required by the REIT or its subsidiaries, provided that, if any strategic advisory or asset management services provided by the Manager to the REIT and its subsidiaries may increase the risk that the REIT will be a SIFT trust, the Manager is obliged to notify the Trustees of such risk.

The Manager also provides administrative services to the REIT, including:

- (a) accounting, reporting and financial preparation relating to the REIT and its subsidiaries, including record-keeping, preparation of financial statements and filing tax returns;

- (b) activities related to the REIT's public company and reporting issuer status, including investor relations services, assistance in determining and making distributions payable to Unitholders and advice with respect to the REIT's obligations as a reporting issuer (including its continuous disclosure obligations);
- (c) administrative services, including administrative support with respect to the holding of Trustees' and Unitholder's meetings, provision of office space, provision of any necessary equipment and personnel, and provision of all corporate accounting, clerical, secretarial, corporate and administrative services as may be reasonably necessary; and
- (d) such further duties as may be reasonably required by the REIT and its subsidiaries.

The New Management Agreement also provides that the New Management Agreement may be terminated if the independent Trustees determine to employ individuals directly by the REIT rather than by the New Manager where the independent Trustees determine the cost of doing so would be less on an annual basis than the fees paid to the New Manager under the New Management Agreement (an "Internalization Decision"). See "Statement of Executive Compensation – Termination of Employment, Change of Control and Employment Contracts".

The management services are currently provided by Patrick Miniutti, as Chief Executive Officer and Floriana Cipollone, as Acting Chief Financial Officer (pursuant to a short term consulting agreement which expires August 15, 2010), with assistance from Ari Silverberg pursuant to a short term consulting agreement (which expires August 15, 2010). Patrick Miniutti devotes as much time as is necessary to the business and affairs of the REIT. Floriana Cipollone devotes substantially all of her time to the business and affairs of the REIT.

As the REIT grows, the New Manager will provide additional executives to the REIT in order to fulfil its obligations under the New Management Agreement as recommended by the Trustees and agreed to by the Trustees and the New Manager. All costs associated with the executives and additional executives and additional personnel shall be borne by the New Manager. In accordance with the terms of the New Management Agreement, the New Manager is required to consult with the independent Trustees with regard to compensation decisions for executives who devote substantially all of their time to the business of the REIT. In the event that any executive providing services to the REIT ceases to do so for any reason, the New Manager will replace such individual with another employee with similar qualifications and experience.

Nomination Rights

Prior to each annual meeting of holders of Units and any special meeting of holders of Units at which Trustees are to be elected and so long as the number of Trustees to be elected is at least five, the New Manager is entitled to designate two individuals pursuant to section 9.2(1) of the Declaration of Trust (which may include the reappointment of an incumbent Trustee) to stand for election as a Trustee at such meeting.

Fees

Pursuant to the terms of the New Management Agreement, the REIT pays the New Manager an annual management fee equal to 0.30% of the Adjusted Book Value of the REIT's assets, paid quarterly in arrears, and an acquisition fee equal to 0.50% of the "property cost" of each property acquired by the REIT and/or its subsidiaries during the quarter. For the purposes of the New Management Agreement, the property cost means the purchase cost of an acquired property (for greater certainty whether paid in cash, by the assumption of any mortgage or other indebtedness, the issuance of debt or equity, or in any other manner), excluding the fees payable to the New Manager for the acquisition and all out-of-pocket costs incurred by the REIT or its subsidiaries in connection with the acquisition, including legal fees and disbursements, registration and filing fees, land transfer and sales taxes, all calculated in accordance with Canadian generally accepted accounting principles applicable to the real estate industry, applied on a consistent basis.

Term and Termination

The initial term of the New Management Agreement is for a three year period, expiring on June 4, 2013. Upon expiry of the initial term, the New Management Agreement will renew automatically for successive three year terms, unless terminated in accordance with its terms.

The New Management Agreement provides that in the event of termination of the New Management Agreement by (a) the REIT on an expiry of any term of the agreement or upon the independent Trustees making an Internalization Decision or where IGW REIT Limited Partnership, IGW Public Limited Partnership, League Assets LP, League Assets Corp. or their respective affiliates, no longer control the New Manager (b) the New Manager (i) following a change of control of the REIT (except where the change of control occurred or was agreed to at any time that the IGW REIT Limited Partnership, IGW Public Limited Partnership, League Assets LP, League Assets Corp. or any of their respective affiliates held or controlled, in aggregate, 20% or more of the issued and outstanding Units immediately prior to the change of control) (ii) following the passing of a resolution by the REIT or its Unitholders or securityholders (as applicable) or authorization of or proceeding with a termination, winding up or dissolution of the REIT, or a sale or transfer of all or substantially all of the assets of the REIT to a person or persons that are not parties to the New Management Agreement (other than pursuant to an internal reorganization); or (iii) following a material breach of the New Management Agreement by the REIT and/or its subsidiaries is required to, within ninety days of such termination:

- (a) pay to the New Manager an amount equal to two times the annual management fee, provided that the New Manager pays (i) all costs associated with terminating the employment or services of any named executive officers (and all other employees) and (ii) all other costs and expenses incurred or required to be incurred by the New Manager in terminating contracts the New Manager (or entities providing services to the New Manager) entered into in respect of the performance by the New Manager of its obligations under the New Management Agreement; and
- (b) pay to the New Manager all other amounts owed to it under the New Management Agreement.

A “change of control” is defined in the New Management Agreement and means (i) in the case a public entity, the direct or indirect acquisition of beneficial ownership of, or control or direction over, voting securities of such entity representing 20% or more of the outstanding voting securities of such entity or any successor to such entity by any person or combination of persons acting “jointly or in concert” (as such term is used in Part XX of the *Securities Act* (Ontario)), and (ii) in the case of a privately held entity, the direct or indirect acquisition of beneficial ownership of, or control or direction over, voting securities of such entity representing 50% or more of the outstanding voting securities of such entity by any person or combination of persons acting “jointly or in concert” (as such term is used in Part XX of the *Securities Act* (Ontario)).

The New Manager will not be entitled to any termination payment under the New Management Agreement if the New Management Agreement is terminated by (a) the REIT, in the event of (i) a material breach of the New Management Agreement by the New Manager, (ii) the commission by the New Manager or any of its agents or employees of an act of fraud, misconduct, breach of fiduciary duty, negligence or wilful breach of applicable laws, or (iii) a breach by the New Manager of the Non-Competition Agreement described below (the provisions of (a) are referred to, collectively as the “Breach Provisions”); (b) the New Manager, in the event it terminates the New Management Agreement (i) at any time upon not less than 180 days’ prior written notice to the REIT, or (ii) because the REIT makes a filing or takes certain other actions under applicable bankruptcy or insolvency law; or (c) the REIT, in the event the New Manager or its unitholders or securityholders (as applicable) (i) pass a resolution or otherwise authorizes or proceeds with a termination, winding up, dissolution or a sale of all or substantially all of its assets to a person or persons that are not parties to the New Management Agreement other than pursuant to an internal reorganization, or (ii) makes a filing or takes certain other actions under applicable bankruptcy or insolvency laws.

Expenses Assumed by the New Manager

The expenses assumed by the New Manager under the New Management Agreement include expenses of the executives, additional executives and employees providing services to the REIT or its subsidiaries to fulfill the New

Manager's obligations under the New Management Agreement and includes the New Manager's overhead (such as rent and office supplies) incurred in performing its duties under the New Management Agreement. The REIT will be responsible for paying all expenses of the REIT not required to be assumed by the New Manager (including fees paid to Trustees, professional advisors and any property managers), and shall reimburse the New Manager for any out-of-pocket costs directly incurred by the New Manager in performing any of the services required of it under the New Management Agreement.

A copy of the New Management Agreement has been filed on SEDAR.

Non-Competition Agreement

In connection with the entering into of the New Management Agreement, IGW Public Limited Partnership, the New Manager and League Assets LP (collectively, for the purposes of this section, the "Restricted Parties"), entered into the Non-Competition Agreement with the REIT effective June 4, 2010.

Pursuant to the Non-Competition Agreement, each of the Restricted Parties agreed that it will not, and will cause its affiliates not to, directly or indirectly, by way of an investment in shares or other ownership interests in any Person, and either individually or in partnership or jointly or in concert with any other Person:

- (a) create, manage or provide Restricted Management Services to another Person (including a real estate investment trust) which is not League, the New Manager or an affiliate of the New Manager and which carries on the primary business of the acquisition, development and/or management of Restricted Real Estate Assets;
- (b) purchase any Restricted Real Estate Asset or develop any property that, on completion of development, will be a Restricted Real Estate Asset, other than as permitted under the Non-Competition Agreement; or
- (c) provide strategic, advisory and asset management services for any Restricted Real Estate Asset the equity interests in which are not all held by League, the New Manager or their respective affiliates.

For the purposes of the Non-Competition Agreement, a "Restricted Real Estate Asset" is defined as any Retail Property or Mixed Use Property located in Canada. A "Retail Property" is defined as a property that derives substantially all of its revenues from rents paid by tenants whose principal business is the sale of consumer goods and/or services directly to consumers through retail stores and includes restaurants, entertainment facilities (such as movie theatres) or other facilities which are normally found in shopping centres, but does not include self-storage facilities, nursing home or health care facilities, hotels or sports facilities. A "Mixed Use Property" is defined as a property that derives 40% or more of its revenues (calculated based on the most recently prepared financial statements or similar information for the property) from tenants that would normally be found in a Retail Property.

The Non-Competition Agreement contains exceptions from the foregoing covenants as follows:

- (a) interests arising as a securityholder of the REIT;
- (b) properties acquired for development pursuant to the terms of any development or joint venture agreement entered into between the Restricted Party and the REIT or any of the REIT's subsidiaries;
- (c) properties or investments that have been first offered to the REIT pursuant to the terms of the Non-Competition Agreement and which the REIT notified or was deemed to have notified the Restricted Party pursuant to the terms of the Non-Competition Agreement that it was not interested in pursuing such property;
- (d) any loan or mortgage and, in the event of a foreclosure under a loan or mortgage, an ownership interest in any Restricted Real Estate Asset resulting from such foreclosure provided that the loan or

mortgage was not made or granted with the intention of using such loan or mortgage as part of a method for subsequently acquiring an interest in a Restricted Real Estate Asset;

- (e) an investment in publicly traded securities, provided that such investment represents less than 10% of the voting interest of the issuer of such publicly traded securities at the time of the investment; or
- (f) any activities that have been specifically approved by the independent Trustees.

The covenants contained in the Non-Competition Agreement will remain in effect until the earlier of:

- (a) the date that is six months after the date of termination of the New Management Agreement if the New Management Agreement is terminated by the REIT in accordance with the Breach Provisions or in circumstances where the New Management Agreement has been terminated and the REIT is obligated to pay a fee to the New Manager; or
- (b) the date of termination of the New Management Agreement if the New Management Agreement is terminated by the New Manager in the event of a material breach by the REIT of its obligations under the New Management Agreement or in circumstances where the New Management Agreement has been terminated and the REIT is not obligated to pay a fee to the New Manager.

A copy of the Non-Competition Agreement has been filed on SEDAR.

About the New Manager

The New Manager (LAPP Global Asset Management Corp.) is a wholly-owned subsidiary of IGW Public Limited Partnership, a significant unitholder of the REIT. The directors and officers of the New Manager are set out below. The New Manager will contract the services of personnel from League Assets Corp. on an as needed basis.

League Assets Corp. is owned by League Assets LP. League Assets Corp. has extensive real estate and REIT experience. It manages IGW REIT LP and a number of other limited partnerships with holdings of over \$400 million in commercial and residential real estate, primarily retail properties.

IGW Public Limited Partnership is a limited partnership of which IGW REIT Limited Partnership owns 100% of the general and limited partnership interests. IGW REIT Limited Partnership is managed by League Assets Corp.

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

Directors and Officers of LAPP Global Asset Management Corp. (the New Manager)

Name	Position	Province of Residence
ADAM D. GANT	Director and Chief Executive Officer	British Columbia
EMANUEL ARRUDA	Director and Chairman of the Board	British Columbia
BRIEN BIONDI	President and Chief Operating Officer	Virginia
PATRICK MINIUTTI	Chief Financial Officer	British Columbia
JAMES WALLACE	Vice-President, Operations	British Columbia
ANDREW SEARLE	Chief Accounting Officer	British Columbia
DIONNE BARNES	Director of Financial Operations	British Columbia

Information regarding the directors and officers of League Assets Corp. is set forth in the chart below:

Directors and Officers of League Assets Corp.

Name	Position	Province of Residence
ADAM D. GANT	Director and Chief Executive Officer	British Columbia
EMANUEL ARRUDA	Director and Chairman of the Board	British Columbia
BRIEN BIONDI	President and Chief Operating Officer	Virginia
PATRICK MINIUTTI	Chief Financial Officer	British Columbia
JAMES WALLACE	Vice-President, Operations	British Columbia
JACCO KOOY	Vice President, Derivatives and Risk Management	British Columbia
DAVID YAN	Vice President, Member Services	British Columbia
GRAHAM CARROTHERS (resigning effective June 26, 2010)	General Counsel	British Columbia
ANDREW SEARLE	Chief Accounting Officer	British Columbia
DIONNE BARNES	Director of Financial Operations	British Columbia

IGW Public Limited Partnership is a significant unitholder of the REIT. Information regarding the directors and officers of IGW Public GP Inc., the general manager of IGW Public LP is set forth in the chart below:

Directors and Officers of IGW Public GP Inc.

Name	Position	Province of Residence
ADAM D. GANT	Director and Chief Executive Officer	British Columbia
EMANUEL ARRUDA	Director	British Columbia
PATRICK MINIUTTI	Chief Financial Officer	British Columbia

INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND SENIOR OFFICERS

None of the Trustees, executive officers or senior officers of the REIT or their respective associates were indebted at any time during fiscal 2009 to the REIT or its subsidiaries in connection with the purchase of the REIT's securities, excluding routine indebtedness or indebtedness that has been entirely repaid. As of the date of this Circular, there was no indebtedness to the REIT and its subsidiaries, excluding routine indebtedness, owing by present and former Trustees, officers and employees of the REIT and its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Patrick Miniutti is a Trustee and Chief Executive Officer of the REIT and is the chief financial officer of the New Manager. Louis Maroun is a nominee of the New Manager. Floriana Cipollone is the acting Chief Financial Officer of the REIT pursuant to a consulting agreement with the New Manager and Charter.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

TRUSTEES’ AND OFFICERS’ LIABILITY INSURANCE AND INDEMNIFICATION

The REIT maintains insurance coverage for the Trustees and officers of the REIT for eligible claims arising during the course of their duties. The annual policy limit for the 2009/2010 term was \$5,000,000. Under the policy, the insurer will pay on behalf of the REIT for eligible claims against the Trustees, directors and officers in circumstances where the REIT is permitted or required to provide indemnification. Claims that are indemnified by the REIT are subject to the policy deductible of \$75,000. In addition, the insurance will pay on behalf of the individual Trustees, directors and officers eligible claims in the instance where the REIT is not in a position to provide indemnification. No deductible applies in this case. The insurance coverage has certain exclusions including, but not limited to, those acts determined to be deliberately fraudulent or dishonest or to have resulted in unauthorized personal profit or advantage. The REIT also maintains additional insurance coverage for the non-executive Trustees of the REIT (over and above the insurance described above) for eligible claims arising during the course of their duties. The additional annual policy limit for the 2009/2010 term was \$2,000,000. The \$2,000,000 of coverage for the non-executive Trustees is excess of the underlying insurance coverage of \$5,000,000 for the Trustees and officers of the REIT described above and is subject to the same terms and conditions. The cost of both insurances is borne by the REIT and was \$52,160 for the 2009/2010 annual policy term. The Trustees and officers have also entered into contractual indemnities with regard to the above indemnification obligations.

AUDIT COMMITTEE INFORMATION

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

Audit Committee Charter

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

Composition and Education

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

Name	Relevant Education and Experience
JANET GRAHAM	<ul style="list-style-type: none"> • Director and Chair of Audit Committee of Leisureworld Senior Care Corporation, a Canadian public corporation which is a long term care provider • Director and Chair of Audit Committee of Toronto Waterfront Revitalization Corporation, a corporation without share capital • Director of Crystal River Capital, Inc., a public Maryland corporation formed in January 2005 for the purpose of acquiring and originating a diversified portfolio of commercial and residential real estate assets and structured finance investments • Former trustee of IPC US Real Estate Investment Trust, a publicly traded Canadian real estate investment trust • Master of Business Administration degree from York University • Chartered Accountant
JOHN VAN HAASTRECHT.....	<ul style="list-style-type: none"> • President of Vanreal Ltd., an operator and developer of commercial retail shopping centres • Former trustee and President and Chief Executive Officer of Morguard Real Estate Investment Trust, a publicly traded real estate investment trust • Applied Science degree from Royal Military College
SAUL SHULMAN	<ul style="list-style-type: none"> • Chief Executive Officer of MLG Management Inc. • Director of Tricon Capital Group Inc., a leading provider of equity and mezzanine loans to North America's real estate development industry • Former Chair, Trustee and member of the Audit Committee of Summit Real Estate Investment Trust (now ING Real Estate Investment Trust), a public real estate investment trust • Former director and member of the Audit Committee of Triumph Energy Inc. • Bachelor of Commerce degree from the University of Windsor • Bachelor of Laws degree from Osgoode Hall

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

Reliance on Certain Exemptions

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

Pre-approval Policies and Procedures

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

External Auditor Service Fees (By Category)

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

	<u>2009</u>
Deloitte & Touche LLP	
Audit Fees ⁽¹⁾	\$143,000
Audit-Related Fees ⁽²⁾	15,000
Tax Fees ⁽³⁾	13,000
All Other Fees ⁽⁴⁾	-
Total.....	<u>\$171,000</u>

Notes:

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

OTHER MATTERS

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

Information stated in this Circular is dated as at June 4, 2010 except where otherwise indicated.

ADDITIONAL INFORMATION

Additional information relating to the REIT is available on SEDAR at www.SEDAR.com and financial information relating to the REIT is provided in the Financial Statements and MD&A for the fiscal year ended December 31, 2009.

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

APPROVAL BY THE TRUSTEES

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

Dated: June 4, 2010

BY ORDER OF THE BOARD OF TRUSTEES

"Patrick Miniutti" (signed)
Chief Executive Officer

EXHIBIT “A”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

While the business and affairs of Charter Real Estate Investment Trust (“Charter”) are managed by the Board of Trustees (the “Board”), prior to June 4, 2010, Charter delegated responsibility for managerial and executive oversight and certain administrative services to C.A. Realty Management Inc. (the “Old Manager”) pursuant to the management agreement dated March 27, 2007 (the “Old Management Agreement”). On June 4, 2010, the Old Management Agreement was terminated, and Charter delegated LAPP Global Asset Management Inc. (the “Manager”) responsibility for managerial and executive oversight and certain administrative services to LAPP Global Asset Management Inc. (the “Manager”) pursuant to the management agreement dated June 4, 2010 (the “Management Agreement”).

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

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

Mandate of the Board of Trustees

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

Composition of the Board

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

Prior to June 4, 2010, although Charter did not have a lead Trustee, three of the five members of the Board were independent under applicable securities laws. Mr. John F. Driscoll (the Chair of the Board) was not independent because he was Charter’s Chief Executive Officer and a nominee of the Old Manager. Mr. Richard Zarzeczny was not independent because he was a nominee of the Old Manager and a director of C.A. Bancorp Inc. (parent company to the Old Manager).

After June 4, 2010, although Charter does not have a lead Trustee, four of the five members of the Board are independent under applicable securities laws. Mr. Patrick Miniutti is not independent because he is a Charter’s Chief Executive Officer, a nominee of the New Manager and a director and officer of the New Manager. Mr. Louis Maroun, although he is the nominee of the New Manager is independent as he is not employed by the New Manager or its affiliates.

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

Board Committees

To assist in the discharge of its responsibilities, the Board has established the Audit Committee. All of the members of the Audit Committee are “independent” within the meaning of applicable securities laws. The Audit Committee operates

pursuant to a written charter and meets “in camera” at each meeting. Other committees may be established by the Board from time to time as circumstances require.

Nomination of Trustees

In lieu of delegating such tasks to a corporate governance and nominating committee, the independent Trustees of the Board have the responsibility of identifying individuals qualified to become new Trustees of Charter by a process to be established by them and recommending these individuals to the Board the Trustees to be nominated for election at annual meetings of unitholders.

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

Position Descriptions

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

Orientation and Continuing Education of New Trustees

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

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

Compensation

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

Ethical Business Conduct

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

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

Assessments

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

CEO and CFO Certification of Financial Statements

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

Communication Policies

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

EXHIBIT “B”
MANDATE OF THE BOARD OF TRUSTEES
OF
CHARTER REAL ESTATE INVESTMENT TRUST¹

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

1. Composition

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

2. Responsibilities of the Board of Trustees

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

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

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

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

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

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

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

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

3. Responsibilities of Chair

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

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

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

4. Corporate Governance

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

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

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

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

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

² Section 6.3 of the Management Agreement states that compensation matters should be addressed by the independent trustees.

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

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

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

5. Decisions Requiring Prior Approval of the Board of Trustees

Approval of the board shall be required for:

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

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

6. Measures for Receiving Unitholder Feedback

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

7. Meetings

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

8. Meeting Guidelines

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

9. Remuneration

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

10. Telephone Board Meetings

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

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

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

11. Expectations of Management

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

APPENDIX A

POLICY OF PRACTICES FOR TRUSTEES

Attendance at Meetings

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

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

Preparation for Meetings

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

Conduct at Meetings

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

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

Knowledge of the Issuer's Business

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

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

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

Personal Conduct

Trustees are expected to:

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

Independent Advice

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

Other Trusteeships and Significant Activities

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

APPENDIX B

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

EXHIBIT “C”
AUDIT COMMITTEE CHARTER
OF
CHARTER REAL ESTATE INVESTMENT TRUST

PURPOSE

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

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

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

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

The Committee is not responsible for:

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

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

REPORTS

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

- the quality or integrity of the REIT’s financial statements;
- compliance by the REIT with legal or regulatory requirements in respect of financial matters and disclosure;

- the performance and independence of the REIT's independent auditor;
- the effectiveness of systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the REIT; and
- the proper maintenance of accounting and other records.

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

COMPOSITION

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

RESPONSIBILITIES

Independent Auditors

The Committee shall:

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

The Audit Process, Financial Statements and Related Disclosure

The Committee shall, as it determines to be appropriate:

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

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

Compliance

The Committee shall, as it determines appropriate:

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

Delegation

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

MEETINGS

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

INDEPENDENT ADVICE

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

ANNUAL EVALUATION

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

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

SCHEDULE “A”

Qualifications, Performance and Independence of Independent Auditor

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

