



ARTIS REAL ESTATE INVESTMENT TRUST

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2011

Dated March 30, 2012

TABLE OF CONTENTS

GLOSSARY	1
FORWARD-LOOKING STATEMENTS	5
CASH DISTRIBUTIONS	5
ARTIS REAL ESTATE INVESTMENT TRUST	1
PROPERTY PORTFOLIO	10
RECENT DEVELOPMENTS	39
RISK FACTORS	41
SUMMARY OF DECLARATION OF TRUST	49
INVESTMENT GUIDELINES AND OPERATING POLICIES	57
DISTRIBUTIONS AND DISTRIBUTION POLICY	60
THE PARTNERSHIP	62
DESCRIPTION OF CAPITAL STRUCTURE	63
MARKET FOR SECURITIES	74
ESCROWED SECURITIES	76
TRUSTEES AND OFFICERS	76
MANAGEMENT OF ARTIS	84
PROMOTERS	85
LEGAL PROCEEDINGS	85
INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS	86
REGISTRAR AND TRANSFER AGENT	86
MATERIAL CONTRACTS	86
INTERESTS OF EXPERTS	87
ADDITIONAL INFORMATION	87
APPENDIX "A"	1

GLOSSARY

The following capitalized terms used in this annual information form have the meanings set forth below.

“Artis” means Artis Real Estate Investment Trust, an unincorporated open-end trust formed under the laws of the Province of Manitoba on November 8, 2004 and governed by the Declaration of Trust and includes, where the context requires, Subsidiaries;

“Asset Management Agreement” means the asset management agreement made effective February 1, 2005 between Artis and Marwest Management Canada Ltd., as amended effective August 1, 2005, as further amended effective January 31, 2007 to add the Partnership as a party, which agreement was assigned from Marwest Management Canada Ltd. to Marwest effective November 1, 2009, and which agreement terminated effective December 31, 2011;

“Debentures” means, collectively, the Series C Debentures, the Series D Debentures, the Series E Debentures, the Series F Debentures, and the Series G Debentures;

“Declaration of Trust” means the amended and restated declaration of trust of Artis dated May 19, 2011 pursuant to which Artis is governed under the laws of the Province of Manitoba, as may be amended, supplemented and/or restated from time to time;

“Distribution Date” means, with respect to a distribution by Artis, a date that is on or about the 15th day of the month following the calendar month (or other period determined by the Trustees) to which such distribution relates;

“DRIP” means the distribution reinvestment and unit purchase plan dated June 9, 2006 which has been implemented by Artis;

“Exchange Agreement” means the exchange agreement which may be entered into between Artis, the Partnership, the General Partner and the holder(s) of Exchangeable LP Units from time to time, as may be amended from time to time;

“Exchangeable LP Units” means the Class B limited partnership units of the Partnership which: (i) entitle the holder thereof to receive distributions of distributable cash of the Partnership which are the economic equivalent (to the extent possible) to the distributions on Units; (ii) are exchangeable at the option of the holder into Units on a one-for-one basis (subject to anti-dilution adjustments); and (iii) are accompanied by Special Voting Units;

“GAAP” means the generally accepted accounting principles described by the Canadian Institute of Chartered Accountants (“CICA”) Handbook – Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. As a publicly accountable enterprise, Artis applies the International Financial Reporting Standards (“IFRS”) described in Part I of the CICA Handbook – Accounting;

“General Partner” means Artis General Partner Inc., a wholly-owned Subsidiary of Artis, which is the general partner of the Partnership;

“GLA” means gross leasable area;

“Gross Book Value” means, at any time, the consolidated book value of the assets of Artis, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated depreciation and amortization for buildings, tenant improvements, equipment, in-place lease values, below- and above-market leases, and tenant relationship values shown thereon or in the notes thereto, plus the amount of future income tax liability arising out of any indirect acquisitions shown thereon or in the notes thereto, or, if approved by the Trustees at any time, the appraised value of Artis may be used instead of book value;

“Incentive Plan” means the equity incentive plan adopted by Artis on May 19, 2011, as more particularly described under “Description of Capital Structure – Equity Incentive Plan”;

“Indenture Trustee” means CIBC Mellon Trust Company or BNY Trust Company of Canada, as the case may be, in its capacity as indenture trustee under the Series C Trust Indenture, the Series D Trust Indenture, the Series E Trust Indenture, the Series F Trust Indenture, and/or the Series G Trust Indenture, as the context requires;

“Independent Trustees” means those Trustees who are independent within the meaning of National Instrument 58-101-*Disclosure of Corporate Governance Practices*;

“Marwest” means Marwest Realty Advisors Inc., a corporation incorporated under the laws of the Province of Manitoba, and which is indirectly owned and controlled by related parties of Armin Martens and Cornelius Martens and other members of the Martens family;

“Marwest Management” means Marwest Management Canada Ltd., a corporation incorporated under the laws of the Province of Manitoba, and which is indirectly owned and controlled by related parties of Armin Martens and Cornelius Martens and other members of the Martens family;

“Net Realized Capital Gains” means, for any period, the amount, if any, by which the amount of the capital gains for Artis for the period exceeds the amount of any capital losses of Artis for the period determined in accordance with the Tax Act;

“Non-Resident” means any person that is not a resident of Canada and any partnership that is not a Canadian partnership within the meaning of the Tax Act;

“Partnership” means AX L.P., a limited partnership formed under the laws of the Province of Manitoba pursuant to the Partnership Agreement;

“Partnership Agreement” means the limited partnership agreement dated October 31, 2006 between the General Partner, as general partner, and Artis, as limited partner, as amended from time to time;

“Preferred Units” means preferred equity securities of Artis, which, subject to the Trustees making further amendments to the Declaration of Trust, may be issued in series, which would have the rights and privileges determined by the Trustees and may entitle the holder thereof to receive cumulative distributions at fixed rates of return in priority to distributions paid on the Units;

“Property Management Agreement” means the property management agreement dated effective February 1, 2005 between Artis and Marwest Management, as amended effective January 31, 2007 to add the Partnership as a party, and as further amended effective August 1, 2009, as may be further amended from time to time;

“Registered Plans” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act, and a “Registered Plan” means any one of them;

“REIT Exception” means the exception from the SIFT Rules available to a SIFT trust, which satisfies a series of conditions relating to the nature of a SIFT’s revenue and property as more particularly described under “Risk Factors – Changes in Legislation and Investment Eligibility”;

“Rights Plan” means the Unitholders’ rights plan adopted by Artis on May 16, 2008, as amended and/or renewed from time to time;

“Senior Indebtedness” means all indebtedness, obligations and liabilities of Artis and any of its Subsidiaries in respect of borrowed money from institutional lenders, trade creditors, or other lenders incurred in connection with property acquisitions or transactions, including without limitation an operating line of credit, other than (i) the indebtedness of Artis under the Trust Indentures; (ii) indebtedness which, by the terms of the instrument creating or evidencing same, is expressed to rank *pari passu* or subordinate to the indebtedness of Artis evidenced by the Trust Indentures; (iii) indebtedness of Artis to persons not dealing at arm’s length to Artis; and (iv) indebtedness of Artis under the Series C Debentures issued pursuant to the Series C Trust Indenture, the Series D Debenture issued pursuant to the Series D Trust Indenture, the Series E Debentures issued pursuant to the Series E Trust Indenture, the Series F Debentures issued pursuant to the Series F Trust Indenture, and the Series G Debenture issued pursuant to the Series G Trust Indenture;

“Series C Debentures” means the 7-Year 6.25% Series C Convertible Redeemable Debentures of Artis due May 31, 2013 issued pursuant to the Series C Trust Indenture;

“Series C Trust Indenture” means the trust indenture dated May 4, 2006 between Artis and CIBC Mellon Trust Company in its capacity as Indenture Trustee relating to the Series C Debentures;

“Series D Debentures” means the 7-Year 5.00% Series D Convertible Debenture of Artis dated November 30, 2007 and due November 30, 2014 issued pursuant to the Series D Trust Indenture;

“Series D Trust Indenture” means the trust indenture dated April 9, 2010 between Artis and CIBC Mellon Trust Company in its capacity as Indenture Trustee relating to the Series D Debentures;

“Series E Debentures” means the 5-Year 7.50% Series E Convertible Redeemable Unsecured Subordinated Debentures of Artis due June 30, 2014 issued pursuant to the Series E Trust Indenture;

“Series E Trust Indenture” means the trust indenture dated July 9, 2009 between Artis and CIBC Mellon Trust Company in its capacity as Indenture Trustee relating to the Series E Debentures;

“Series F Debentures” means the 10-Year 6.00% Series F Convertible Redeemable Unsecured Subordinated Debentures of Artis due June 30, 2020 issued pursuant to the Series F Trust Indenture;

“Series F Trust Indenture” means the trust indenture dated April 22, 2010 between Artis and CIBC Mellon Trust Company in its capacity as Indenture Trustee relating to the Series F Debentures;

“Series G Debentures” means the 7-Year 5.75% Series G Convertible Redeemable Unsecured Subordinated Debentures of Artis due June 30, 2016 issued pursuant to the Series G Trust Indenture;

“Series G Trust Indenture” means the trust indenture dated April 21, 2011 between Artis and BNY Trust Company of Canada in its capacity as Indenture Trustee relating to the Series G Debentures;

“SIFT” means a SIFT trust or a SIFT partnership as defined in the SIFT Rules;

“SIFT Rules” means the provisions of the Tax Act proclaimed in force on June 22, 2007, as amended, which implement the changes announced by the Minister of Finance (Canada) on October 31, 2006 as the “Tax Fairness Plan”, which modify the tax treatment of “specified investment flow throughs”, including publicly traded income trusts and limited partnerships and the tax treatment of their unitholders, as more particularly described under “Risk Factors – SIFT Rules”;

“Special Unitholder(s)” means the holder(s) of Special Voting Units;

“Special Voting Units” means the non-participating voting units of Artis, which are issuable to the holders of Exchangeable LP Units (or other securities which may be exchangeable for Units) from time to time and which entitle the holder thereof to receive notice of, and to attend, meetings of Unitholders and to vote the number of Units that may be received in exchange for such Exchangeable LP Units (or other securities which may be exchangeable for Units);

“Subsidiary” means any person, company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by Artis;

“Tax Act” means the *Income Tax Act* (Canada), as amended;

“Trust Indentures” means, collectively, the Series C Trust Indenture, the Series D Trust Indenture, the Series E Trust Indenture, the Series F Trust Indenture, and the Series G Trust Indenture;

“Trustee” means a trustee of Artis and **“Trustees”** means all of the trustees of Artis;

“TSX” means the Toronto Stock Exchange;

“Unit” means a trust unit in Artis, but does not include a Preferred Unit;

“Unitholder(s)” means the holder(s) of Units; and

“Voting Unitholder(s)” means, collectively, Unitholders and Special Unitholders.

FORWARD-LOOKING STATEMENTS

Statements in this annual information form are made as at December 31, 2011 or such other date set forth in the statement. All references to dollars (\$) in this annual information form shall refer to Canadian dollars, unless otherwise specified.

Certain statements contained in this annual information form are “forward-looking statements” that reflect management’s expectations regarding the future growth, results of operations, performance, prospects and opportunities of Artis. All statements other than statements of historical fact contained in this annual information form are forward-looking statements including, without limitation, statements regarding the timing and amount of distributions and the future financial position, business strategy, potential acquisitions, plans and objectives of Artis. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in forward-looking statements including risks associated with changes and with proposed changes in the tax treatment of trusts, real property ownership, availability of cash flow, restrictions on redemption, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, Unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel and changes in legislation. Although the forward-looking statements contained in this annual information form are based upon what management believes to be reasonable assumptions, Artis cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Unless otherwise specified, the forward-looking statements contained herein are made as of December 31, 2011, and neither Artis nor any other person assumes any obligation to update or revise such forward-looking statements to reflect new information, events or circumstances, except as expressly required under applicable securities laws.

CASH DISTRIBUTIONS

A return on an investment in Units is not comparable to the return on an investment in a fixed income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions. Although Artis intends to make distributions of a significant percentage of its available cash to Unitholders, such cash distributions are not assured and may be reduced, suspended or discontinued. The ability of Artis to make cash distributions and the actual amount of cash distributed will be dependent upon, among other things, the financial performance of the properties in its portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons, including if Artis is unable to meet its cash distribution targets in the future, and such decline may be significant. It is important for a person making an investment in Units to consider the particular risk factors that may affect both Artis and the real estate industry in which Artis operates and which may therefore affect the stability of the cash distributions on Units. See “Risk Factors”. The after-tax return from an investment in Units to Unitholders that is subject to Canadian income tax can be made up of both a “return on” and a “return of” capital. That composition may change over time, thus affecting a Unitholder’s after-tax return. Returns on capital are generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Returns of capital are generally tax-deferred and reduce the Unitholder’s cost base in the Unit for tax purposes. Although as at the date hereof it is expected that Artis has and will continue to qualify for the REIT Exception, the SIFT Rules will apply to Artis in each year in which Artis does not satisfy the requirements of the REIT Exception throughout the year. The SIFT Rules would require certain amounts to be subject to tax in Artis and also in the hands of Unitholders as eligible dividends, resulting in tax treatment similar to corporations and their shareholders. See “SIFT Rules”.

ARTIS REAL ESTATE INVESTMENT TRUST

Overview

Artis is an unincorporated open-end real estate investment trust created by the Declaration of Trust and governed by the laws of the Province of Manitoba. Artis was formed on November 8, 2004 under the name “Westfield Real Estate Investment Trust”. Effective February 15, 2007, Artis changed its name to “Artis Real Estate Investment Trust”.

Artis is focused on creating value for Unitholders through the investment in and ownership of quality commercial (retail, office and industrial) properties in select markets in Canada and the U.S.

Artis’ primary objective is to maximize total returns to Unitholders. Returns include a stable, reliable and tax efficient monthly cash distribution that is intended to grow over time, as well as long-term appreciation in the value of the Units.

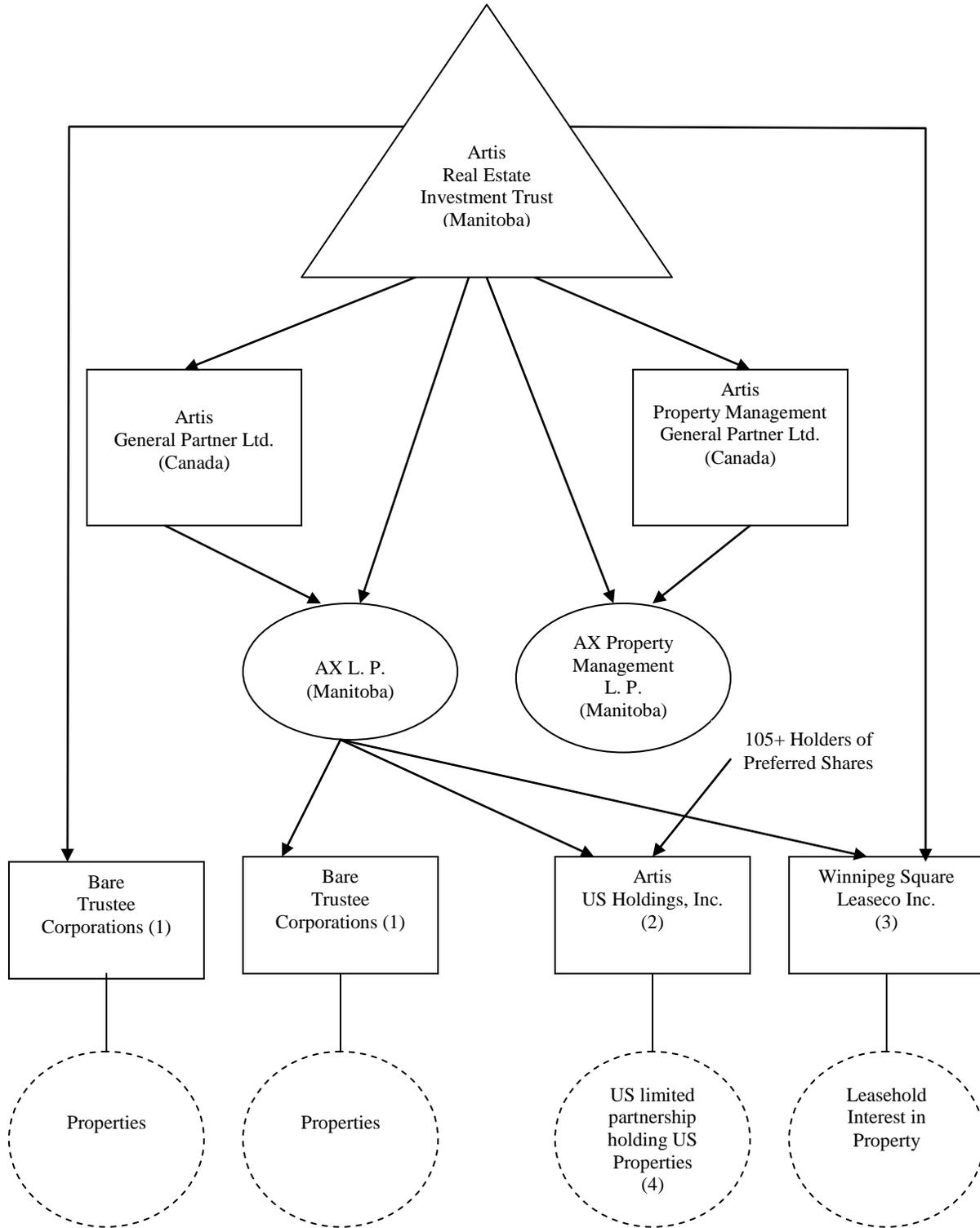
The Units are listed for trading on the TSX under the symbol “AX.UN”. The Series E Debentures, the Series F Debentures and the Series G Debentures are listed for trading on the TSX under the symbols “AX.DB.E”, “AX.DB.F”, and “AX.DB.U” respectively.

Artis currently owns its properties directly or indirectly through the Partnership. The Partnership owns properties located in Canada through bare trustee corporations. The Partnership owns properties located in the United States through a U.S. subsidiary, which qualifies as a non-public real estate investment trust for U.S. federal income tax law purposes, which in turn owns the properties through U.S. limited partnerships.

Artis is not a “mutual fund” as defined by applicable securities legislation. The head office of Artis is located at 300 – 360 Main Street, Winnipeg, Manitoba, R3C 3Z3.

Structure of Artis

The following diagram illustrates the organizational structure of Artis as at the date hereof.



Notes:

- (1) Artis and/or the Partnership beneficially own, directly or indirectly, all of Artis’ properties located in Canada. The bare trustee corporations are incorporated under *Canada Business Corporations Act*, except in a limited number of cases where the bare trustee corporations are incorporated under the laws of a province.

- (2) Artis U.S. Holdings Inc. indirectly owns all of Artis' properties located in the U.S. as at December 31, 2011. Artis U.S. Holdings Inc. issued 125 shares of preferred stock for an aggregate purchase price of \$125,000 to U.S. residents in order to qualify as a non-public real estate investment trust for U.S. federal income tax purposes. A benefit of such qualification is that Artis U.S. Holdings Inc. generally will not be subject to U.S. federal corporate income taxes on net income that it currently distributes to stockholders. The Partnership is the sole common shareholder in Artis U.S. Holdings, Inc. and also owns 500 shares of preferred stock.
- (3) Winnipeg Square Leaseco Inc. owns a leasehold interest in the 360 Main Street property located in Winnipeg, Manitoba.
- (4) Artis U.S. Holdings Inc. owns all of its properties through limited partnerships formed under applicable U.S. State laws. Artis U.S. Holdings, Inc. is the sole limited partner of such U.S. limited partnerships.

Objective and Strategies

Objective

Artis' primary objective is to maximize total returns to Unitholders. Returns include a stable, reliable and tax efficient monthly cash distribution that is intended to grow over time, as well as long-term appreciation in the value of the Units.

Our Strategy

Artis employs several key strategies to meet its primary objective:

Portfolio Diversification. Artis seeks to build stability into its cash flows through a strategy of diversification. Commercial properties are well diversified across the industrial, retail and office asset classes. Artis' portfolio is also geographically diversified with properties owned across western Canada, as well as in Ontario and in select markets in the U.S.

Portfolio Expansion. Artis seeks to build growth into its cash flows through the efficient sourcing and deployment of capital into high-quality and accretive acquisition opportunities in select target markets, as well as into high-yield intensification or development opportunities that exist within the property portfolio.

Managing for Value Creation. Artis seeks to build value through the active management of the portfolio assets, leveraging off the experience and expertise of its management team. Artis focuses on maximizing portfolio value and cash flows over the long-term, creating additional value through the selective disposition of assets at premium prices, and reinvesting and repositioning the portfolio on an on-going basis in higher growth markets. Artis seeks to build value by selecting and managing high-performance property management teams in local markets, who understand the importance of nurturing existing tenant relationships, achieving optimal rent while maintaining high occupancy levels, and ensuring properties are well-maintained and operating at costs consistent with the local market.

General Development of the Business

Trust Conversion

Westfield Properties Ltd., the predecessor to Artis, was incorporated on December 18, 2003. It completed its initial public offering of 1,000,000 common shares on February 12, 2004 and, on February 16, 2004, was listed as a capital pool company on the TSX Venture Exchange. On June 1, 2004, Westfield Properties Ltd. acquired Sunridge Home Outfitters Centre, a retail property located at 3333 Sunridge Way in Calgary, Alberta, for a purchase price of \$7,690,000. The acquisition of Sunridge Home Outfitters Centre was the qualifying transaction of Westfield Properties Ltd. under TSX Venture Exchange Policy 2.4 *Capital Pool Companies*. On December 20, 2004, Westfield Properties Ltd. completed a plan of arrangement under the *Canada Business Corporations Act* involving Artis and the shareholders of Westfield Properties Ltd. pursuant to which Artis acquired all of the issued and outstanding common shares of Westfield Properties Ltd. in exchange for Units on a one-for-one basis and Westfield Properties Ltd. was dissolved. Upon completion of the plan of arrangement, Artis was a publicly traded real estate investment trust which owned the Sunridge Home Outfitters Centre.

2005 Acquisitions

During the year ended December 31, 2005, Artis acquired a total of 26 properties with GLA of approximately 1.9 million square feet for an aggregate purchase price of approximately \$241.7 million, as set forth in the table below. For more information regarding the properties of Artis, see “Property Portfolio” below.

Property	Acquisition Date	Property Type	Location	GLA (sq. ft.) ⁽¹⁾	Year Built/ Redeveloped	Purchase Price ⁽²⁾
Royal Square	February 1, 2005	Retail	Saskatoon, SK	41,169	1982	\$2,810,000
Capital City Centre	February 2, 2005	Retail	Regina, SK	44,208	1998/2003	\$7,680,000
Johnston Terminal	August 1, 2005	Office	Winnipeg, MB	72,295	1929/1993	\$10,600,000 ⁽³⁾
Sears Centre	August 15, 2005	Retail	Grande Prairie, AB	130,797	1994	\$7,331,500
Southview Centre	August 31, 2005	Retail	Medicine Hat, AB	165,250	1973/2000	\$22,125,000
Airways Business Park	September 16, 2005	Office	Calgary, AB	62,801	1979	\$6,900,000
Edgemont Mall	September 30, 2005	Retail	Calgary, AB	18,119	-	\$4,240,000
Shoppers Landmark Centre	September 30, 2005	Retail	Regina, SK	48,708	2003	\$10,500,000
Strathcona Shoppers Centre	September 30, 2005	Retail	Regina, SK	21,910	2004	\$4,260,000
Canarama Mall	September 30, 2005	Retail	Saskatoon, SK	64,416	1971/78/89/2005	\$10,700,000
Grain Exchange Building	September 30, 2005	Office	Winnipeg, MB	261,766	1906/2002	\$10,250,000
Hamilton Building	September 30, 2005	Office	Winnipeg, MB	66,194	1918/2001	\$14,200,000
McKnight Village Mall	October 31, 2005	Retail	Calgary, AB	85,964	1988/1995	\$22,745,000
Hillhurst Building	October 31, 2005	Office	Calgary, AB	63,397	1966/1979	\$18,550,000 ⁽⁴⁾
Campana Place	October 31, 2005	Office	Calgary, AB	49,063	1982	
417 – 14 th Street Building	October 31, 2005	Office	Calgary, AB	15,839	1981	
Willowglen Business Park	November 15, 2005	Office	Calgary, AB	286,179	1982	\$30,000,000
Plainsman Building	November 30, 2005	Office	Kamloops, BC	34,809	1999	\$8,225,000
Gateway Power Centre	December 1, 2005	Retail	Grande Prairie, AB	61,279	1998/99	\$8,650,000
Albert Street Mall	December 15, 2005	Retail	Regina, SK	17,769	1994	\$3,355,000
East Landing Mall	December 15, 2005	Retail	Regina, SK	40,937	1996	\$7,034,000
East Landing Plaza	December 15, 2005	Retail	Regina, SK	24,213	1997	\$3,764,000
Fleet Street Crossing	December 15, 2005	Retail	Regina, SK	37,736	1976/2001	\$5,385,000
West Landing Mall	December 15, 2005	Retail	Regina, SK	39,024	1998	\$7,098,000
Keystone Village Mall	December 15, 2005	Retail	Brandon, MB	21,470	-	\$3,535,000
Centre 15 Building	December 16, 2005	Office	Calgary, AB	78,209	1981/1999	\$11,790,000
Total				1,853,521		\$241,727,500

⁽¹⁾ GLA as at acquisition date.

⁽²⁾ Purchase price, before closing costs and adjustments.

⁽³⁾ Artis entered into a long-term headslease for the Johnston Terminal property on August 1, 2005. On August 3, 2005, Artis exercised its option to prepay the base rent under the headslease for total consideration of \$10,600,000.

⁽⁴⁾ Artis acquired the Hillhurst Building, Campana Place and the 417 – 14th Street Building as a portfolio for an aggregate purchase price of \$18,550,000.

2006 Acquisitions

During the year ended December 31, 2006, Artis acquired a total of 11 properties with GLA of approximately 1.0 million square feet for an aggregate purchase price of approximately \$208.3 million, as set forth in the table below. For more information regarding the properties of Artis, see “Property Portfolio” below.

Property	Acquisition Date	Property Type	Location	GLA (sq. ft.) ⁽¹⁾	Year		Purchase Price ⁽²⁾
					Built / Re-developed		
Northwest Centre I & II	February, 28, 2006	Office	Calgary, AB	77,916	1981		\$16,550,000
Southwood Corner	March 31, 2006	Retail	Calgary, AB	111,184	1964/1993		\$23,600,000
Circle 8 Centre	March 31, 2006	Retail	Saskatoon, SK	77,159	1990/1993		\$16,580,000
Reenders Square	March 31, 2006	Retail	Winnipeg, MB	65,754	1998		\$12,700,000
Sunridge Spectrum Shopping Centre	May 31, 2006	Retail	Calgary, AB	129,003	2000/2001		\$34,400,000
McCall Lake Industrial	June 30, 2006	Industrial	Calgary, AB	91,261	1978		\$8,250,000
Heritage Square	July 13, 2006	Office	Calgary, AB	298,053	1981		\$61,300,000
Franklin Showcase Warehouse	July 14, 2006	Industrial	Calgary, AB	69,269	1977		\$7,785,000
Horizon Heights	July 17, 2006	Retail	Calgary, AB	73,514	1986/2000		\$18,000,000
Liberton Square	November 1, 2006	Retail	St. Albert, AB	20,818	1974-2003		\$5,250,000
Delta Centre	December 31, 2006	Industrial	Edmonton, AB	35,448	1980		\$3,900,000
Total				1,049,379			\$208,315,000

(1) GLA as at acquisition date.

(2) Purchase price, before closing costs and adjustments.

2006 Dispositions

In 2006, Artis sold two properties: (i) Edgemont Mall (in Calgary, Alberta); and (ii) Keystone Village (in Brandon, Manitoba). Edgemont Mall was sold for \$5,117,000 (net of costs) and Keystone Village was sold for \$3,510,000 (net of costs).

2007 Acquisitions

During the year ended December 31, 2007, Artis acquired a total of 45 properties with GLA of approximately 3.2 million square feet for an aggregate purchase price of approximately \$588.8 million, as set forth in the table below. For more information regarding the properties of Artis, see "Property Portfolio" below.

Property	Acquisition Date	Property Type	Location	GLA (sq. ft.) ⁽¹⁾	Year Built		Purchase Price ⁽²⁾
					/ Re-developed		
CDI College Building	January 13, 2007	Office	Winnipeg, MB	24,300	1912/2004		\$4,590,000
Keewatin Distribution Centre	January 31, 2007	Industrial	Winnipeg, MB	201,154	1980-81		\$9,596,000
Clareview Town Centre	February 1, 2007	Retail	Edmonton, AB	55,900	1996-97		\$13,800,000
Centre 70 Building	February 28, 2007	Office	Calgary, AB	112,477	1977/1992		\$26,775,000 ⁽³⁾
Honeywell Building	February 28, 2007	Industrial	Calgary, AB	61,847	2000/2006		\$15,840,692
Millennium Centre	February 28, 2007	Office	Red Deer, AB	105,240	2000		\$25,500,000
Bower Centre	March 1, 2007	Industrial	Red Deer, AB	125,777	1984/2002		\$15,784,000
Britannia Building	March 31, 2007	Office	Calgary, AB	131,521	1965-2000	}	\$64,200,000
Sierra Place	March 31, 2007	Office	Calgary, AB	89,335	1965-2000		
MTS Call Centre Building	April 1, 2007	Office	Winnipeg, MB	75,986	2006		\$13,750,000
Aulds Corner	June 19, 2007	Retail	Nanaimo, BC	36,380	1991/1994	}	\$26,300,000 ⁽⁴⁾
6475 Metral Drive	June 19, 2007	Office	Nanaimo, BC	38,151	1991/1995		
488 Albert Street	June 19, 2007	Office	Nanaimo, BC	30,278	1991/1996		
8220 Davies Road	June 30, 2007	Industrial	Edmonton, AB	14,230	1977/2004	}	5,425,000 ⁽⁵⁾
Mayfield Industrial Plaza	June 30, 2007	Industrial	Edmonton, AB	23,501	1977/2004		
TransAlta Place ⁽⁶⁾	July 5, 2007	Office	Calgary, AB	336,041	1965-2000		\$123,981,453 ⁽⁶⁾

Property	Acquisition Date	Property Type	Location	GLA (sq. ft.)⁽¹⁾	Year Built / Re-developed	Purchase Price⁽²⁾
360 Main Street / Winnipeg Square	August 29, 2007	Office/ Retail	Winnipeg, MB	227,212	1979	\$38,950,000 ⁽⁷⁾
Pepco Building	September 15, 2007	Industrial	Nisku, AB	22,659	1977	\$2,960,000
Delta Shoppers Mall	September 24, 2007	Retail	Delta, BC	74,696	1972/2004	\$24,000,000
Glenmore Commerce Court	November 9, 2007	Office	Calgary, AB	57,845	1977	\$12,000,000
Winnipeg Industrial Portfolio - 16 Buildings	November 15, 2007	Industrial	Winnipeg, MB	949,323	1958-2006	\$41,500,000
Brick Centre	November 30, 2007	Retail	Grande Prairie, AB	46,400	2003/2006	\$11,400,000
North City Centre	November 30, 2007	Retail	Edmonton, AB	105,240	1984/2006	\$76,700,000 ⁽⁸⁾
Northern Lights Shopping Centre – I	November 30, 2007	Retail	Fort McMurray, AB	18,350	1984/2006	
Northern Lights Shopping Centre - II	November 30, 2007	Retail	Fort McMurray, AB	30,407	1984/2006	
100 Signal Road	November 30, 2007	Retail	Fort McMurray, AB	14,000	1984/2006	
Signal Centre	November 30, 2007	Retail	Fort McMurray, AB	18,953	1984/2006	
Tide Centre	November 30, 2007	Retail	Fort McMurray, AB	18,157	1984/2006	
Woodlands Centre	November 30, 2007	Retail	Fort McMurray, AB	63,426	1984/2006	
Birchcliff Energy Building	December 1, 2007	Office	Calgary, AB	67,898	1978/2002	\$35,750,000
Total				3,176,684		\$588,802,145

(1) GLA as at acquisition date.

(2) Purchase price, before closing costs and adjustments.

(3) Artis owns an 85% share of the Centre 70 Building. The reported GLA reflects 85% of the total building GLA.

(4) Aulds Corner, 6475 Metral Drive and 488 Albert Street were acquired as a portfolio for an aggregate purchase price of \$26,300,000.

(5) 8220 Davies Road and Mayfield Industrial Plaza were acquired as a portfolio for an aggregate purchase price of \$5,425,000.

(6) The TransAlta Place purchase price includes the \$31,000,000 loan to TransAlta Corp. acquired in conjunction with the acquisition of the property.

(7) Artis acquired a 38% interest in the air rights leasehold interest with respect to the 360 Main Street / Winnipeg Square property. The reported GLA reflects 38% of the total building GLA.

(8) North City Centre, Northern Lights Shopping Centre I and II, 100 Signal Road, Signal Centre, Tide Centre and Woodlands Centre were acquired as a portfolio for an aggregate purchase price of \$76,700,000.

2007 Dispositions

In 2007, Artis sold the property known as Royal Square in Saskatoon, Saskatchewan for \$4,591,000 (net of costs).

2008 Acquisitions

During the year ended December 31, 2008, Artis acquired a total of 9 properties with GLA of approximately 457,000 square feet for an aggregate purchase price of approximately \$106.9 million, as set forth in the table below. For more information regarding the properties of Artis, see “Property Portfolio” below.

Property	Acquisition Date	Property Type	Location	GLA (sq. ft.) ⁽¹⁾	Year Built / Redeveloped	Purchase Price ⁽²⁾
King Edward Centre	January 15, 2008	Retail	Coquitlam, BC	81,647	1997/2003	\$16,615,000
6461 Metral Drive	February 1, 2008	Retail	Nanaimo, BC	53,953	2001	\$8,550,000
Estevan Sobeys	March 20, 2008	Retail	Estevan, SK	38,110	2002	\$7,174,858
Moose Jaw Sobeys	March 20, 2008	Retail	Moose Jaw, SK	38,127	2002	\$7,475,142
Edson Shoppers	April 15, 2008	Retail	Edson, AB	20,390	2007	\$5,850,000
Raleigh Shopping Centre	April 15, 2008	Retail	Winnipeg, MB	11,415	1989	\$1,500,000
Maynard Technology Centre	August 29, 2008	Industrial	Calgary, AB	153,220	1965	\$36,400,000
Willingdon Green	September 2, 2008	Office	Burnaby, BC	46,782	1985	\$11,500,000
Bridges Place	December 17, 2008	Office	Calgary, AB	13,700	2007	\$6,594,417
Total				457,344		\$101,659,417

(1) GLA as at acquisition date.

(2) Purchase price, before closing costs and adjustments.

On June 1, 2008, Artis also acquired the McDermot Parkade for \$5,250,000. The parkade is ancillary to two office properties located in downtown Winnipeg previously acquired by Artis.

2009 Acquisitions

During the year ended December 31, 2009, Artis acquired a total of 16 properties with GLA of approximately 907,449 square feet for an aggregate purchase price of approximately \$70.3 million, as set forth in the table below. For more information regarding the properties of Artis, see “Property Portfolio” below.

Property	Acquisition Date	Property Type	Location	GLA (sq. ft.) ⁽¹⁾	Year Built / Redeveloped	Purchase Price ⁽²⁾
Airdrie Flex Industrial	October 1, 2009	Industrial	Airdrie, AB	25,474	2009	\$4,600,000
Winnipeg Industrial (ING) Portfolio – 13 buildings ⁽³⁾	October 29, 2009	Industrial	Winnipeg, MB	721,119	1961-2008	\$42,700,000
Cliveden Building ⁽⁴⁾	December 15, 2009	Industrial	Delta, BC	69,638	1992/2007	} \$23,000,000
Kincaid Building ⁽⁴⁾	December 15, 2009	Office	Burnaby, BC	91,218	1986/1999	
Total				907,449		\$70,300,000

(1) GLA as at acquisition date.

(2) Purchase price, before closing costs and adjustments.

(3) Portfolio is comprised of 13 light and flex-industrial properties located in the St. James Industrial Park area, the Omand’s Creek industrial area, the Inkster Industrial Park and the Fort Garry Industrial Park in Winnipeg, Manitoba.

(4) Artis owns a 50% share of the Cliveden and Kincaid Buildings. The reported GLA reflects 50% of the total building GLA.

2009 Dispositions

During the year ended December 31, 2009, Artis disposed a total of nine properties for an aggregate sales price of approximately \$102.5 million, as set forth in the table below.

Property	Disposition Date	Property		Sale Price ⁽¹⁾
		Type	Location	
Plainsman Building	March 31, 2009	Office	Kamloops, BC	\$8,050,000
Airways Business Plaza and Glenmore Commerce Court Portfolio	April 1, 2009	Office	Calgary, AB	\$24,900,000
McKnight Village Mall	May 15, 2009	Retail	Calgary, AB	\$23,150,000
Albert Street Mall	July 15, 2009	Retail	Regina, SK	\$4,400,000
Bridges Centre	July 27, 2009	Office	Calgary, AB	\$6,000,000
Willowglen Business Plaza	October 1, 2009	Office	Calgary, AB	\$28,320,000
Franklin Showcase Warehouse	November 1, 2009	Industrial	Calgary, AB	\$6,000,000
Raleigh Shopping Centre	December 1, 2009	Retail	Winnipeg, MB	\$1,660,000
Total				\$102,480,000

⁽¹⁾ Sale price, before closing costs and adjustments.

2010 Acquisitions

During the year ended December 31, 2010, Artis acquired a total of 37 properties and the remaining 62% interest in 360 Main Street, increasing the portfolio by approximately 5.8 million square feet of GLA. The purchase price of the acquisitions aggregated \$884.2 million, as set forth in the table below. For more information regarding the properties of Artis, see "Property Portfolio" below.

Property	Acquisition Date	Property		GLA (sq. ft.) ⁽¹⁾	Year Built or Re-developed	Purchase Price ⁽²⁾	
		Type	Location				
Westbank Zellers ⁽³⁾	January 14, 2010	Retail	Westbank / West Kelowna, BC	105,670	1995	CAD	\$10,000,000
Maple Leaf Building	January 29, 2010	Industrial	Saskatoon, SK	163,418	2008	CAD	\$25,500,000
Sherwood Centre	January 29, 2010	Industrial	Edmonton, AB	162,860	1998	CAD	\$13,300,000
Alberta Industrial Portfolio ⁽⁴⁾	March 30, 2010	Industrial	Edmonton, Acheson & Calgary, AB	811,307	2003-2009	CAD	\$85,200,000
Westbank Hub Centre North ⁽³⁾⁽⁵⁾	March 31, 2010	Retail	Westbank / West Kelowna, BC	124,862	2008	CAD	\$24,300,000
Sunrise Towne Square	April 1, 2010	Retail	Spruce Grove, AB	111,995	2006	CAD	\$22,700,000
Visions Building	April 12, 2010	Retail	Calgary, AB	50,045	1981/2009	CAD	\$11,300,000
Tamarack Centre	April 15, 2010	Retail	Cranbrook, BC	290,294	1977	CAD	\$26,200,000
Eagle Ridge Corner	May 14, 2010	Retail	Fort McMurray, AB	12,654	2009	CAD	\$5,800,000
Production Court	May 26, 2010	Office	Burnaby, BC	297,801	1992/1999	CAD	\$64,000,000
Grande Prairie Power Centre	June 15, 2010	Retail	Grande Prairie, AB	140,207	2008/2009	CAD	\$43,700,000
DSI Building	June 30, 2010	Office	Minneapolis, MN	115,666	2008	USD	\$17,900,000
Winnipeg Square / 360 Main Street ⁽⁶⁾	June 30, 2010	Office	Winnipeg, MB	373,324	1979/1999	CAD	\$94,700,000
Uplands Common	August 13, 2010	Retail	Lethbridge, AB	53,392	2003	CAD	\$12,520,000

Property	Acquisition Date	Property		GLA (sq. ft.) ⁽¹⁾	Year Built or Re- developed	Purchase Price ⁽²⁾	
		Type	Location				
1045 Howe Street	September 13, 2010	Office	Vancouver, BC	101,146	1974-2007	CAD	\$38,000,000
Pembina Village Mall	September 30, 2010	Retail	Winnipeg, MB	132,259	1985/1994/ 2007	CAD	\$24,800,000
St. Vital Square	September 30, 2010	Retail	Winnipeg, MB	116,353	1986/2008	CAD	\$27,700,000
Cancross Court	October 1, 2010	Office	Mississauga, ON	143,877	1988/2000	CAD	\$29,500,000
Horizon II	October 15, 2010	Industrial	Calgary, AB	95,542	1982	CAD	\$7,600,000
Letourneau Centre	October 15, 2010	Industrial	Edmonton, AB	97,743	1977	CAD	\$9,300,000
Meadowvale Office	October 15, 2010	Office	Mississauga, ON	99,869	2009	CAD	\$29,150,000
Furniture Pluss Building	October 20, 2010	Retail	Fort McMurray, AB	21,490	1977/2002	CAD	\$5,680,000
Caterpillar Building	October 22, 2010	Industrial	Minneapolis, MN	174,901	1974/2010	USD	\$10,600,000
Minneapolis Industrial Portfolio ⁽⁷⁾	October 29, 2010	Industrial	Minneapolis, MN	776,925	1977/2008	USD	\$39,800,000
Dunwin Portfolio ⁽⁸⁾	November 12, 2010	Industrial	Mississauga, ON	157,531	1986/1988	CAD	\$17,000,000
Humana Building	November 18, 2010	Office	Phoenix, AZ	106,418	2007	USD	\$14,800,000
Concorde Corporate Centre	December 1, 2010	Office	Toronto, ON	545,503	1988/1991	CAD	\$87,000,000
Poco Place	December 22, 2010	Retail	Vancouver, BC	163,844	1980/2003	CAD	\$48,000,000
Hartford Corporate Plaza	December 30, 2010	Office	New Hartford, NY	122,760	2008	USD	\$17,600,000
Mosaic Office Building	December 30, 2010	Office	Tampa, FL	107,463	2009	USD	\$20,500,000
Total				5,777,143			\$884,150,000

(1) GLA as at acquisition date.

(2) Purchase price in Canadian (CAD) or U.S. dollars (USD), before closing costs and adjustments.

(3) Artis acquired a leasehold interest in these properties.

(4) The Alberta Industrial Portfolio is comprised of two single-tenant and two multi-tenant properties.

(5) Artis acquired a 50% interest in this property, which is proportionately consolidated in the accounts of Artis.

(6) Artis acquired the remaining 62% interest in this property, and acquired the ancillary parkade, on April 30, 2010. Concurrent with the closing of these transactions, a freehold interest in 100% of the 360 Main/Winnipeg Square property was acquired.

(7) The Minneapolis Industrial Portfolio is comprised of 15 industrial properties.

(8) The Dunwin Portfolio is comprised of 7 flex-office/industrial properties.

2011 Acquisitions

During the year ended December 31, 2011, Artis acquired a total of 32 properties, increasing the portfolio by approximately 4.6 million square feet of GLA. The purchase price of the acquisitions aggregated \$676.0 million, as set forth in the table below. For more information regarding the properties of Artis, see "Property Portfolio" below.

Property	Acquisition Date	Property		GLA (sq. ft.) ⁽¹⁾	Year Built or Re- developed	Purchase Price ⁽²⁾	
		Type	Location				
ADT Building	January 7, 2011	Industrial	Calgary, AB	30,932	1975	CAD	\$7,500,000
Dominion Construction Building	January 7, 2011	Industrial	Calgary, AB	17,187	1966	CAD	\$3,100,000
EMC Building	February 28, 2011	Office	Edmonton, AB	28,520	1981/1982	CAD	\$7,400,000

Property	Acquisition Date	Property Type	Location	GLA (sq. ft.)⁽¹⁾	Year Built or Re-developed	Purchase Price⁽²⁾	
Stinson Office Park	March 31, 2011	Office	Minneapolis, MN	307,045	1964/2009	USD	\$44,000,000
Minneapolis Industrial Portfolio ⁽³⁾	March 31, 2011	Industrial	Minneapolis, MN	1,508,193	1964/2007	USD	\$73,150,000
Cara Foods Building ⁽⁴⁾	April 15, 2011	Office	Vaughan, ON	50,199	2008	CAD	\$21,000,000
3M Distribution Facility	April 29, 2011	Industrial	Toronto, ON	318,805	2009	CAD	\$39,300,000
1165 Kenaston	May 27, 2011	Office	Ottawa, ON	180,689	2002	CAD	\$21,500,000
Victoria Square Shopping Centre	May 31, 2011	Retail	Regina, SK	290,627	1982/1998	CAD	\$48,950,000
Ryan Retail Portfolio ⁽⁵⁾	May 31, 2011	Retail	Minneapolis, MN	110,333	2005/2011	USD	\$28,300,000
605 Waterford Park	June 1, 2011	Office	Minneapolis, MN	204,417	1989	USD	\$25,073,500
McGillivray Cineplex	June 10, 2011	Retail	Winnipeg, MB	42,725	2005/2011	CAD	\$13,000,000
415 Yonge Street	June 28, 2011	Office	Toronto, ON	191,880	1974	CAD	\$49,700,000
Union Hills Office Plaza	June 30, 2011	Office	Phoenix, AZ	142,773	2007	USD	\$27,075,000
201 Westcreek Boulevard	June 30, 2011	Industrial	Toronto, ON	301,113	1999	CAD	\$34,420,000
Plymouth Corporate Campus	July 6, 2011	Industrial	Minneapolis, MN	83,617	1979/2004	CAD	\$5,800,000
Stampede Station	July 26, 2011	Office	Calgary, AB	162,502	2009	CAD	\$90,000,000
MTS Place	August 31, 2011	Office	Winnipeg, MB	274,712	1975/1985	CAD	\$55,800,000
7499 East Paradise Lane	September 15, 2011	Industrial	Phoenix, AZ	98,555	1999	CAD	\$21,400,000
Two MarketPointe	December 22, 2011	Office	Minneapolis, MN	249,111	2008	USD	\$60,559,368
Total				4,593,935			\$677,027,868

⁽¹⁾ GLA as at acquisition date.

⁽²⁾ Purchase price in Canadian (CAD) or U.S. dollars (USD), before closing costs and adjustments.

⁽³⁾ The Minneapolis Industrial Portfolio is comprised of 15 industrial properties.

⁽⁴⁾ Artis acquired a 50% interest in this property. The reported GLA reflects 50% of the total building GLA.

⁽⁵⁾ The Ryan Retail Portfolio includes four retail properties comprising 110,333 square feet of leasable area and a 398,529 square foot land lease to Home Depot.

2011 Dispositions

During the year ended December 31, 2011, Artis disposed a total of two properties for an aggregate sales price of approximately \$13.9 million, as set forth in the table below.

Property	Disposition Date	Property Type	Location	Sale Price⁽¹⁾
2030 Notre Dame Avenue	March 7, 2011	Industrial	Winnipeg, MB	CAD \$7,000,000
Rogers Distribution Centre ⁽²⁾	September 15, 2011	Industrial	Minneapolis, MN	USD \$6,900,000
Total				\$13,900,000

⁽¹⁾ Sale price, before closing costs and adjustments, in Canadian (CAD) or U.S. dollars (USD).

⁽²⁾ The Rogers Distribution Centre was one of 6 industrial properties acquired as part of the Minneapolis Industrial Portfolio in 2010.

PROPERTY PORTFOLIO

Overview

As of December 31, 2011, the Artis' portfolio was comprised of 163 properties located in Canada and the U.S. The portfolio was 95.1% occupied at December 31, 2011 (excluding properties in development). At December 31, 2011, Artis had one office property in Alberta in development, comprising 19,094 square feet of leasable area.

The breakdown of Artis' properties by location and by asset class is set forth in the tables and charts below:

Canadian Portfolio By Province

Location	Number of Properties	Owned Share of GLA (in 000's of sq. ft.)	% of GLA	Occupancy
British Columbia	15	1,606	9.5%	90.6%
Alberta	56	4,978	29.3%	97.4%
Saskatchewan	13	937	5.5%	97.7%
Manitoba	40	3,471	20.5%	97.0%
Ontario	9	1,990	11.7%	95.8%
Total	133	12,982	76.5%	96.2%

U.S. Portfolio By State

Location	Number of Properties	Owned Share of GLA (in 000's of sq. ft.)	% of GLA	Occupancy
Arizona	3	348	2.1%	98.2%
Florida	1	107	0.6%	100.0%
Minnesota	25	3,381	20.0%	90.0%
New York	1	123	0.7%	100.0%
Total	30	3,959	23.4%	91.3%

Canadian Portfolio By Property Type

Asset Class	Number of Properties	Owned Share of GLA (in 000's of sq. ft.)	% of GLA	Occupancy
Office	33	4,862	28.6%	95.3%
Retail	48	3,577	21.1%	96.7%
Industrial	52	4,543	26.8%	96.8%
Total	133	12,982	76.5%	96.2%

U.S. Portfolio By Property Type

Asset Class	Number of Properties	Owned Share of GLA (in 000's of sq. ft.)	% of GLA	Occupancy
Office	8	1,354	8.0%	93.7%
Retail	5	110	0.7%	95.2%
Industrial	17	2,495	14.7%	89.8%
Total	30	3,959	23.4%	91.3%

Properties in Development

Property	Location	Owned Share of GLA (sq. ft.)	% of GLA	Occupancy
North City Office	Edmonton, AB	19,094	0.1%	10.4%

Summary of Information Regarding Property Portfolio

The following table summarizes certain key information regarding Artis' properties as at December 31, 2011:

Office Properties

Property	Location	Owned Share of GLA (sq. ft.)	Occupancy	Year Built / Redeveloped
360 Main Street	Winnipeg, MB	545,468	95.6%	1979
415 Yonge Street	Toronto, ON	191,880	99.2%	1974
417-14 th Street Building	Calgary, AB	17,517	100.0%	1981
488 Albert Street	Nanaimo, BC	30,278	100.0%	1994
605 Waterford Park	Minneapolis, MN	204,417	88.5%	1989
1045 Howe Street	Vancouver, BC	101,224	97.8%	1974
1165 Kenaston	Ottawa, ON	180,689	100.0%	2002
6475 Metral Drive	Nanaimo, BC	38,151	100.0%	1992
Birchcliff Energy Building	Calgary, AB	68,070	100.0%	1978/2002
Britannia Building	Calgary, AB	131,589	73.5%	1958/1960's/1970's
Campana Place	Calgary, AB	49,523	93.8%	1982
Cancross Court	Mississauga, ON	143,877	100.0%	1988
Cara Foods Building ⁽¹⁾	Vaughan, ON	50,199	100.0%	2008
CDI College	Winnipeg, MB	24,300	100.0%	1912/2005
Centre 15 Building	Calgary, AB	76,040	96.0%	1982/1999
Centre 70 Building ⁽²⁾	Calgary, AB	112,480	90.9%	1977
Concorde Corporate Centre	Toronto, ON	545,503	87.3%	1988
DSI Building	Minneapolis, MN	115,666	100.0%	2008
EMC Building	Edmonton, AB	28,520	100.0%	1981/1982
Grain Exchange Building	Winnipeg, MB	236,282	90.9%	1906/2002
Hamilton Building	Winnipeg, MB	66,194	100.0%	1918/2001
Hartford Corporate Plaza	New Hartford, NY	122,760	100.0%	2008
Heritage Square	Calgary, AB	313,691	98.5%	1981
Hillhurst Building	Calgary, AB	62,882	88.5%	1966/1979
Humana Building	Phoenix, AZ	106,418	100.0%	2007
Johnston Terminal ⁽³⁾	Winnipeg, MB	73,255	99.5%	1929/1993
Kincaid Building ⁽⁴⁾	Burnaby, BC	91,219	100.0%	1986/1999
Meadowvale Office	Mississauga, ON	99,869	95.1%	2009
Millennium Centre	Red Deer, AB	148,745	100.0%	2000
Mosaic Office Building	Tampa, FL	107,463	100.0%	2009
MTS Call Centre	Winnipeg, MB	75,986	100.0%	2007
MTS Place	Winnipeg, MB	274,712	97.5%	1975/1985
Northwest Centre I & II	Calgary, AB	77,916	100.0%	1981
Poco Place ⁽⁵⁾	Vancouver, BC	73,189	86.1%	1980
Production Court	Burnaby, BC	297,801	98.6%	1992
Sierra Place	Calgary, AB	89,491	86.9%	1958/1970's
Stampede Station	Calgary, AB	162,502	100.0%	2009
Stinson Office Park	Minneapolis, MN	305,045	97.0%	1964/2009

Property	Location	Owned Share of GLA (sq. ft.)	Occupancy	Year Built / Redeveloped
TransAlta Place	Calgary, AB	336,041	100.0%	1965/1971/1983/ 2000
Two MarketPointe	Minneapolis, MN	249,111	81.4%	2008
Union Hills Office Plaza	Phoenix, AZ	142,773	95.5%	2007
Willingdon Green	Burnaby, BC	46,782	78.9%	1985
Total of 41 properties		6,215,518	94.9%	

- (1) Artis acquired a 50% share of the Cara Foods Building. The reported GLA reflects 50% of the total building GLA.
- (2) Artis owns an 85% share of the Centre 70 Building. The reported GLA reflects 85% of the total building GLA.
- (3) Artis entered into a long-term headslease for the Johnston Terminal property on August 1, 2005.
- (4) Artis owns a 50% share of the Kincaid Building. The reported GLA reflects 50% of the total building GLA.
- (5) The Poco Place property is primarily a retail development, but includes a significant office component. The office GLA is included here.

Retail Properties

Property	Location	Owned Share of GLA (sq. ft.)	Occupancy	Year Built / Redeveloped
100 Signal Road	Fort McMurray, AB	14,000	100.0%	1988
McGillivray Cineplex	Winnipeg, MB	42,725	100.0%	2005/2011
6461 Metral Drive	Nanaimo, BC	53,953	40.9%	1999
Aulds Corner	Nanaimo, BC	36,380	100.0%	1997-2000
Brick Centre	Grande Prairie, AB	46,313	100.0%	2003-2006
Canarama Mall	Saskatoon, SK	65,916	100.0%	1971/1989/ 2005
Capital City Centre	Regina, SK	44,208	100.0%	1998/2003
Circle 8 Centre	Saskatoon, SK	77,212	100.0%	1991-1993
Clareview Town Centre	Edmonton, AB	55,900	100.0%	1977
Delta Shoppers Mall	Delta, BC	74,696	98.6%	1972/2004
Eagle Ridge Corner	Fort McMurray, AB	12,654	100.0%	2009
East Landing Mall	Regina, SK	40,937	86.3%	1996
East Landing Plaza	Regina, SK	24,216	87.2%	1997
Edson Shoppers	Edson, AB	20,390	100.0%	2007
Estevan Sobeys	Estevan, SK	38,110	100.0%	2002
Fleet Street Crossing	Regina, SK	37,736	96.7%	1976/2001
Furniture Pluss Building	Fort McMurray, AB	21,490	100.0%	1977/2002
Gateway Power Centre	Grande Prairie, AB	61,279	94.4%	1998/1999
Grande Prairie Power Centre	Grande Prairie, AB	139,981	97.7%	2008/2009
Horizon Heights	Calgary, AB	73,515	91.2%	1985/2000
King Edward Centre	Coquitlam, BC	81,647	97.8%	1997/2003
Liberton Square	St. Albert, AB	20,743	100.0%	1974/1999/2003
Moose Jaw Sobeys	Moose Jaw, AB	38,127	100.0%	2002
North City Centre	Edmonton, AB	108,738	97.8%	1984/2004/2010
Northern Lights Shopping Centre - I	Fort McMurray, AB	18,350	100.0%	1997/1998
Northern Lights Shopping Centre - II	Fort McMurray, AB	30,743	100.0%	1997
Pembina Village Shopping Centre	Winnipeg, MB	132,259	100.0%	1985/1994
Poco Place ⁽¹⁾	Vancouver, BC	90,655	99.3%	1980

Property	Location	Owned Share of GLA (sq. ft.)	Occupancy	Year Built / Redeveloped
Reenders Square	Winnipeg, MB	65,754	86.3%	1998
Ryan Retail Portfolio ⁽²⁾	Minneapolis, MN	110,333	95.2%	2005/2011
Sears Centre	Grande Prairie, AB	130,797	100.0%	1994/2009
Shoppers Landmark Centre	Regina, SK	48,834	100.0%	2003
Signal Centre	Fort McMurray, AB	14,797	100.0%	1999-2006
Southview Centre	Medicine Hat, AB	162,062	97.2%	1973/2000
Southwood Corner	Calgary, AB	122,334	98.3%	1964/1992/2000
Strathcona Shoppers Centre	Regina, SK	21,910	100.0%	2004
St. Vital Square	Winnipeg, MB	116,353	99.1%	1986
Sunridge Home Outfitters	Calgary, AB	50,905	100.0%	2000
Sunridge Spectrum	Calgary, AB	129,471	99.2%	2000/2001
Sunrise Towne Square	Spruce Grove, AB	111,995	100.0%	2006
Tamarack Centre	Cranbrook, BC	290,294	94.5%	1977
Tide Centre	Fort McMurray, AB	18,206	83.5%	1992
Uplands Common	Lethbridge, AB	53,392	100.0%	2003
Victoria Square Shopping Centre	Regina, SK	297,402	96.1%	1982/1998
Visions Building	Calgary, AB	50,045	100.0%	1981
Westbank Hub Centre North ⁽³⁾⁽⁴⁾	Westbank / West Kelowna	124,862	97.1%	2008
Westbank Zellers ⁽⁴⁾	Westbank / West Kelowna	105,670	100.0%	1995
West Landing Mall	Regina, SK	39,024	100.0%	1998
Winnipeg Square ⁽⁴⁾⁽⁵⁾	Winnipeg, MB	56,975	89.8%	1979
Woodlands Centre	Fort McMurray, AB	63,426	100.0%	1997/1998
Total of 53 properties		3,687,713	96.6%	

- (1) The Poco Place property is primarily a retail development, but includes a significant office component. The office GLA is excluded here.
- (2) The Ryan Retail Portfolio includes four retail properties comprising 110,333 square feet of leasable area and a 398,529 square foot land lease to Home Depot.
- (3) Artis owns a 50% share of Westbank Hub Centre North.
- (4) Artis acquired a leasehold interest in this property.
- (5) The Winnipeg Square property is the retail concourse adjoining the 360 Main Street office tower. The retail GLA only is included here.

Industrial Properties

Property	Location	Owned Share of GLA (sq. ft.)	Occupancy	Year Built / Redeveloped
3M Distribution Facility	Toronto, ON	318,805	100.0%	2009
201 Westcreek Boulevard	Toronto, ON	301,113	100.0%	1999
8220 Davies Road	Edmonton, AB	14,230	100.0%	1977/2004
7499 East Paradise Lane	Phoenix, AZ	98,555	100.0%	1999
ADT Building	Calgary, AB	30,932	100.0%	1975
Airdrie Flex-Industrial	Airdrie, AB	27,413	83.7%	2009
Bower Centre	Red Deer, AB	125,861	94.0%	1975/1977
Caterpillar Building	Minneapolis, MN	174,901	100.0%	1974
Cliveden Building ⁽¹⁾	Delta, BC	69,638	0.0%	1992/2006-2007

Property	Location	Owned Share of GLA (sq. ft.)	Occupancy	Year Built / Redeveloped
Delta Centre	Edmonton, AB	35,448	100.0%	1980
Dominion Construction Building	Calgary, AB	17,187	100.0%	1966
Dunwin Portfolio	Mississauga, ON	157,624	94.4%	1986-1988
Eastlake I	Calgary, AB	146,135	100.0%	2008
Fourell Business Park	Edmonton, AB	400,000	100.0%	2008
Honeywell Building	Calgary, AB	61,847	100.0%	2000/2006
Horizon II	Calgary, AB	95,542	100.0%	1981
Keewatin Distribution Centre	Winnipeg, MB	201,154	100.0%	1980/1981
Letourneau Centre	Edmonton, AB	97,743	84.8%	1977
Maple Leaf Building	Saskatoon, SK	163,418	100.0%	2008
Mayfield Industrial Plaza	Edmonton, AB	23,501	82.7%	1969/2004
Maynard Technology Centre	Calgary, AB	153,219	100.0%	1965/1996/2005
McCall Lake Industrial	Calgary, AB	91,261	100.0%	1978
Minneapolis Industrial Portfolio ⁽²⁾	Minneapolis, MN	2,137,946	88.1%	1964-2008
Northview Business Park I	Acheson, AB	158,154	100.0%	2009
Northview Business Park II	Acheson, AB	107,018	100.0%	2003
Pepco Building	Nisku, AB	22,659	100.0%	1977
Plymouth Corporate Campus	Minneapolis, MN	83,917	100.0%	1979/2004
Sherwood Centre	Edmonton, AB	162,860	100.0%	1998
Winnipeg Industrial Portfolio ⁽³⁾	Winnipeg, MB	1,559,676	97.8%	1958-2008
Total of 69 properties		7,037,757	94.3%	

⁽¹⁾ Artis owns a 50% share of the Cliveden Building.

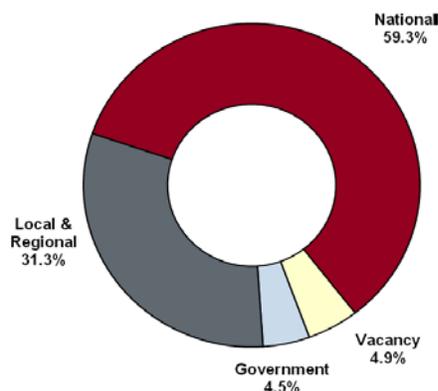
⁽²⁾ The Minneapolis Industrial Portfolio represents 14 industrial properties.

⁽³⁾ The Winnipeg Industrial Portfolio is comprised of 28 light and flex-industrial properties located in the St. James Industrial Park area, the Omand's Creek industrial area, the Inkster Industrial Park, and the Fort Garry Industrial Park in Winnipeg, Manitoba.

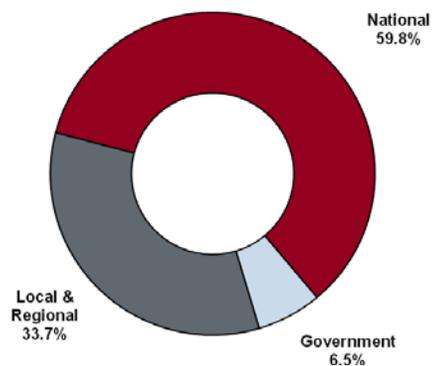
Tenant Mix

There are a total of 1,787 tenant leases in the Artis property portfolio at December 31, 2011. The properties have a diversified tenant base, with a high proportion of national tenancies in place as follows:

Portfolio Tenant Mix by GLA



Portfolio Tenant Mix by Gross Revenue

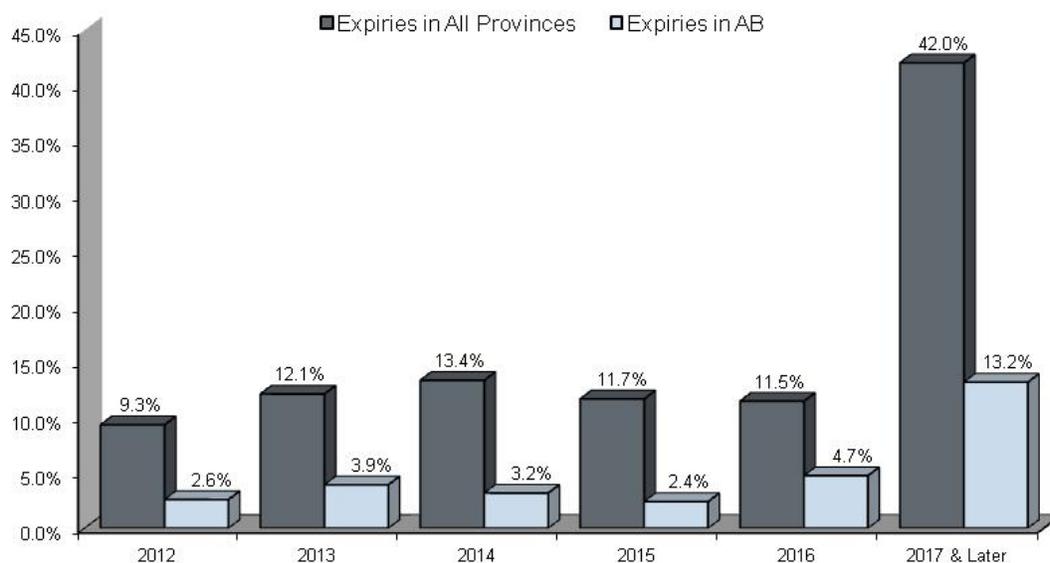


The following chart shows the ten largest tenants of Artis' properties, ranked by share of gross rental revenue as at December 31, 2011.

Tenant	% of Total Gross Revenue	% of GLA (sq. ft.)	Weighted-Average Lease Term
1 Provincial Governments	3.1%	2.0%	3.0
2 MTS Allstream	2.7%	1.9%	11.2
3 AMEC Americas Limited	2.7%	1.2%	1.7
4 Federal Government	2.6%	1.8%	3.7
5 TransAlta Corp.	1.6%	2.0%	11.4
6 Shoppers Drug Mart	1.2%	0.8%	5.1
7 IHS Energy (Canada) Ltd.	1.2%	0.5%	5.8
8 Sobeys	1.1%	1.1%	9.2
9 PMC Sierra Inc.	1.1%	0.9%	4.7
10 Home Depot	1.1%	0.6%	7.8
Total	18.4%	12.8%	6.9

Lease Maturities

The average term to maturity of Artis' leases was 5.6 years at December 31, 2011. A summary of Artis' lease expiration schedule follows:



Description of Office Properties

The following is a brief description of the office properties held by Artis as at December 31, 2011. Unless otherwise indicated, information is provided as at December 31, 2011.

360 Main Street / Winnipeg Square, 360 Main Street, Winnipeg, MB

360 Main Street is a 32-storey Class A office tower originally constructed in 1979 and holds a BOMA Best Level 3 Certification. The property is located in the heart of downtown Winnipeg at the corner of Portage Avenue and Main Street. It is connected to the shops of Winnipeg Square underground retail concourse and

indoor skywalks that link the office towers and the amenities of downtown. 360 Main Street is comprised of 545,468 square feet of leasable area and is 95.6% occupied. Key tenants include Canada Revenue Agency, Aikmac Holdings, CN Rail, and Artis Real Estate Investment Trust (Headquarters).

415 Yonge Street, Toronto, ON

415 Yonge Street is a 191,880 square foot 19-storey office building located in Toronto's Downtown North office node in close proximity to the University of Toronto, College Park and the Subway station, which provides easy access to local amenities. The building is 99.2% leased to an attractive mix of national, regional and government tenants, including Ryerson University and the Ministry of Health. 415 Yonge Street has a BOMA Best Level 3 Certification, as well as 133 underground parking stalls, providing a parking ratio of 0.7 stalls per 1,000 square feet of leasable area, far surpassing levels offered in competing properties.

417 – 14th Street Building, 417-14th Street NW, Calgary, AB

The 417-14th Street Building is a four-storey Class C suburban office building originally constructed in 1981 with 17,517 square feet of leasable area and covered surface parking. The building is located in Calgary's Kensington district, a unique and trendy village with over 100 shops and restaurants. 14th Street NW is also a high traffic arterial that connects directly to the downtown Calgary commercial core. The building is 100.0% leased to Robertson College, on a 15-year lease that commenced November 1, 2006, with rent escalations at the start of years six and eleven.

488 Albert Street, Nanaimo, BC

488 Albert Street is a two-storey Class A office building originally constructed in 1994 with 30,278 square feet of leasable space. It is located on the western boundary of downtown Nanaimo's Town Centre, close to the many shops and restaurants of the Downtown Heritage District and within minutes of the Inner Harbour waterfront area. 488 Albert Street is 100.0% occupied with the entire building leased to different arms of the British Columbia Buildings Corporation.

605 Waterford Park, 605 North Highway 169, Minneapolis, MN, U.S.

605 Waterford Park is a 204,417 square foot Class A suburban office building located in a suburb of Minneapolis, Minnesota. The property is strategically located in the I-394 office submarket, with excellent access to the retail amenities of the Waterford Plaza and the Ridgedale Regional Mall and located just 10 minutes from the Minneapolis CBD. 605 Waterford Park is 88.5% leased to several national and regional tenants, including SHPS, Spanlink, Winmark and U.S. Energy. The property features a total of 770 parking stalls, 485 of which are surface stalls, 235 are covered, and 50 are indoor executive stalls.

1045 Howe Street, Vancouver, BC

1045 Howe Street is a nine-storey Class B office building originally constructed in 1974 with 101,224 square feet of leasable area and a two-storey above-ground parking garage. The building is located in Vancouver's downtown south district, minutes from the CBD and many other amenities, including the Canada Skytrain service. The property is 97.8% occupied by a combination of national and regional tenants.

1165 Kenaston, 1165 Kenaston Street, Ottawa, ON

1165 Kenaston is a 180,689 square foot industrial building and two-storey office complex located in Ottawa, Ontario. The property has excellent access to the city's downtown core, as well as Highway No. 117, Ottawa's primary east/west thoroughfare. The building is 100.0% leased to St. Joseph Communications on a long-term lease expiring in 2019, with contractual rent increases. St. Joseph Communications is the largest privately owned communications company in Canada and the leading provider of totally integrated communication solutions.

6475 Metral Drive, Nanaimo, BC

6475 Metral Drive is a three-storey Class A office building constructed in 1992 with 38,151 square feet of leasable space. It is located in the Woodgrove Regional Shopping District, 10 kilometers northwest of downtown Nanaimo. The property occupies a corner location, providing exposure to traffic on both Metral Drive and Aulds Road. 6475 Metral Drive is 100.0% occupied with the major tenants including BCBC Human Resources and Vancouver Island Health Authority.

Birchcliff Energy Building, 630 – 4th Avenue SW, Calgary, AB

The Birchcliff Energy Building is a five-storey Class B office tower originally constructed in 1978, with significant capital upgrades completed in 2002, including a new fitness facility on the main floor. The property has 47 underground parking stalls and is centrally located in Calgary's downtown core. The building is also BOMA Best Level 1 Certified. The Birchcliff Energy Building has a leasable area of 68,070 square feet, with more than 86.0% of the space leased to Birchcliff Energy, a publicly traded oil and gas exploration company focused on exploration and development in the Peace River Arch area of Alberta.

Britannia Building, 703 – 6th Avenue SW, Calgary, AB

Britannia Building is a nine-storey Class C downtown office building with 131,589 square feet of leasable area. The property has 42 underground parking stalls, 7 surface stalls on-site, and an additional 20 surface stalls in the adjacent parking lot at 716-6th Avenue SW. Located in Calgary's Downtown West Core office district, the Britannia Building is within close proximity to both the Light Rail Transit system and the Plus 15 indoor walkways. The property is currently 73.5% occupied by a variety of national and local tenants including Geologic Systems, Kallisto Energy and All West Surveys.

Campana Place, 609 – 14th Street NW, Calgary, AB

Campana Place is a five-storey Class B suburban office building originally constructed in 1982 with 49,523 square feet of leasable area, plus underground and covered surface parking. The building is located in the Kensington district, a unique and trendy village with over 100 shops and restaurants. 14th Street NW is also a high traffic arterial that connects directly to the downtown Calgary commercial core. Campana is 93.8% occupied by a variety of local, regional, national and government tenants the largest of which includes Kids Cancer Care and Millennium Geomatics.

Cancross Court, 5600 & 5705 Cancross Court, Mississauga, ON

Cancross Court is a two-building Class A suburban office complex originally constructed in 1988. The properties comprise 143,877 square feet of leasable space with superior parking ratios within the market. Cancross Court has achieved a BOMA Best Level 3 Certification. The properties are located in the western portion of the greater Toronto area (GTA) with excellent access to major thoroughfares, including Highway 401. Cancross Court's two buildings are 100.0% occupied, with the largest tenant being HB Group Insurers.

Cara Foods Building, 199 Four Valley Drive, Vaughan, ON

The Cara Foods Building is a 100,398 square foot LEED Silver office complex located in Vaughan, Ontario. Vaughan is part of the GTA and one of the fastest growing cities in Canada. The Cara Foods Building was constructed in 2008 and provides an excellent parking ratio of 4.0 stalls per 1,000 square feet of leasable area. The property is 100.0% occupied by Cara Operations Ltd. on a newly signed 20-year lease, expiring in 2028 with rent escalations every five years. Cara Operations Ltd. provides catering services to airlines and operates several restaurants, including Harvey's, Swiss Chalet, Kelsey's, and Montana's. Artis owns a 50% share of the property.

CDI College Building, 280 Main Street, Winnipeg, MB

The CDI College Building is a two-storey Class C office building with 24,300 square feet of leasable area plus a surface parking lot located at 266 Main Street. The property is located in Winnipeg's downtown core, with nearby access to the indoor skywalk system that connects many of the commercial amenities in the downtown

district. The building is currently 100.0% occupied by CDI College under a lease expiring March 31, 2015. CDI College provides career-focused technology and business training across Canada.

Centre 15 Building, 1509 Centre Street SW, Calgary, AB

The Centre 15 Building is a seven-storey Class B office building originally constructed in 1982 with additional development in 1999. It has 76,040 square feet of leasable space and two floors of underground heated parking with a total of 116 stalls. Located in Calgary's Beltline district, Centre 15 is within walking distance of the amenities of the downtown core. The building holds a BOMA Best Level 1 Certification and is currently 96.0% occupied. The most significant tenant is Calgary Health Region, which occupies 18,475 square feet on a long-term lease.

Centre 70 Building, 7015 MacLeod Trail SW, Calgary, AB

The Centre 70 Building is a nine-storey Class B suburban office building originally constructed in 1977. It has gross leasable area of 132,329 square feet with approximately 15% of the building leased to retail tenants that provide amenities to other tenants in the building. The property has a parking ratio of 1:429 square feet, with a total of 308 parking stalls, 194 of which are underground. The Centre 70 Building is currently 90.9% occupied and major tenants include CGI (Insurers Advisory Organization Inc.) and the Minister of Infrastructure and Transport. Artis owns an 85% share of the property.

Concorde Corporate Centre, 1, 3 & 12 Concorde Gate, Toronto, ON

Concorde Corporate Centre is a three-building Class A suburban office complex originally constructed in 1988 with 545,503 square feet of leasable area. The property is located in Toronto's Don Mills and Eglinton office node, with direct access to the Don Valley Parkway and easy access to other major thoroughfares in the GTA. All three buildings have received the BOMA Best Level 3 designation, as well as the 2009 Earth Award for Suburban Office Park. In 2011, Concorde Corporate Centre achieved the Certificate of Building Excellence and ultimately received the BOMA Toronto TOBY Award for Suburban Office Park. On September 27, 2011 Concorde received the national TOBY Award, the most prestigious and comprehensive award of its kind in the commercial real estate industry, recognizing quality in buildings and rewarding excellence in building management. Concorde Corporate Centre is 87.3% leased with strong tenancies in place, including Home Depot Canada, Sport Alliance of Ontario, TD Bank, ESRI Canada, and Deloitte & Touche.

DSI Building, 119-14th Street NW, Minneapolis, MN, U.S.

The DSI Building is an 115,666 square foot Class A suburban office building originally constructed in 2008. The property is a state-of-the-art building and is located in the node known as "medical alley" where there is a concentration of medical technology and bioscience companies. The building has an excellent parking ratio of 3.9 stalls per 1,000 square feet of leasable area and is 100.0% occupied by Data Sciences International on a long-term lease with annual escalations to 2020.

EMC Building, 6020 – 104th Street NW, Edmonton, AB

The EMC Building is a three-storey Class A suburban office building built between 1981 and 1982. The property features a prime southside location along the Calgary Trail, on the strategic corridor between the International Airport and downtown Edmonton, Alberta. This location offers excellent exposure and numerous amenities, including restaurants, services, and hotels. The building comprises 28,520 square feet of leasable area and is 100.0% occupied by the EMC Corporation, a U.S. Fortune 500 and S&P 500 company and the largest provider of data storage platforms in the world.

Grain Exchange Building, 167 Lombard Avenue, Winnipeg, MB

The Grain Exchange Building is a ten-storey heritage office building comprising 236,282 square feet of leasable space. It was originally constructed in 1906 and extensively renovated in 2001, with an additional two floors fully renovated in 2007 and 2008. In 2011, a three-storey parking structure was developed ancillary to the building. The parkade provides 270 parking stalls. This building is 90.9% occupied with the

major tenant being Public Works and Government Services; approximately 38% of the building is leased to government tenants.

Hamilton Building, 395 Main Street, Winnipeg, MB

The Hamilton Building is a nine-storey Class B office building and Grade I Heritage Building originally constructed in 1918 and completely redeveloped in 2001 for the existing tenant's use. The property has 66,194 square feet of leasable area and is 100.0% occupied by the City of Winnipeg on a long-term lease with escalations. The Hamilton Building is located in the Exchange District of downtown Winnipeg, one block north of the intersection of Portage Avenue and Main Street and in close proximity to the underground concourse system that links the major offices, shops, restaurants, and amenities of downtown Winnipeg.

Hartford Corporate Plaza, 301 Woods Park Drive, New Hartford, NY, U.S.

The Hartford Corporate Plaza is a three-storey Class A office building originally constructed in 2008. The property is located in the Interstate-90 commercial corridor and is in close proximity to all of the major northeast metropolitan markets. The property comprises 122,760 square feet of leasable area with an additional 50,000 square feet of undeveloped area, which could be used to expand the property to meet the tenant's future needs. The property is 100.0% leased to Hartford Fire Insurance Company until 2018 with periodic rent escalations.

Heritage Square, 8500 MacLeod Trail SE, Calgary, AB

Heritage Square is a five-storey Class A LEED certified suburban office complex originally constructed in 1981. It has a leasable area of 313,691 square feet and ample parking in an attached three-storey above-ground parkade and single level underground parkade. The building features an indoor atrium and restaurant, as well as a fitness facility for tenant use. The property is situated in a high exposure location on MacLeod Trail, a major Calgary thoroughfare. Heritage Square is currently 98.5% occupied. Major tenants include AMEC and Credit Union Central.

Hillhurst Building, 301 – 14th Street NW, Calgary, AB

The Hillhurst Building is a four-storey Class C suburban office building built in two phases between 1966 and 1979 with 62,882 square feet of leasable area, plus underground and covered surface parking. The building is located on a highly visible corner site in the Kensington district, a unique and trendy village with over 100 shops and restaurants. 14th Street NW is also a high traffic arterial that connects directly to the downtown Calgary commercial core. Hillhurst is 88.5% occupied; major tenants include Servus Credit Union, Calgary Birth Control Association, TYZ Engineering, and the Minister of Infrastructure.

Humana Building, 91 Glendale Avenue, Phoenix, AZ, U.S.

The Humana Building is a three-storey class A professional office complex originally constructed in 2007 with 106,418 square feet of leasable area. The property is located in Tempe, Arizona, considered part of metropolitan Phoenix. This is in a strategic intersection of the Westgate City Centre, the home of the Phoenix Coyotes Arena and the Arizona Cardinals Stadium, along with numerous retail, entertainment, and dining amenities. The building is 100.0% leased to Humana Pharmacy Inc. until 2017 with periodic rent escalations. The property is situated on a 403,104 square foot site, which would provide for future expansion to meet tenant needs.

Johnston Terminal, 25 Forks Market Road, Winnipeg, MB

The Johnston Terminal is a Heritage Building originally constructed in 1929 and completely restored in 1993 for retail and office tenancies. The property is located at the Historic Forks Site in downtown Winnipeg. The Johnston Terminal has a leasable area of 73,255 square feet and is 99.5% occupied. Main floor and second floor tenants are retailers, including the Old Spaghetti Factory and Finn McCues. The third and fourth floors are home to office tenants, such as the Government of Canada and the Teachers' Retirement Allowance Fund.

Kincaid Building, 4225 Kincaid Street, Burnaby, BC

The Kincaid Building is a five-storey office building, 100.0% occupied by Eastman Kodak, located in the Discovery Place Business Park in Burnaby, British Columbia. The building is designed as a single tenant flex-office building and is comprised of 182,437 square feet of leasable area, which includes an office, warehouse, and lab space. The Kincaid Building includes 314 underground and surface stalls and also includes a development opportunity for an additional 65,000 square feet of office space. The Kincaid Building is the head office in Canada for Eastman Kodak. Eastman Kodak has entered into a newly executed 10-year lease which expires in 2019, with a rent step in 2014. Artis owns a 50% interest in this building.

Meadowvale Office, 6750 Century Avenue, Mississauga, ON

The Meadowvale Office Building is a newly constructed four-storey certified LEED Silver Class A office property located in Mississauga. The building is located in the well-established Meadowvale office node, with excellent access to major highways and public transit. The property also features a parking ratio of 3.6 stalls per 1,000 square feet of leasable area. The Meadowvale Office Building comprises 99,869 square feet of leasable space and is currently 95.1% leased; major tenants include Whirlpool Ltd. Canada and Takeda Canada Inc.

Millennium Centre, 4909 – 49th Street and 4902 – 48th Street, Red Deer, AB

Millennium Centre is a seven-storey Class A office tower originally constructed in 2000, with a two-storey addition completed in 2008. The property has an adjoining parkade with 348 parking stalls and a surface parking lot which provides an additional 30 parking stalls. The building is located in downtown Red Deer and is the city's newest and largest office building. Millennium Centre has a leasable area of 148,745 square feet and is 100.0% leased. Key tenants include Red Deer College, Investors Group, HSBC Canada, and Energy Utilities Board.

Mosaic Office Building, 13830 Circa Crossings Drive, Tampa, FL, U.S.

The Mosaic Office Building is a four-storey LEED Gold certified Class A office building constructed in 2009 and comprising 107,463 square feet of leasable area. The property is located in a suburb of Tampa, Florida, with excellent access to the Interstate 75 and U.S. Highway 301, major arterial roadways to Tampa Bay and other parts of Florida. The property is 100.0% leased to the Mosaic Company until 2020 and the lease provides for regular annual rent increases. The property has expansion rights for an additional 11,402 square feet of leasable area to meet the tenant's future needs.

MTS Call Centre, 365 Osborne Street, Winnipeg, MB

The MTS Call Centre is a two-storey Class A suburban office property, originally constructed in 2007. It has a parking ratio of 3.13 stalls per 1,000 square feet, with 238 asphalt-paved parking stalls on site. The MTS Call Centre is located on Osborne Street, a major traffic arterial into downtown Winnipeg. The building has approximately 75,986 square feet of leasable area and is 100.0% leased to MTS Allstream for a twenty year term, expiring in 2026.

MTS Place, 333 Main Street and 191 Pioneer Avenue, Winnipeg, MB

MTS Place is a 274,712 square foot two-building office complex located in the heart of Winnipeg's financial district, in close proximity to major local thoroughfares and adjacent to the 360 Main Street building, also owned by Artis. The property is currently 97.5% occupied, with the largest tenant, MTS Allstream, occupying approximately 89.0% of the space on a long-term lease with contractual rent increases. Both buildings have achieved a BOMA Best Level 2 Certification, with a Level 3 Certification pending.

Northwest Centre I & II, 4500 & 4520 – 16th Avenue NW, Calgary, AB

Northwest Centre I & II is a two-building Class B suburban office complex comprised of one four-storey office building and one three-storey office building. The buildings are connected by a multilevel underground parkade, which provides 145 parking stalls, with an additional 15 stalls available in the grade

level parking lot between the two buildings. The property is located on 16th Avenue NW, which is part of the Trans Canada Highway that runs through Calgary. Northwest Centre I & II has 77,916 square feet of leasable area and is currently 100.0% occupied. Komex International is the largest tenant in the property.

Poco Place, 2755 Lougheed Hwy, Vancouver, BC

Poco Place is comprised of a four-building retail plaza and a seven-storey office building, originally constructed in 1980. The office component comprises approximately 73,189 square feet of leasable area and is 86.1% leased to a strong mix of national and regional tenants, including the Canadian Back Institute, BDC, Western Institute for the Deaf, and HSBC.

Production Court, 8525 Baxter Place, Burnaby, BC

Production Court is a three-building, 297,801 square foot Class A office complex originally constructed in 1992. The property is well located in the highest point in the Lake City Business Centre, which provides for panoramic views from the northern exposure. Production Court is located in close proximity to both bus and sky train stations and boasts other amenities such as an 846 stall enclosed parking structure and an onsite fitness facility. The property is 98.6% leased, with the largest tenant being PMC Sierra, a global semiconductor solutions provider.

Sierra Place, 706 – 7th Avenue SW, Calgary, AB

Sierra Place is a 10-storey Class C downtown office building with gross leasable area of 89,491 square feet. The property is located in Calgary's Downtown West Core office district, with access to the Plus 15 indoor walkways as well as the Light Rail Transit system that runs directly in front of the building. Sierra Place is currently 86.9% occupied by a variety of tenants, the largest including DC Energy Group Inc., ESRI Canada Ltd., and Canadian Discovery Ltd.

Stampede Station, 1331 Macleod Trail SE, Calgary, AB

Stampede Station is a newly constructed Class AA ten-storey office building located in Calgary, Alberta. The building comprises 162,502 square feet of leasable space and is strategically located in Calgary's Business District, across the street from the Calgary Stampede and Convention Grounds as well as a Light Rail Transit station. A first right of refusal to acquire the future Phase II Office development of 315,000 square feet was also obtained. The building features an excellent parking ratio of 2.0 stalls per 1,000 square feet of leasable space; a ratio that is superior to similar buildings within the beltline and downtown areas. Stampede Station is 100.0% occupied by several high credit tenants on long-term leases, including IHS Energy Canada, ATB Financial, and Genivar Inc. Tenant spaces totaling 55.0% of the building's GLA have achieved LEED Gold status. LEED Silver status for the building is anticipated within a year.

Stinson Office Park, 323, 400, & 500 Stinson Boulevard, Minneapolis, MN, U.S.

The Stinson Office Park is a 305,045 square foot office complex with an additional parking structure providing 1,703 parking stalls, for an excellent parking ratio of 5.5 stalls per 1,000 square feet of leasable space. The Stinson Office Park is located in the Midway submarket of Minneapolis/St. Paul. The property is one block away from the I-35W and Broadway Interchange, providing convenient access to a main Twin Cities transportation artery and just a short distance from the CBD and the University of Minnesota. The Stinson Office Park is 97.0% occupied by two high credit tenants with prescribed annual rent increases and long-term leases expiring in 2017 and 2021 respectively.

TransAlta Place, 110 – 12th Avenue SW, Calgary, AB

TransAlta Place is a 336,041 square foot Class A office complex comprised of one ten-storey, one six-storey, and one two-storey office building. Since 2000, the property has undergone over \$18.0 million in upgrades, including an 80-seat conference centre, market-style café, and private dining room. The property also has a two-level underground parkade with 298 stalls and an additional 15 covered surface stalls. TransAlta Place is located in the Beltline district of Calgary, immediately south of the downtown core. The

building is currently 100.0% leased to TransAlta Corporation on a long-term lease expiring in 2023. TransAlta Corporation is Canada's largest non-regulated power generation and energy marketing company.

Two MarketPointe, 4400 – 78th Street West, Minneapolis, MN, U.S.

Two MarketPointe is a 249,111 square foot LEED Gold certified Class A office building located in Minneapolis, Minnesota. The property includes a 969 stall parking structure which provides for an excellent parking ratio of 4.0 stalls per 1,000 square feet of leasable space. The property is located directly on the I-494, where 155,000 cars pass per day, providing excellent exposure. Tenant amenities include an on-site fitness facility, a deli and convenience store, and a full-service bar and upscale restaurant. Two MarketPointe was constructed in 2008 and is currently 81.4% occupied by a mixture of national and regional tenants, all with prescribed annual rent increases.

Union Hills Office Plaza, 2550 West Union Hills Drive, Phoenix, AZ, U.S.

The Union Hills Office Plaza is a 142,773 square foot three-storey Class A Energy Star certified office building located in north metropolitan Phoenix, Arizona, with good visibility from the I-17 freeway. The property is 95.5% occupied, with its largest tenant, the University of Phoenix/Apollo Group occupying 59.5% of the building on a long-term lease expiring in 2017, with contractual rent increases. Union Hills Office Plaza has 695 surface parking stalls, which provides for an excellent parking ratio of 4.9 stalls per 1,000 square feet of leasable area.

Willingdon Green, 3175 & 3185 Willingdon Green, Burnaby, BC

Willingdon Green is a three-storey Class A suburban office building originally constructed in 1985. It has a parking ratio of 3.14 stalls per 1,000 square feet, with 67 underground stalls and 80 surface stalls. The property is located in Central Burnaby in the Willingdon Green Executive Park and is one of the only properties in the area to have building signage with exposure to Highway No. 1. Willingdon Green has a leasable area of 46,782 square feet and is currently 78.9% leased, the largest tenant being the Canadian Back Institute. The balance of space has recently been developed to suit the needs of new and future tenants.

Description of Retail Properties

The following is a brief description of the retail properties held by Artis as at December 31, 2011. Unless otherwise indicated, information is provided as at December 31, 2011.

100 Signal Road, Fort McMurray, AB

100 Signal Road is a single-storey retail building originally constructed in 1988, with approximately 40 surface parking stalls. The building is located in the Thickwood Heights area of Fort McMurray, across the street from a new format Safeway. 100 Signal Road has a leasable area of 14,000 square feet and is currently 100.0% occupied by two tenants.

2190 McGillivray Cineplex, 2190 McGillivray Boulevard, Winnipeg, MB

The McGillivray Cineplex is a 42,725 square foot Cineplex theatre located in the growing Kenaston retail power node of Winnipeg, Manitoba. The property is leased to Cineplex until 2026. The property is being developed to include an 18,582 square foot Shoppers Drug Mart, with which Artis has entered into an executed offer to lease for a 20-year lease term. The development is expected to be completed by summer 2012.

6461 Metral Drive, Nanaimo, BC

6461 Metral Drive is a single-storey retail building constructed in 1999. It is located in the Woodgrove Regional Shopping District of Nanaimo, which is part of the primary retail node in north Nanaimo. The property comprises 53,953 square feet of leasable space and is 40.9% leased to the United Furniture Warehouse.

Aulds Corner, 6551 Aulds Road, Nanaimo, BC

Aulds Corner consists of one two-storey retail building and three freestanding retail buildings constructed between 1997 and 2000, all of which are LEED certified. The properties are located in the Woodgrove Regional Shopping District, 10 kilometers northwest of downtown Nanaimo. The property occupies a corner location, providing exposure to traffic on both Metral Drive and Aulds Road. The buildings have a total leasable area of 36,380 square feet, and are 100.0% occupied. Key tenants include the Ministry of Labour and Citizens Services and HSBC.

Best Buy Hutchinson, 1350 Highway 15, Hutchinson, Scott County, MN, U.S.

The Best Buy Hutchinson is located within the County Fair Marketplace Shopping Centre in Hutchinson, Minnesota. The property is strategically situated in the city's retail district, in close proximity to the Hutchinson mall, a Walmart, and numerous other retail amenities. The property is currently 100.0% leased to Best Buy and is shadow-anchored by a Target.

Brick Centre, 11245 – 104th Avenue, Grande Prairie, AB

The Brick Centre is a two-building retail property developed between 2003 and 2006. It is located on the west boundary of the City of Grande Prairie in the newly developed Westgate Power Centre. This Power Centre includes Home Depot, while the adjacent Gateway Power Centre is home to several other national tenants, including Walmart, Future Shop, London Drugs, and Staples. The property has a leasable area of 46,313 square feet and is 100.0% occupied by The Brick, Canadian Western Bank and Nevada Bob's Golf on long-term leases.

Cambridge Retail Centre, 205 Taft Street North, Cambridge, Isanti County, MN, U.S.

The Office Max located within the Cambridge Retail Centre is comprised of 14,200 square feet of leasable area and is located in a suburb of Minneapolis, Minnesota. The retail centre is 100.0% leased to Office Max and is shadow-anchored by a Target. The property is well-located and benefits from high traffic flow to the area.

Canarama Mall, 7 Assiniboine Drive, Saskatoon, SK

Canarama Mall is an unenclosed four-building retail shopping centre built in phases between 1971 and 1989, and substantially redeveloped between 2003 and 2005. The property is situated on a highly visible corner location, with convenient access from Circle Drive, Assiniboine Drive and Warman Road, three major arterials of Saskatoon. Canarama Mall has a leasable area of 65,916 square feet, is 100.0% occupied, and is anchored by an OK Economy (Extra) Foods and a new format Shoppers Drug Mart. Other key tenancies include The Running Room, Saskatchewan Credit Union and Tim Hortons.

Capital City Centre, 1825 and 1875 Victoria Avenue East, Regina, SK

Capital City Centre is a six-building retail development shadow-anchored by Home Depot and located on Regina's busy Victoria Avenue (Trans Canada Highway). The six buildings were completed in phases between 1998 and 2003. Altogether the buildings comprise 44,208 square feet of leasable space, and are 100.0% occupied by national and regional tenants including Future Shop, Earl's, and Bank of Montreal.

Circle 8 Centre, 3120, 3124, 3126 and 3134 – 8th Street East, Saskatoon, SK

Circle 8 Centre consists of three freestanding retail buildings constructed between 1991 and 1993 and a large two-storey McNally Robinson Book Store with an attached strip mall. The book store building was originally constructed in 1977 and completely redeveloped in 1998 for its current use, while the attached mall was added in 1990. The property is located at Circle Drive and 8th Street East, a major artery and commercial strip in Saskatoon, and has abundant parking with a ratio of 5.4 stalls per 1,000 square feet of leasable area. Circle 8 Centre has a gross leasable area of 77,212 square feet and is currently 100.0% occupied. Other key tenants include the Liquor Board of Saskatchewan, Canadian Imperial Bank of Commerce, CitiFinancial and Moxie's Restaurant and Bar.

Clareview Town Centre, 4211 – 139th Avenue NW and 13704 – 42nd Street NW, Edmonton, AB

Clareview Town Centre is a three-building retail property originally constructed in 1997. It has 405 parking stalls for an excellent parking ratio of 7.25 stalls per 1,000 square feet of leasable area, with an additional 321 parking stalls shared with the adjacent Future Shop, Marks Work Warehouse, and Rogers Video. The property has frontage onto 137th Avenue, a major Edmonton artery that connects to the Yellowhead Trail. Clareview Town Centre has 55,900 square feet of leasable space and is currently 100.0% occupied. The building is anchored by an Empire Theatre and XS Cargo, with other national retailers in the centre including Sleep Country, Burger King and Ultracuts.

Delta Shoppers Mall, 8037 – 120 Street, Delta, BC

The Delta Shoppers Mall is a five-building strip mall originally constructed as an enclosed shopping mall in 1972 and completely redeveloped to its current format in 2004. It has 340 surface parking stalls and shares an additional 775 stalls with the Superstore that shadow anchors the shopping centre. The property is located along Scott Road, a major commercial corridor and north/south arterial between Delta and Surrey, British Columbia. Delta Shoppers Mall has 74,696 square feet of gross leasable area and is 98.6% occupied. Key tenants include JYSK, TD Canada Trust, One 20 Liquor Store and One 20 Pub & Grill.

Eagle Ridge Corner, Eagle Ridge Gate and Loutit Road, Fort McMurray, AB

Eagle Ridge Corner is a 12,654 square foot retail property built in 2009 and located in the Eagle Ridge residential neighbourhood of the greater Timberlea subdivision of Fort McMurray, which contains 29% of the city's population. The property is in close proximity to Confederation Way, which provides access to Highway No. 63 and services all of Fort McMurray as well as provides linkage to all other commercial, residential, and industrial nodes in the urban centre. The property is 100.0% occupied with strong national and regional tenancies in place.

East Landing Mall, 2425 – 2573 Quance Street East, Regina, SK

East Landing Mall is a two-building retail strip mall originally constructed in 1996. The mall is located at the southeast corner of Quance Street and University Park Drive, a major commercial district in Regina. East Landing Mall has a gross leasable area of 40,937 square feet and is 86.3% occupied. The property is anchored by a stand-alone Pizza Hut.

East Landing Plaza, 2577 – 2599 Quance Street East, Regina, SK

East Landing Plaza is a two-building retail development built in 1997. The centre is located one block from Victoria Avenue (the Trans Canada Highway) at the corner of Quance Street and University Park Drive, a major commercial district in Regina. The property has 24,216 square feet of leasable area and is 87.2% occupied by a combination of local and national tenancies.

Edson Shoppers, 303 – 54th Street and 54th Street and 2nd Avenue, Edson, AB

Edson Shoppers is a single-storey retail building constructed in 2007 and adjacent to an existing Garden Market IGA. The property also consists of an excess land component on the southwest corner of the site, occupied by a standalone Tim Hortons. The building is located on 2nd Avenue in the commercial hub of Edson. The property is comprised of 20,390 square feet of leasable area and is 100.0% occupied by Shoppers Drug Mart and Liquor Depot.

Estevan Sobeys, 440 King Street, Estevan, SK

Estevan Sobeys is a single-tenant retail property, constructed adjacent to an existing community shopping centre in 2002. The property is located on King Street in an established commercial and residential area of Estevan. The building has a leasable area of 38,110 square feet and is 100.0% leased to Sobeys on a long-term contract, which expires in 2022.

Fleet Street Crossing, 2140 – 2200 Victoria Avenue East, Regina, SK

Fleet Street Crossing is a three-building retail development consisting of one two-storey building originally constructed in 1976 with an addition in 2000, and two single-storey buildings constructed in 2000 and 2001. Fleet Street Crossing is highly visible from Victoria Avenue, a major arterial route with high traffic volume. The centre has a total leasable area of 37,736 square feet and is 96.7% occupied by many national tenancies, including Arby's, Domino's Pizza, Culligan of Canada and CitiFinancial.

Furniture Pluss Building, 9401 Franklin Avenue, Fort McMurray, AB

The Furniture Pluss Building is a two-storey retail building comprising 21,490 square feet of leasable area and originally constructed in 1977 with an addition built in 2002. The property is located in Fort McMurray, Alberta, adjacent to the Northern Lights Shopping Centre I & II, which is also owned by Artis. The property is 100.0% leased with a mix of regional and local tenants, including Marks Work Wearhouse and Furniture Pluss.

Gateway Power Centre, 10910 – 105A Avenue, 10360/10320/10210 – 111 Street, and 11120 – 100 Avenue, Grande Prairie, AB

Gateway Power Centre is an open retail development consisting of a freestanding Peavey Mart constructed in 1999 and a multi-tenant CRU built in 1998. Together the buildings have a leasable area of 61,279 square feet. The property forms part of a larger retail power centre and is shadow-anchored by London Drugs, Walmart and Save-On Foods. The CRU is 94.4% occupied with a variety of tenants including Canada Post and M & M Meats, and is anchored by Wholesale Sports.

Grande Prairie Power Centre, 9801 – 116 Street, Grande Prairie, AB

The Grande Prairie Power Centre is a 139,981 square foot unenclosed Class A retail shopping centre originally constructed between 2008 and 2009. The property is located in the Central West Business Park and has an excellent parking ratio of 4.5 stalls per 1,000 square feet of leasable area. The property is 97.7% occupied with high profile national tenants such as Mark's Work Wearhouse, Ernie's Sports, Petsmart, CIBC, Scotiabank, and Best Buy.

Home Depot Richfield, 6301 Richfield Parkway, Richfield, Hennepin County, MN, U.S.

The Home Depot is located in the Cedar Point Commons, which is a 30-acre redevelopment that includes approximately 350,000 square feet of retail space, featuring a Super Target, full service restaurants, a bank, and three multi-tenant retail buildings. The retail centre is prominently located just south of the intersection of Highway 62 and Cedar Avenue (Highway 77) in Richfield, Minnesota. This project serves the densely populated South Minneapolis area, offers a high daytime population, and attracts and accommodates visitors arriving from the Minneapolis Airport. Artis owns the 398,529 square foot land lease to the Home Depot.

Horizon Heights, 3508 – 32nd Avenue NE, Calgary, AB

Horizon Heights is a five-building neighborhood retail centre originally constructed in 1985 and extensively renovated in 2000. A freestanding Tim Hortons was added in 2007. The property is located on 32nd Avenue NE, which connects to both Deerfoot Trail and Barlow Trail, two major Calgary thoroughfares. Horizon Heights is shadow-anchored by Safeway and in close proximity to other national retailers including London Drugs and Sobeys, as well as the Peter Lougheed Regional Hospital. Horizon Heights is comprised of 73,515 square feet of leasable area and is currently 91.2% occupied. In addition to the three largest tenants – Dollarama, The Salvation Army of Canada, and Automotive Village Northwest – Horizon Heights also has national tenants such as the Bank of Nova Scotia, Bulk Barn, Quizno's, and RTO Rentown.

King Edward Centre, 15 & 25 King Edward Street, Coquitlam, BC

King Edward Centre is a mixed-use retail and office property with exposure from the Trans Canada Highway overpass. The property has three freestanding buildings totaling 81,647 square feet; 18,586 square feet is designated office space while the remaining 63,061 square feet is used by retail tenants. Parking is

available at a ratio of 4.41 stalls per 1,000 square feet of leasable area. King Edward Centre is 97.8% leased with major tenants including Winners Apparel, Mark's Work Warehouse, and Princess Auto.

Liberton Square, 504, 506, 506A St. Albert Road, St. Albert, AB

Liberton Square is a three-building retail shopping centre consisting of one original building constructed in 1974 and fully renovated in 2003, while the remaining two buildings were added in 1998 and 1999. The property is located in the city of St. Albert, which is Alberta's fifth largest city and is approximately a 20-minute drive from downtown Edmonton. Liberton Square has a total leasable area of 20,743 square feet and is currently 100.0% occupied. Key tenants include ARTEAM Realty (Royal LePage), Ronald Beauchamp Professional Corp., and CitiFinancial.

Moose Jaw Sobeys, 769 Thatcher Drive East, Moose Jaw, SK

Moose Jaw Sobeys is a single-tenant retail building originally constructed in 2002. The property is located on Thatcher Drive in a growing commercial and residential district of Moose Jaw. The building has a leasable area of 38,127 square feet and is 100.0% leased to Sobeys on a long-term contract, which expires in 2022.

North City Centre, 13150 – 137th Avenue, Edmonton, AB

North City Centre is a two-building retail development originally constructed in 1984 and substantially redeveloped in 2004 to accommodate three big-box retailers. The centre has 556 parking stalls to provide for a ratio of 5.42 stalls per 1,000 square feet of leasable area. North City Centre has frontage onto 137th Avenue, a major Edmonton artery with high traffic volumes. North City Centre comprises 108,738 square feet of leasable space and is 97.8% occupied, with over 95% of the space leased to national tenants such as Old Navy, JYSK, Staples, and Scotia Bank. The site area is over ten acres, and was improved with the development of a 20,000 square foot office building that was completed in the summer of 2011.

Northern Lights Shopping Centre I, 9521 Franklin Avenue, Fort McMurray, AB

Northern Lights Shopping Centre Phase I is a retail development consisting of four single-storey buildings constructed in 1998. The property is located in the Lower Townsite of Fort McMurray and is shadow-anchored by Safeway. Northern Lights Shopping Centre Phase I has a total leasable area of 18,350 square feet and is currently 100.0% occupied. Over 70% of the centre is leased to national tenants, including the Bank of Nova Scotia and Rogers Video.

Northern Lights Shopping Centre II, 9521 Franklin Avenue, Fort McMurray, AB

Northern Lights Shopping Centre Phase II is comprised of three single-storey retail buildings originally constructed in 1997. It is located in the Lower Townsite of Fort McMurray and is shadow-anchored by Safeway. The property has a leasable area of 30,743 square feet and is 100.0% occupied. Over 75% of the property is leased to national tenants, such as Moxie's Restaurants, Reitman's and Warehouse One.

Pembina Village Shopping Centre, 2065-2127 Pembina Highway, Winnipeg, MB

Pembina Village Shopping Centre is a seven-building 132,259 square foot unenclosed Class A retail shopping centre originally constructed in phases from 1985 to 1994. The property is located on Pembina Highway, a major Winnipeg thoroughfare to the University of Manitoba, Manitoba's largest student campus. Pembina Village Shopping Centre is 100.0% occupied with an excellent tenant roster including Winners, JYSK, Penningtons, and Applebee's.

Poco Place, 2755 Lougheed Hwy, Vancouver, BC

Poco Place is comprised of a four-building retail plaza and a seven-storey office building, originally constructed in 1980. The property is located in the heart of the Coquitlam Town Centre neighbourhood, one of the largest retail areas in the greater Vancouver area. The retail component of the property comprises

90,655 square feet of leasable area and is 99.3% leased with a high proportion of national tenants such as Michaels, Sport Mart, Pier 1 Imports, HSBC, Planet Organic, IHOP, and TD Canada Trust.

Reenders Square, 3, 7, 11, Reenders Drive, Winnipeg, MB

Reenders Square is a food-anchored retail strip mall comprised of three single-storey buildings constructed in 1998. It is located on Lagimodiere Boulevard, a high traffic arterial route in Winnipeg, and is part of an overall “Power Centre Node” anchored by Kildonan Place, one of Winnipeg’s largest regional shopping centres. Reenders Square has a total leasable area of 65,754 square feet and is 86.3% occupied. The property is anchored by Sobeys on a long-term lease and is shadow-anchored by a new concept RONA Home Improvement Centre. Other key tenants include Subway, Pet Valu Canada and CitiFinancial.

Savage Crossings, 14351 Highway 13 South, Savage, Scott County, MN, U.S.

Savage Crossings is part of a 230,000 square foot shopping centre, shadow-anchored by a Super Target, and located in a suburb of Minneapolis, Minnesota. Savage, which is located in Scott County, remains one of the fastest growing counties in the Twin Cities metro area. Super Target and Office Max chose this prime intersection which serves the Savage, Prior Lake, and Jackson Township markets. Two signalized intersections provide convenient access to the project. The property is currently 100.0% leased, with over 80% being leased to Office Max.

Sears Centre, 12429 – 99th Street, Grande Prairie, AB

The Sears Centre is a single-building retail strip mall originally constructed in 1994 and significantly upgraded between 2008 and 2009. The site has more than 12 acres of land, providing an opportunity for future expansion. The property is located adjacent to Superstore and the Prairie Mall, which provides an additional draw to this location. The centre is comprised of 130,797 square feet and is 100.0% occupied. It is anchored by Sears Canada with a variety of other national and local tenants, including Harley Davidson.

Shoppers Landmark Centre, 4150 Albert Street, Regina, SK

Shoppers Landmark Centre is a three-building retail shopping centre originally constructed in 2003. The centre occupies a highly visible location in Regina’s major commercial district along Albert Street. Shoppers Landmark Centre has 48,834 square feet of leasable area, is 100.0% occupied, and is anchored by a new format Shoppers Drug Mart. Other high profile tenants include the Bank of Nova Scotia and Quizno’s.

Signal Centre, 105 & 111 Thickwood Boulevard, Fort McMurray, AB

Signal Centre is a retail development consisting of four freestanding buildings constructed between 1999 and 2006. One building is a two-storey health care clinic, while the remaining three buildings are all single-storey structures. The property is located in the Thickwood Heights area of Fort McMurray, directly across the street from the Woodlands Shopping Centre. Signal Centre has 14,797 square feet of leasable area and is currently 100.0% occupied, with the major tenant being the Northern Lights Health Region.

Southview Centre, 3201 – 13th Avenue SE, Medicine Hat, AB

Southview Centre is a single-storey open retail centre, consisting of one main big-box development and two freestanding PAD developments. The centre was substantially redeveloped in 2000 with further expansion completed in 2002 and PAD sites added in 1999 and 2004. The site is over 15 acres and has asphalt-paved parking areas for 711 stalls, providing the centre with a parking ratio of 4.31 stalls per 1,000 square feet of leasable area. The property has frontage onto both 13th Avenue and Southview Drive, two of the main roadways in this area of the city, and is minutes from the Trans Canada Highway. Southview Centre has 162,062 square feet of leasable space and is 97.2% occupied, almost entirely by national tenants including The Brick, London Drugs, Winners, JYSK, Michaels, Reitmans, Giant Tiger, Tim Hortons and TD Bank.

Southwood Corner, 10233 Elbow Drive SW, Calgary, AB

Southwood Corner is a five-building unenclosed retail mall that was originally constructed in 1964, with an addition completed in 1992 and a partial redevelopment in 2000. It is situated on more than eight acres of land and has 495 surface parking stalls. The property is located at the corner of Elbow Drive and Southland Drive, just west of MacLeod Trail, a major commercial corridor. Southwood Corner is comprised of 122,334 square feet of leasable area and is currently 98.3% occupied. Tenants include well known retailers such as Fabricland, Tim Hortons, the Bank of Montreal, and Rogers Video, as well as the Province of Alberta.

Strathcona Shoppers Centre, 2202 Broad Street, Regina, SK

Strathcona Shoppers Centre is a one-storey single-tenant retail building originally constructed in 2004. The property is located on Broad Street, one of Regina's main traffic arterials, and within close proximity to the Regina General Hospital and several established residential neighbourhoods. The centre consists of 21,910 square feet and is 100.0% occupied by Shoppers Drug Mart on a long-term lease.

St. Vital Square, 785 – 851 Dakota Street, Winnipeg, MB

St. Vital Square is a six-building unenclosed Class A retail shopping centre originally constructed in 1986. The property is located across from St. Vital Centre, one of Winnipeg's largest regional malls and a significant retail node in the city. The property comprises 116,353 square feet of leasable area and is 99.1% occupied with an excellent tenant roster including Mark's Work Wearhouse, Pier 1 Imports, Shoppers Drug Mart, Moore's Clothing, and a Manitoba Liquor Commission outlet.

Sunridge Home Outfitters Centre, 3333 Sunridge Way NE, Calgary, AB

Sunridge Home Outfitters is a single-storey retail building originally constructed in 2000. The property has 230 surface parking stalls for a ratio of 4.51 stalls per 1,000 square feet of leasable area and is located in the Sunridge Business Park in northeast Calgary. This location provides direct exposure to 16th Avenue (Trans Canada Highway) and is part of a larger "Power Centre Node" that includes national retailers such as Winners, Best Buy, and RONA, as well as several large shopping centres, specifically Sunridge Mall and Sunridge Spectrum Shopping Centre. The property has a leasable area of 50,905 square feet and is 100.0% occupied. The property is anchored by Home Outfitters, a division of the Hudson's Bay Company.

Sunridge Spectrum, 2555 – 32nd Street NE, Calgary, AB

Sunridge Spectrum Shopping Centre is a Class A Power Centre development constructed between 2000 and 2001. The retail complex consists of eight single-storey buildings and has 1,240 surface parking stalls for a ratio of 9.61 stalls per 1,000 square feet of leasable area. The property is located at the corner of Sunridge Boulevard and 32nd Street, and is in close proximity to the Sunridge Mall, a large regional enclosed mall, and other high profile retailers such as Costco, Best Buy, and RONA. Sunridge Spectrum is comprised of 129,471 square feet of leasable area and is currently 99.2% occupied. The property is anchored by a Cineplex Odeon Theatre and has several other national tenants including Chapters, Bank of Montreal, Montana's, and East Side Mario's.

Sunrise Towne Square, 183-187 Highway 16A, Spruce Grove, AB

Sunrise Towne Square is 111,995 square foot unenclosed Class A retail property originally constructed in 2006. The property is located in close proximity to an existing retail power node and is anchored by a RONA store and shadow-anchored by a Walmart. The property is 100.0% occupied by a mix of national and regional tenants including CitiFinancial, Dollarama, and Pet Pro's.

Tamarack Centre, 1500 Cranbrook Street, Cranbrook, BC

Tamarack Centre is the premier shopping destination in Cranbrook, British Columbia. The city of Cranbrook is the largest urban community in southeastern British Columbia. Forestry, mining, manufacturing, tourism, trade services, and transportation constitute the basis of the region's economy. The property is an enclosed

centre originally constructed in 1977 and comprising 290,294 square feet of leasable area. The centre is 94.5% occupied with national tenants including Target, Winners, Shoppers Drug Mart, and Staples.

Tide Centre, 9914 King Street, Fort McMurray, AB

Tide Centre is a three-building retail development originally constructed in 1992. The property is located in the Lower Townsite of Fort McMurray, just minutes from Keyano College. Tide Centre has a leasable area of 18,206 square feet and is currently 83.5% leased to a mix of national and local tenants including Cloverdale Paint and Mac's Convenience Store.

Union Crossings, 1417 & 1425 7th Street East, Monticello, Wright County, MN, U.S.

Union Crossings is a 48,389 square foot community shopping centre, shadow-anchored by a Super Target and a Home Depot. The property is located with exceptional visibility from I-94 along one of the fastest-growing residential corridors in Minnesota. The property is 89.0% leased to a number of national and regional tenants, including Office Max, PetSmart, and Caribou Coffee.

Uplands Common, 325 Bluefox Boulevard North, Lethbridge, AB

Uplands Common is a three-building food-anchored retail centre originally constructed in 2003. The property comprises 53,392 square feet of leasable area with an excellent parking ratio of 4.1 stalls per 1,000 square feet of leasable area. Uplands Common is 100.0% occupied with a mix of local and national tenants, anchored by a new format Sobeys on a long-term lease expiring in 2023.

Victoria Square Shopping Centre, 2223 Victoria Avenue East, Regina, SK

The Victoria Square Shopping Centre is a 297,402 square foot enclosed regional mall, well located on Ring Road and Victoria Avenue (the Trans Canada Highway) in Regina, Saskatchewan. Victoria Square is one of Regina's largest regional malls and forms part of an established retail node, in close proximity to a Costco, Home Depot, and many other national retailers. The centre is 96.1% occupied by a mix of national and regional tenants, including TD Bank, Shoppers Drug Mart, Sport Chek and a Safeway store.

Visions Building, 2930 – 32nd Avenue NE, Calgary, AB

The Visions Electronics Building is a 50,045 square foot Class A retail property located on a 2.97 acre site originally built in 1981. The property is located in northeast Calgary, with exposure along the busy 32nd Avenue NE commercial corridor. The property is 100.0% occupied by Ashley Furniture and Visions Electronics, both on long-term leases with escalations, expiring in 2019 and 2020 respectively.

Westbank Hub Centre North, 2127 – 2151 & 2130 Louie Drive, Westbank, BC

Westbank Hub Centre North is a 249,724 square foot unenclosed Class A retail shopping centre originally constructed in 2008. The property is situated on a 22.98 acre site with the potential to develop an additional 15,000 square feet of retail space. The property also features an excellent parking ratio of 4.9 stalls per 1,000 square feet of leasable area. Westbank Hub Centre North is 97.1% occupied to strong national tenants including Walmart, London Drugs, Reitmans, CIBC, and HSBC. Artis owns a 50% share of the leasehold interest in this property.

Westbank Zellers, 3571 Old Okanagan Road, Westbank, BC

Westbank Zellers is a 105,670 square foot retail building originally constructed in 1995. The property is located in the Glenrosa neighbourhood, an easily accessible and growing commercial and residential neighbourhood in West Kelowna. The property is shadow-anchored by an Extra Foods and is 100.0% occupied by Zellers on a long-term lease term expiring in 2023 with rent steps every five years.

West Landing Mall, 518 – 570 University Park Drive, Regina, SK

West Landing Mall is a two-building retail strip mall constructed in 1998 with 39,024 square feet of leasable space. The mall is located in a retail commercial district in Regina, in close proximity to Sobeys, Victoria Square Shopping Centre, and a variety of other retail developments. West Landing Mall is anchored by a Rogers Video and Conexus Credit Union and is 100.0% occupied by a mix of national and regional tenants.

Winnipeg Square, 360 Main Street, Winnipeg, MB

Winnipeg Square is an underground retail concourse originally constructed in 1979. It is connected to the office tower at 360 Main Street, which is at the corner of Portage Avenue and Main Street in downtown Winnipeg. The property is also connected to the underground concourse and indoor skywalks that link the office towers and amenities of downtown. Winnipeg Square has a leasable area of 56,976 square feet and is 89.8% occupied. Key tenants include Shoppers Drug Mart, Grand & Toy, Hallmark, along with numerous restaurants and a food court.

Woodlands Shopping Centre, 300 Thickwood Boulevard, Fort McMurray, AB

Woodlands Shopping Centre is a food-anchored, open retail centre comprised of six single-storey buildings all constructed in 1998. The property is located in the Thickwood Heights area of Fort McMurray, at the intersection of Thickwood Boulevard and Signal Road. This intersection acts as a commercial hub for the area, with Woodlands Shopping Centre being one of the dominant centres. The property has a leasable area of 63,426 square feet and is 100.0% occupied, with over 70% of the property leased to national tenants, including the anchor tenant, IGA, as well as Rogers Video and A&W.

Description of Industrial Properties

The following is a brief description of the industrial properties held by Artis as at December 31, 2011. Unless otherwise indicated, information is provided as at December 31, 2011.

3M Distribution Facility, 2751 Peddie Road, Milton, ON

The 3M Distribution Facility is a newly constructed, state of the art industrial building located in the town of Milton, part of the GTA. The property comprises 318,805 square feet of leasable area and is 100.0% occupied by 3M Canada on a long-term lease expiring in 2020, with a rent escalation in 2014. 3M is a subsidiary of 3M Co., a market leader in the industrial and life-sciences markets. The distribution facility is in close proximity to major highways in the area with excellent access to both the Pearson and Hamilton International Airports. The building is also LEED certified.

201 Westcreek Boulevard, Brampton, ON

201 Westcreek Boulevard is a 301,113 square foot Class A industrial building, with 70,977 square feet of office space on two floors. The property is centrally located in the GTA West Industrial market and is in close proximity to Highway 407, Highway 410, and the Pearson International Airport. 201 Westcreek Boulevard is 100.0% leased to ABB Inc., a group holding based in Zurich, Switzerland and the largest organization of electrotechnical companies in the world. The property is situated on a 13.33 acre site and provides an additional development opportunity of ten acres of serviced, surplus land.

7499 East Paradise Lane, Scottsdale, AZ, U.S.

7499 East Paradise Lane is a 98,555 square foot single-storey, high technology industrial building located in Scottsdale, Arizona, in close proximity to the Scottsdale Airport and the Loop 101 Freeway. This Scottsdale Airpark submarket enjoys the highest weighted-average asking rents in metropolitan Phoenix. The building features 347 parking stalls, for a good parking ratio of 3.5 stalls per 1,000 square feet of leasable space. 7499 East Paradise Lane is 100.0% occupied by a single national tenant, with a long-term lease expiring in 2023 and prescribed rent increases.

8220 Davies Road, Edmonton, AB

8220 Davies Road is a single-tenant industrial property originally constructed in 1977 and redeveloped in 2004. It is located in the Davies West Industrial Park, a well-established industrial district with access to major roadways and in close proximity to the Edmonton International Airport. The building has a leasable area of 14,230 square feet and is 100.0% occupied by Galaxy Windows.

ADT Building, 615 – 18th Street SE, Calgary, AB

The ADT Building is located just off Memorial Drive in southeast Calgary, adjacent to Maynard Technology Centre, which is also owned by Artis. The building was originally constructed in 1975 and consists of 30,932 square feet of leasable space. This two-storey building has 41 parking stalls on site as well as 32 off site stalls. The building is 100.0% leased to ADT Security Services Canada Inc.

Aurora Industrial Centre, 2500 Walnut Street, Roseville, Ramsey County, MN, U.S.

The Aurora Industrial Centre is a 130,498 square foot distribution warehouse originally constructed in 1964 and renovated in 2007. The property is located in Roseville, just outside of the Minneapolis/St. Paul area and in close proximity to the International Airport. The property is 100.0% leased. Key tenants include Morton Salt Inc., Home Delivery Link and J.B. Hunt Transport Inc.

Airdrie Flex-Industrial, 3 Kingsview Road, Airdrie, AB

Airdrie Flex-Industrial is a newly constructed, single-building property located in Airdrie, Alberta. The property has approximately 27,413 square feet of gross leasable area and future development potential for an additional 55,000 square feet. Located in the Kingsview Park, just off of Highway No. 2 in southeast Airdrie, this property is only a 25-minute drive from Calgary. Currently, 100.0% of the leasable space is occupied or committed.

Berkshire Distribution Centre, 800 – 1000 Berkshire Lane, Plymouth, Hennepin County, MN, U.S.

The Berkshire Distribution Centre is a two-building bulk distribution warehouse originally constructed in 1977. The property comprises 209,051 square feet of leasable area and is located in Plymouth, Minnesota, one of the fastest growing suburbs of the Minneapolis/St. Paul area. The property is 100.0% leased to a mix of national and regional tenants.

Bower Centre, 2319 Taylor Drive & 2310 Gaetz Avenue, Red Deer, AB

Bower Centre is a four-building industrial and showcase retail complex originally constructed between 1975 and 1977. The centre has 140 surface parking stalls and is located on Gaetz Avenue, a high traffic retail corridor of Red Deer. The property has a leasable area of 125,861 square feet and is currently 94.0% occupied. Major tenants include Kal Tire and Purolator Courier Ltd.

Braemar Business Centre, 7620 – 7768 West 78th Street, Bloomington, Hennepin County, MN, U.S.

The Braemar Business Centre is a two-building 108,197 square foot office/warehouse facility located in Bloomington, a large suburb of Minneapolis and St. Paul. The area benefits from a large tourism industry due to the proximity to the Mall of America. The property is 85.6% leased to a mix of national and regional tenants, including Star Tribune and Heigl Adhesive Inc.

Burnsville Business Centre, 12255 – 12287 Nicollet Avenue South, Burnsville, Dakota County, MN, U.S.

The Burnsville Business Centre is an 80,309 square foot industrial property originally constructed in 1980. The property is located in the Burnsville suburb of Minneapolis/St. Paul and enjoys good access to major highways in the metropolitan area. The major roadways bring substantial traffic to and through the area. The

property is 69.9% leased and key tenants include Dough Shop Pizza Dough, DK Group 2008 Inc., and Valley Limo and Coach.

Bush Lake Industrial Centre, 7400 – 7490 Bush Lake Road, Edina, Hennepin County, MN, U.S.

The Bush Lake Industrial Centre is a 103,478 square foot office/warehouse building originally constructed in 1974. The property is located in a suburb of Minneapolis/St. Paul with excellent access to the highway system. The city is also highly desirable as a location for retail and office developments. The property is 31.1% leased to Vans of Minnesota and Eagle Master.

Caterpillar Building, 11601 – 93rd Avenue North, Minneapolis, MN, U.S.

The Caterpillar Building is comprised of a 174,901 square foot warehouse and distribution facility originally constructed in 1974. The property is located in a suburb of Minneapolis and enjoys excellent access to the U.S. Highway 169 and Interstate 94. The property is currently 100.0% leased to Caterpillar Paving Products Inc.

Cliveden Building, 1608 Cliveden Avenue, Delta, BC

The Cliveden Building is a two-storey building comprised of 46,105 square feet of office space and 93,171 square feet of manufacturing and warehouse space. Recently, the property was improved with a new clean room suitable for high-tech manufacturing tenants, at a cost in excess of \$3.5 million. The Cliveden Building is located in the Annacis Island industrial node, in the Greater Vancouver Regional District, in close proximity to major transportation corridors and bridges. The property has a parking ratio of 1.11 stalls per 1,000 square feet of leasable area. Artis owns a 50% interest in the building.

Corporate Square, 990 – 1000 Apollo Road & 3110 – 3160 Neil Armstrong Blvd, Eagan, Dakota County, MN, U.S.

Corporate Square is a five building industrial property originally built between 1969-1970 and 1979. The buildings comprise 434,499 square feet of leasable space and are located in the Eagan suburb of Minneapolis/St. Paul. The properties are currently 92.6% leased to T-Mobile and American Paper Supply.

Crosstown Building, 7500 Setzler Parkway North, Brooklyn Park, Hennepin County, MN, U.S.

The Crosstown Building is a 120,000 square foot warehouse and distribution facility, originally constructed in 2003. The property is located in a suburb of Minneapolis with good local area accessibility and excellent access to the Interstate 94/694, which provides access to the intricate highway system throughout Minnesota. The property is 100.0% leased to Fedex Smartpost Inc.

Delta Centre, 16515 – 116th Avenue, Edmonton, AB

Delta Centre is a single-storey industrial building originally constructed in 1980. The property is situated on a large four acre lot with 170 paved and electrified surface stalls. The property is located in Edmonton's Northwestern Industrial district, which has good access to roadways and rail lines. The property has approximately 35,448 square feet of leasable area and is currently 100.0% leased to two tenants – Elite Lithographers and Dairyland (Saputo).

Dominion Construction Building, 405 – 18th Street SE, Calgary, AB

The Dominion Construction Building is located just off Memorial Drive in southeast Calgary, adjacent to Maynard Technology Centre, which is owned by Artis. Originally constructed in 1996, this single-storey single-tenant building consists of 17,187 square feet of leasable space. Dominion Construction occupies 100.0% of the building.

Dunwin Portfolio, 2319 Dunwin Drive, 2145 – 2155 Dunwin Drive, 2150 – 2180 Dunwin Drive, Mississauga, ON

The Dunwin portfolio is comprised of seven high quality flex-office/industrial properties originally constructed between 1986 and 1988. The properties are in close proximity to the Queen Elizabeth Way and Highway 403, as well as the Lester B. Pearson International Airport just outside of Toronto, Ontario. All three buildings boast a BOMA Level 2 Certification. The portfolio comprises 157,624 square feet of leasable area and is currently 94.4% occupied by a mix of national, regional, and local tenancies.

Eagle Creek Building, 8675 Eagle Creek Parkway, Savage, Scott County, MN, U.S.

The Eagle Creek Building is a 122,912 square foot warehouse and distribution complex, of which 11% is office space. The building was originally constructed in 2006 in Savage, a suburb of Minneapolis. The property enjoys good access to Highways 13 and 101, which are the primary local thoroughfares for the area, and which also provide direct access to larger Interstate highways. The property is 58.2% occupied by two local tenants.

Eastlake I, 10905 – 48th Street SE, Calgary, AB

Eastlake I is a 146,135 square foot industrial complex originally constructed in 2008. The property is located in Calgary and enjoys good linkage and access to local arterial roadways and close proximity to important highways in the area. The property is 100.0% leased to a mix of international, national, regional, and local tenants.

Fourell Business Park, 12810 – 170th Street NW, Edmonton, AB

The Fourell Business Park is a 400,000 square foot industrial building originally constructed in 2008. The property is located in a growing industrial neighbourhood in northwest Edmonton and is located along the north/south arterial of 170th street, with close proximity to other major arterial roadways in the area such as Yellowhead Trail and Anthony Henday drive. The property is currently being expanded to include a new 63,756 square foot office building. The building is anticipated to be completed in summer 2012. The property is 100.0% occupied, the largest tenant being Kuehne & Nagel Ltd. with a lease expiring in 2023 and prescribed rent escalations.

Honeywell Building, 2840 – 2nd Avenue SE, Calgary, AB

The Honeywell Building is a mixed-use industrial and office building that was originally constructed in 2000, with a 24,000 square foot expansion completed at the end of 2006. The property includes 99 parking stalls, 39 of which are covered. The building is located in the Franklin Meridian district that is serviced by three main traffic routes: Memorial Drive, Barlow Trail, and the Trans Canada Highway. The Honeywell Building has a total leasable area of 61,847 square feet and is currently 100.0% occupied by BW Technologies on a ten-year lease expiring in 2016, with a contractual rental increase in 2014.

Horizon II Building, 3905 – 29th Street NE, Calgary, AB

The Horizon II Building is an industrial building located in the northeast quadrant of Calgary and originally constructed in 1981. The property is located between two main arteries in the city and is within a five minute walk from the light rail public transit. Horizon II comprises 95,542 square feet of leasable area and is currently 100.0% occupied, with New Horizon Storage occupying 67% of the leasable area.

Keewatin Distribution Centre, 959 and 989 Keewatin Street, Winnipeg, MB

The Keewatin Distribution Centre is a two-building industrial property originally constructed in 1981. The property is located at the corner of Keewatin Street and Inkster Boulevard in the well-established Inkster Industrial Park. This location is just minutes from both the Trans Canada Highway and the Winnipeg International Airport. The property has approximately 201,154 square feet of leasable area and is currently 100.0% occupied by a mix of national and regional tenants. Key tenants include Belron Canada and UPS.

Letourneau Centre, 4600 – 99th Street NW, Edmonton, AB

Letourneau Centre is a three-building mixed-use retail/industrial complex originally constructed in 1977 and comprising 97,743 square feet of leasable area. The property is located in one of the principal commercial nodes of Edmonton with high exposure on 99th Street, with convenient access to major south Edmonton arterial roadways. The property is 84.8% leased with numerous long-term tenants and escalating rents.

Maple Leaf Building, 1015 – 64th Street, Saskatoon, SK

The Maple Leaf Building is a 163,418 square foot industrial building, consisting of 140,000 square feet of freezer and cooler space and 23,418 square feet of office space. The facility was originally constructed in 2008 and is currently 100.0% occupied by Maple Leaf Foods on a newly executed 20-year lease, which provides for rent steps every five years.

Mayfield Industrial Plaza, 11304/24 – 163rd Street, Edmonton, AB

Mayfield Industrial Plaza is a multi-tenant industrial building with a mix of showroom space and light warehousing and distribution capabilities. The building was extensively renovated in 2004. The property is located in the West Sheffield Industrial District, a mature industrial area of Edmonton with access to major roadways including the Trans Canada Highway. Mayfield Industrial Plaza has nine tenant bays with a total leasable area of 23,501 square feet and is currently 82.7% occupied. Key tenants include Consolidated Turf and BJM Painting.

Maynard Technology Centre, 1930 Maynard Road SE, Calgary, AB

Maynard Technology Centre is a single-storey showroom industrial property extensively renovated in 1996 and again in 2005. The property is situated on a seven acre site and has a total of 246 parking stalls. The property is located in the Mayland Commercial Park, which is bordered by two major thoroughfares, the Deerfoot Trail to the west and Barlow Trail to the east. Maynard Technology Centre has a leasable area of 153,219 square feet and is 100.0% occupied by major tenants including Bell Canada, Q9 Networks, Siemens Canada, and Leducor Construction.

McCall Lake Industrial, 1338 – 36th Avenue NE, Calgary, AB

McCall Lake Industrial is a two-building light industrial complex that was constructed in 1978 and is comprised of warehouse spaces and mezzanine office units. The property is located in the McCall Commercial Industrial District, in close proximity to Deerfoot Trail and the 32nd Avenue commercial corridor, as well as the Calgary International Airport. McCall Lake Industrial is comprised of 91,261 square feet of gross leasable area and is currently 100.0% occupied. Major tenants include Weatherford Laboratories Ltd. and Rocky Cross Construction.

Mendota Heights Gateway Commons, 2331 – 2373 Waters Drive, Mendota Heights, Dakota County, MN, U.S.

Mendota Heights Gateway Commons is a 150,465 square foot industrial building originally constructed in 1997. The property is located in the Mendota Heights suburb of Minneapolis/St. Paul with excellent access to local and regional highways as well as the Minneapolis and St. Paul International Airport. The property is 100.0% leased to UPS Inc. and Derse, Inc.

Northpoint Industrial Building, 5730 – 5800 Main Street NE, Fridley, Anoka County, MN, U.S.

The Northpoint Industrial Building is a three-building multi-tenant warehouse and distribution facility, originally constructed in 1980. The property comprises approximately 207,476 square feet of leasable area, of which 13.3% is office space. The property is conveniently located with easy access to local thoroughfares as well as the Interstate 494, which provides access to the highway system throughout Minnesota. The property is currently 100.0% occupied by four local tenants.

Northview Business Park I, 53020 Range Road, 53020 Range Road 263A, Parkland County, AB

Northview Business Park I is a 158,154 square foot industrial building originally constructed in 2009. The property is located just 10 kilometers east of Edmonton and has excellent access to Inter-Provincial Highways including the Yellowhead Trail, Highway No. 16 and Highway No. 60. The property is 100.0% leased to Navistar Canada with regular rent escalations.

Northview Business Park II, 53031 Range Road, 53031 Range Road 26A, Parkland County, AB

Northview Business Park II is a 107,018 square foot industrial building originally constructed in 2003. The property is located just 10 kilometers east of Edmonton and has excellent access to Inter-Provincial Highways including the Yellowhead Trail, Highway No. 16 and Highway No. 60. The property is 100.0% leased to Suncor Energy Service.

Parkside Building, 7300 – 49th Avenue North, New Hope, Hennepin County, MN, U.S.

The Parkside Building is a 119,839 square foot industrial warehouse and distribution facility, originally constructed in 1997. The property is conveniently located between major arterial thoroughfares for the area and enjoys direct access to the U.S. Interstate Highway system. The building is currently 100.0% net-leased to Navarre Corporation.

Penn James Commerce Centre, 9201 & 9208 James Avenue South, Bloomington, Hennepin County, MN, U.S.

The Penn James Commerce Centre is a two-building 217,154 square foot industrial property originally constructed in 1974. The property is located in a large suburb of Minneapolis/St. Paul, in close proximity to the Mall of America; this has allowed the area to become a major tourist destination. The property is 81.4% leased to local and regional tenants, including Erik's Bike Shop and Winnwell Clean Hockey.

Pepco Building, 608 – 17th Avenue, Nisku, AB

The Pepco Building is a 22,659 square foot single-storey industrial development constructed in 1977 and located in the Nisku Business Park. This business park was established in 1973 to serve the province's oil and gas industry and is located next to Highway 2, a major artery serving the province of Alberta. The Pepco Building is comprised mainly of industrial shop space, with a small office and a recently constructed sandblasting shop and is 100.0% leased to Pepco Pipe Services.

Plymouth Corporate Campus, 1725 Xenium Lane North, Plymouth, Hennepin County, MN, U.S.

Plymouth Corporate Campus is an 83,917 square foot industrial showroom complex located in a suburb of Minneapolis, Minnesota. The property is situated within one of the strongest industrial markets in Minneapolis, in close proximity to Interstate 494 and County Road 6. Plymouth Corporate Campus is 100.0% occupied by four high-quality tenants, including Tile by Design and United Operations, with an average term to maturity of 10.1 years.

Round Lake Business Centre, 4354 – 4396 West Round Lake Road, Arden Hills, Ramsey County, MN, U.S.

The Round Lake Business Centre is a 74,530 square foot industrial building originally constructed in 1986. The property is located in the Arden Hills suburb of Minneapolis/St. Paul and enjoys good access to major highways in the metropolitan area. Round Lake Business Centre features excellent parking with a ratio of 2.71 stalls per 1,000 square feet of leasable area. The property is 85.5% leased to a mix of local and regional tenants.

Shady Oak Building, 9945 – 9995 West 69th Street, Eden Prairie, Hennepin County, MN, U.S.

The Shady Oak Building is a 59,538 square foot one-storey industrial warehouse facility, originally constructed in 1979 and containing 31.4% office space. The property is located approximately 18 and 23

miles southwest of the Minneapolis and St. Paul business districts respectively. The property is currently 85.3% occupied by a mix of regional and local tenants.

Sherwood Centre, 4103 – 84th Avenue NW, Edmonton, AB

Sherwood Centre is a 162,860 square foot multi-tenant industrial property, originally constructed in 1998. The property is an attractive facility with a modern office/warehouse development and is well located on a large 6.97 acre landscaped site in Edmonton’s Southside Sherwood Park industrial district. Sherwood Centre is 100.0% occupied by two tenants.

Winnipeg Industrial Portfolio, Winnipeg, MB

The Winnipeg Industrial Portfolio is comprised of 28 single and multi-tenant industrial buildings constructed between 1958 and 2008. The buildings within the portfolio total 1,559,676 square feet of leasable space. The properties are located primarily in the St. James industrial area in northwest Winnipeg, a well-established industrial area with a significant number of trucking and distribution operations due to proximity to the Winnipeg International Airport. The St. James industrial area is also close to a significant retail node, centered around the Polo Park Shopping Centre. Overall occupancy for the Winnipeg Industrial Portfolio is 97.8%. Certain details with respect to the properties comprising the Winnipeg Industrial Portfolio are as follows:

Building	GLA (sq. ft)	Year Built/ Developed	Key Tenant(s)
100 Omands Creek Boulevard	50,400	1980	Cascades Recovery Inc.
1093 Sherwin Road	175,000	1964/1979	Reliance Products
1475 King Edward Street	4,600	1961	Bullfrog Spas
1499-1501 King Edward Street & 1000 - 1020 Powell Avenue	27,200	1962	Prime Fasteners, Rita’s Custom Stoneworks
1595 Buffalo Place	73,396	1963/2000	Datamark Systems Inc., Acklands-Grainger
1681-1703 Dublin Avenue	21,875	1973	J.L. Sales Ltd, McCuaig Solutions Corp, Betco Ltd.
1717 Dublin Avenue	30,405	1963	Beauty Systems Group, Linear Systems Inc.
1750 Inkster Boulevard	196,254	1970/1975	Red River Packaging
1810 Dublin Avenue	21,840	1962/1994	Anchor Ind. Products
1832 King Edward Street	73,819	1977/1979	IGT, Prairie Fireplaces, ToolTown Inc., Pittsburgh Glassworks
2110-2130 Notre Dame Avenue	82,283	1968/1974	Amphenol, Four Way Distributors Ltd, Tempeff North America
27-81 Plymouth Street	91,196	1976/1997	Supremex Inc, Dawn Food Products Winnipeg Ltd.
500 Berry Street	8,084	1958	Ideal Sharpening
530-538 Berry Street	10,720	1967	Q. Data Inc., Stanley Security Solutions Canada
850 Empress Street	25,636	1971	City of Winnipeg
951-977 Powell Avenue & 1326 Border Street	54,352	1965/1968	Ducks Unlimited, Jet Equipment & Tools, Western Display, West Textiles
Prudential Business Park 1	42,486	1978-1979	Vantage Services Ltd. (Direct Buy), Jostens Canada Ltd.
Prudential Business Park 2	39,617	1978-1979	Southern Chiefs, Labatt Manitoba Brewing
Prudential Business Park 3	48,131	1978-1979	Transportation Safety Board, Pitney Bowes of Canada Ltd
801 Century Street	64,208	2008	Manitoba Public Insurance
120-144 Bannister Road	32,000	1974	Red River College
2061 & 2065 Logan Avenue	51,227	1979	Mitten Inc.
West Logan Place	67,803	2002	Gerrard Ovalstrapping, William F. White

Building	GLA (sq. ft)	Year Built/ Developed	Key Tenant(s)
1431 Church Avenue	51,497	1972	National Energy Equipment Inc., Braden Burry Expediting Ltd
1658-1680 Church Avenue	91,268	1975	Great West Life, West Heat Industries
8-30 Plymouth Street	36,999	1974	Western Repair & Sales Inc., Laird Plastics (Canada) Inc., Marantz & Son Ltd.
Poplar Industrial Park	70,655	1976-1979	MFI Food Canada, CSI Sporting Goods
1420 Clarence Avenue	16,725	1987	Chura Sales Ltd., Maxxam Analytics Inc., Manitoba Home Builders

Mortgages and Other Financing Secured by Properties

The majority of Artis' properties are secured by mortgages or other financing such as vendor take-back financing. In accordance with the Declaration of Trust, Artis will not incur or assume any indebtedness (as defined in the Declaration of Trust) if, after the incurring or assuming of the indebtedness, the total indebtedness of Artis would be more than 70% of the Gross Book Value. For purposes of the calculation, indebtedness generally includes mortgages and vendor take-back financing and bank indebtedness, but excludes convertible debentures. As at December 31, 2011, this ratio was 50.7% of the Gross Book Value (the ratio of long-term indebtedness plus the carrying value of convertible debentures to Gross Book Value was 58.1%).

The following table summarizes certain aspects of the maturities of such indebtedness, as at December 31, 2011:

In 000's (CAD)

Year Ending December 31, 2011	Debt Maturities	% of Total Principal	Scheduled Principal Repayments on Non- Matured Debt	Total Annual Principal Payments	Weighted Average Interest Rate on Balance Due at Maturity
2012	\$ 107,206	8%	\$ 32,876	\$ 140,082	5.43%
2013	\$ 181,888	13%	\$ 35,362	\$ 217,250	4.85%
2014	\$ 217,251	15%	\$ 29,831	\$ 247,082	3.49%
2015	\$ 317,889	23%	\$ 22,894	\$ 340,783	4.49%
Thereafter	\$ 574,582	41%	\$ 50,078	\$ 24,660	4.87%
Total	\$ 1,398,816	100%	\$ 171,041	\$ 1,569,857	4.61%
Weighted-Average Term to Maturity in Years					4.0
Unhedged Variable Rate Debt					\$ 283,427

Debentures

As at December 31, 2011, Artis had five series of convertible debentures outstanding as follows:

1. Series C Debentures in the aggregate principal amount of \$29,920,000. See "Description of Capital Structure – Debentures – Series C Debentures";
2. Series D Debentures in the aggregate principal amount of \$17,000,000. See "Description of Capital Structure – Debentures – Series D Debentures";
3. Series E Debentures in the aggregate principal amount of \$9,333,000. See "Description of Capital Structure – Debentures – Series E Debentures";
4. Series F Debentures in the aggregate principal amount of \$86,250,000. See "Description of Capital Structure – Debentures – Series F Debentures."; and

5. Series G Debentures in the aggregate principal amount of US\$88,000,000 (CAD\$89,476,000). See “Description of Capital Structure – Debentures – Series G Debentures.”

Acquisition Line of Credit

On September 22, 2010, Artis entered into an amended and restated loan agreement for a revolving term credit facility (the “**Acquisition LOC**”) in the amount of \$60.0 million, which may be utilized to fund acquisitions of office, retail, and industrial properties. \$5.0 million of the Acquisition LOC may be used for general corporate purposes. The Acquisition LOC matures on September 28, 2012. Amounts drawn on the Acquisition LOC will bear interest at a floating rate equal to Canadian dollar bankers’ acceptances with a term to maturity of 30 days, plus 3.30% per annum. The Acquisition LOC is secured by a first charge on Delta Centre, Grain Exchange Building, Johnston Terminal, and Sears Centre. At December 31, 2011, Artis had utilized \$37.9 million (December 31, 2010, \$8.0 million) of the Acquisition LOC.

“At-The-Market” Distribution Program

Artis announced on September 20, 2010 that it had entered into an equity distribution agreement dated September 17, 2010 (the “**Equity Distribution Agreement**”) with Canaccord Genuity Corp. Under the Equity Distribution Agreement, Canaccord Genuity Corp. agreed to act as exclusive agent for the issuance and sale, from time to time, until September 19, 2012 of up to 5,300,000 Units by way of “at-the-market distributions”. The timing of any sale of Units and the number of Units actually sold during such period are at the discretion of Artis. Sales of Units pursuant to the Equity Distribution Agreement are made in transactions that are deemed to be “at-the-market distributions”, including sales made directly on the TSX. The Units distributed pursuant to the Equity Distribution Agreement are distributed at market prices prevailing at the time of sale of such Units and, as a result, prices vary between purchasers and during the period of distribution.

As part of the at-the-market distribution program, Artis sought and received certain exemptive relief from the prospectus delivery requirements and from the requirements to include certain disclosure in the prospectus relating to the at-the-market distribution program of Artis.

RECENT DEVELOPMENTS

The following is a summary of certain recent developments involving Artis since December 31, 2011.

2012 Acquisitions

Acquisition of Office Property in Saskatoon, SK

On January 31, 2012, Artis acquired North 48 Commercial Complex, a 63,571 square foot newly constructed Class B office property located in Saskatoon, Saskatchewan. North 48 was constructed in 2008, and is currently 100.0% leased to ICR Brokerage Inc. and Cameco Corporation until 2018. The property includes a 22 stall enclosed parking garage and ample outdoor parking spots. The property is centrally located on Millar Avenue, the major north south connector road in the north business district. The purchase price of \$18.4 million, representing a going-in capitalization rate of 7.0%, was paid with cash on hand.

Acquisition of Industrial Property in Edmonton, AB

On February 24, 2012, Artis acquired the Aluma Systems Building, a newly constructed 65,000 square foot industrial building in Edmonton, Alberta. The property is 100.0% leased to Aluma Systems pursuant to a 15-year lease with rent escalations every five years. The purchase price of \$17.5 million, representing a going-in capitalization rate of approximately 7.6%, was paid with cash on hand.

Acquisition of Office Property in Phoenix, AZ

On March 29, 2012, Artis acquired a new Class AA LEED Silver certified professional office building in northeast Phoenix, Arizona. The property comprises 210,202 square feet of leasable area. The building design can accommodate an expansion of an additional 52,000 square feet. The building is 100.0% leased to

the United States of America (Government Services Administration) for a term of 20 years. The lease is structured as a fully net lease, with all operational costs to be passed along to the tenant. The building is situated on a 12.29 acre site that is also to be improved with a 345 stall parking stall and 60 surface parking stalls, to provide for a parking ratio of 1.93 stalls per 1,000 square feet of leasable area. The purchase price of US\$75.0 million, representing a going-in capitalization rate of 7.5% was paid from the proceeds of US\$68.5 million of new mortgage financing and from cash on hand. Artis has secured a 20-year, non-recourse fixed rate mortgage, the term of which will be co-terminus with the lease and bears interest at a fixed rate of 4.67% per annum.

Proposed Acquisition of Retail Property in Winnipeg, MB

Artis has an agreement with respect to the acquisition of a 96.0% occupied retail property located in Winnipeg, Manitoba. The purchase price of the property is \$32.0 million, which is anticipated to be financed through a combination of cash consideration and anticipated new \$20.9 million 5-year mortgage bearing interest at a fixed rate equal to 200 basis points above the Government of Canada bonds. The acquisition is expected to close on or about April 9, 2012.

Proposed Acquisition of Retail Property in Calgary, AB

Artis has entered into an unconditional agreement to acquire Crowfoot Corner, a newly constructed four-building retail development. Crowfoot Corner is located in the Northwest Calgary retail market. The property comprises 50,965 square feet of leasable area, and is currently 100.0% leased to a number of national tenants, including Boston Pizza, Wendy's Restaurant, UPS Store, M&M Meat Shops, and a roster of local tenants. The property is shadow-anchored by Cineplex Odeon, Chapters, and RONA. The purchase price of \$35.5 million, representing a going-in capitalization rate of approximately 6.4%, will be financed with cash on hand and from the proceeds of a new \$19.5 million 5-year mortgage bearing interest at a fixed rate of 3.25%. The acquisition is expected to close on or about April 30, 2012.

Proposed Development of a Mixed-Use Commercial Complex in Winnipeg, MB

Artis has entered into a joint venture agreement with respect to the development of Centrepoint, a new mixed-use commercial complex to be located in downtown Winnipeg's Sport Hospitality and Entertainment district, directly across from the city's arena, the MTS Centre. Centrepoint will comprise approximately 130,375 square feet of leasable area; development plans include a five-storey LEED Silver Certified office tower, including one floor of retail at street level, plus an adjacent four-storey covered parking structure. Stantec Engineering has committed to a 10-year lease for over 57,000 square feet of the office space and the development is over 50% pre-leased at this time. Artis will contribute up to \$10.0 million in capital to the project during the development period, which is anticipated to start this spring and complete in mid-2013. Artis owns a 50% interest in this \$70.0 million project. The complex also includes plans to construct a hotel, although Artis will not be involved in the development or ownership of the hotel.

Internalization of Asset Management and Changes in Property Management

On December 31, 2011, Artis and Marwest terminated the asset management agreement. On January 1, 2012, Artis fully internalized its asset management functions. On December 31, 2011, the omnibus property management agreement was assigned to Artis by Marwest Management, which encompasses all investment properties owned by Artis. On January 1, 2012, Artis internalized the property operations for 78 properties that were previously directly managed by Marwest Management.

Debt Refinancing Activities and Repayments

Since December 31, 2011: (i) Artis re-financed a mortgage on a retail property in Calgary, Alberta, obtaining additional proceeds of \$5.7 million; (ii) Artis repaid a maturing mortgage on an office property in Winnipeg, Manitoba in the amount of \$2.8 million; and (iii) Artis repaid the balance of \$37.9 million outstanding on the Acquisition Line of Credit.

Public Offerings of Units

On January 26, 2012, Artis sold 5,750,000 Units (including 750,000 Units issued pursuant to the exercise in full of the underwriters' over-allotment option) at a price of \$15.05 per Unit to a syndicate of underwriters in connection with a public offering of Units.

On March 26, 2012, Artis sold 6,135,000 Units at a price of \$16.30 per Unit to a syndicate of underwriters in connection with a public offering of Units. On March 30, 2012 Artis sold an additional 435,000 Units pursuant to the partial exercise of the over-allotment option granted to the underwriters entitling them to purchase up to an additional 320,250 Units at a price of \$16.30 per Unit for a period of up to 30 days from the date of closing.

Redemption of Series C Debentures

On March 15, 2012, Artis redeemed all of the outstanding Series C Debentures in the aggregate principal amount of \$29.9 million in cash, plus aggregate accrued and unpaid interest in the amount of \$0.5 million.

RISK FACTORS

There are certain risks inherent in the activities of Artis and an investment in the securities of Artis, including the risks described below.

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors.

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon vacancy rates of Artis' portfolio of income-producing properties. Artis' financial performance would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases. Upon the expiry of any lease, there can be no assurance that the lease will be renewed on favourable terms to Artis or at all and no guarantee that the tenant can be replaced. The terms of any subsequent leases may be less favourable to Artis than the existing leases. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and costs incurred in protecting Artis' investment may be incurred. Furthermore, at any time, a tenant of any of Artis' property or properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby adversely affect the financial performance of Artis.

The REIT's properties are located in five Canadian provinces and four U.S. states, with a significant majority of its properties, measured by GLA, located in the province of Alberta. As a result, our properties are impacted by factors specifically affecting their respective real estate markets. These factors may differ from those affecting the real estate markets in other regions of Canada and the U.S.

Certain expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the real property is producing any income. If Artis is unable to make mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its right of foreclosure and sale.

Current Economic Conditions

Canadian real estate investment trusts are subject to risk generally incident to real estate in the market where properties are owned, as well as the Canadian credit, capital, and financial markets. The global recessionary economic conditions and the global financial liquidity crisis that existed in 2008 and continued into 2009 resulted in persistent interruptions in the credit and capital markets and devaluations of assets directly or

indirectly linked to real estate markets and Canadian finance markets. Sensitivity to global economic conditions, and their impact in Canada, may negatively affect Artis, its properties and/or its tenants. Artis is subject to the risks commonly associated with recessionary economic conditions, including debt financing risk, tenant risk and illiquidity risk which are described in more detail herein.

Debt Financing Risk

Artis will be subject to the risks associated with debt financing. There can be no assurance that Artis will be able to refinance its existing indebtedness on terms that are as or more favourable to Artis as the terms of existing indebtedness, or at all. The inability to replace financing of debt on maturity would have an adverse impact on the financial condition and results of Artis.

In the event that Artis were in default on its obligations to pay the principal or interest on the Debentures, Artis would be prohibited from making cash distributions to Unitholders.

Interest Rate Fluctuations

Artis will be subject to interest rate risk associated with its revolving term credit facility, mortgages and unsecured debentures payable, due to the expected requirement to refinance such debts in the year of maturity. Artis is also subject to interest rates risk on its unhedged variable rate debt. In the event that interest rates increase, Unitholders will be adversely affected.

Tenant Risk

The financial condition and operating results of Artis would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or did not agree to renew their leases on favourable terms to Artis. Upon the expiry of any tenant lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent tenant lease may be less favourable to Artis than the existing tenant lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs may be incurred by Artis. Furthermore, at any time, a tenant of any of Artis' properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby negatively affect the financial condition and operating results of Artis. The ability to rent vacant space can be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new tenant. Increased vacancy in Artis' properties would likely have an adverse effect on the financial condition and operating results of Artis.

Foreign Currency Risk

The financial results of Artis are sensitive to the changing value of the Canadian dollar. In particular, certain of the Subsidiaries have significant annual net outflow of U.S. dollars and are affected by fluctuations in the Canada/U.S. dollar exchange rate. A significant deterioration of the Canadian dollar relative to the U.S. dollar would result in increased costs and adversely affect the profitability of Artis.

A portion of Artis' revenues are generated in U.S. dollars through its operations which act as a natural hedge and mitigates the foreign exchange risk for Artis.

Illiquidity Risk

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit Artis' ability to vary its portfolio promptly in response to changing economic or investment conditions. If Artis were required to liquidate its real property investments, the proceeds to Artis may be significantly less than the aggregate carrying value of its properties.

Competition

The real estate business is very competitive. Numerous other developers, managers and owners of office,

industrial and retail properties compete with Artis in seeking properties. The existence of competing developers and owners could have an adverse effect on Artis' ability to acquire properties and on the rents charged or concessions granted. There can be no guarantee that additional properties will be available to Artis at reasonable prices or at all.

Future Property Acquisition

Artis' success depends in large part on identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating the properties it acquires. If Artis is unable to manage its growth effectively, its business, operating results and financial condition could be adversely affected.

General Uninsured Losses

Artis carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, Artis could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but Artis would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Environmental Matters

As an owner of real property, Artis will be subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that Artis could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect Artis' ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against Artis. Management is not aware of any material non-compliance with environmental laws with respect to its properties. Artis is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with its properties.

Land and Air Rights Leases

To the extent that the properties in which Artis has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental rate adjustments. As at December 31, 2011, Artis holds a leasehold interest in three portfolio properties.

Public Market Risk

The price for the Units or other listed securities of Artis could be subject to wide fluctuations in response to variations in operating results, the gain or loss of significant properties, market conditions in the industry, as well as general economic conditions or other risk factors set out herein. It is not possible to predict the price at which Units or other listed securities will trade and there can be no assurance that an active trading market for the Units or other listed securities will be sustained. In the event that the TSX determines that there is not a sufficient market for a listed security, such security may be delisted. The Units and other listed securities will not necessarily trade at values determined solely by reference to the value of the property or properties of Artis. Accordingly, the Units may trade at a premium or at a discount to values implied by the value of the properties of Artis. The market price for the Units or other listed securities may be affected by factors beyond the control of Artis.

Market Price of Units

One of the factors that may influence the market price of the Units is the annual yield thereon. Accordingly, an increase in market interest rates may lead purchasers of Units to expect a higher annual yield, which could adversely affect the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the market for equity securities, short-term

supply and demand factors for real estate investment trusts and numerous other factors beyond the control of Artis.

SIFT Rules

The SIFT Rules, which were introduced in 2007, modify the tax treatment of SIFTs, including publicly-traded income trusts, and of their unitholders. However, the SIFT Rules do not apply to a trust that satisfies the REIT Exception. Artis is a SIFT and, unless it satisfies the REIT Exception, it is subject to the SIFT Rules.

The REIT Exception contains a number of technical tests regarding the revenue and property of the trust. On December 16, 2010, the Department of Finance announced proposed amendments to the REIT Exception which, if enacted, will be effective as of January 1, 2011. Prior to the end of 2008, Artis undertook various restructuring activities to attempt to meet the requirements of the REIT Exception. Artis expects that it has met the requirements of the REIT Exception since 2009, and will be able to continue to meet the requirements of the REIT Exception throughout 2012, both under the existing law and the new proposed amendments.

The SIFT Rules prevent a SIFT from deducting amounts payable to unitholders in respect of certain income and capital gains, and taxes these amounts in the SIFT at rates of tax designed to emulate the general corporate tax rate. When these amounts are received by unitholders, they are characterized as dividends, and taxed in their hands as eligible dividends. Generally, distributions that are paid as returns of capital will not attract this tax. Although Artis expects that it has met since 2009, and will continue to meet, the requirements of the REIT Exception, there can be no assurances that Artis has qualified and will continue to qualify for the REIT Exception such that Artis and its Unitholders will not be subject to the SIFT Rules.

To the extent they are applicable to Artis, the SIFT Rules may, depending on the nature of distributions from Artis, including what portion of its distributions are income and what portion are returns of capital, have a material adverse effect on the after-tax returns of certain investors. To date, a significant portion of Artis' distributions have been characterized as returns of capital, however there can be no assurance that this will continue to be the case.

The likely effect of the SIFT Rules on the market for Units, and on Artis' ability to finance future acquisitions through the issuance of Units or other securities, is unclear. In the event that the SIFT Rules apply to Artis, they may adversely affect the marketability of the Units, the amount of cash available for distributions and, among other things, there can be no assurance that Artis will be able to maintain the current portion of distributions that is treated as a non-taxable return of capital.

There can be no assurance that further review of the tax treatment of flow-through entities will not be undertaken or that Canadian federal income tax laws respecting flow-through entities will not be further changed in a manner which adversely affects Artis and its Unitholders.

Changes in Legislation and Investment Eligibility

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders. Artis will attempt to ensure that the Units and Debentures continue to be qualified investments for Plans. Units will cease to be qualified investments for Plans if Artis is no longer qualified as a mutual fund trust and the Units cease to be listed on a designated stock exchange. Debentures will cease to be qualified investments for Plan if: (i) the Debentures are not or cease to be listed on a designated stock exchange; and (ii) Artis is no longer qualified as a mutual fund trust and the Units cease to be listed on a designated stock exchange in Canada. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments. As well, if the Units or the Debentures are "prohibited investments" for the purposes of a tax-free savings account, a registered retirement savings plan, or a registered retirement fund, a holder will be subject to a penalty tax as set out in the Tax Act.

Other Tax Related Risk Factors

It is anticipated that all expenses to be claimed by Artis and its subsidiaries will be reasonable and deductible, that the cost amount and capital cost allowance claims of entities directly and indirectly owned by Artis will have been correctly determined and that the allocation of the Partnership's income for purposes of the Tax Act among its partners is reasonable. There can be no assurance that the Tax Act, or the interpretation of the Tax Act, will not change, or that the Canada Revenue Agency will agree. If the Canada Revenue Agency successfully challenges the deductibility of such expenses or the allocation of such income, the taxable income of Artis and the Unitholders, will increase or change.

Certain properties may be acquired by the Partnership on a tax-deferred basis, whereby the tax cost of these properties is less than their fair market value. Accordingly, if one or more of such properties are disposed of, the gain recognized by the Partnership will be in excess of that which it would have realized if it had acquired the properties at their fair market values.

Proposed Amendments to Declaration of Trust

In the event that Artis amends the Declaration of Trust as contemplated under "Summary of Declaration of Trust – Proposed Amendments to the Declaration of Trust":

- (a) the Units will no longer be redeemable at the option of the holder thereof in accordance with the redemption rights currently provided in the Declaration of Trust;
- (b) Artis will cease to qualify as an "open-end trust" and will be required to qualify as a "closed-end trust" in order to retain its mutual fund status. As a closed-end trust, Artis must restrict its activities to the making of passive investments (such as the ownership of Canadian real property) and must satisfy all of the following conditions at all times thereafter:
 - (i) at least 80% of Artis' assets must consist of shares, cash or bonds, debentures, mortgages, notes or other similar obligations, marketable securities or Canadian real estate;
 - (ii) not less than 95% of its income (computed without regard to any distributions) must be derived from, or from the disposition of, investments described in (i);
 - (iii) not more than 10% of Artis' assets may consist of shares, bonds or securities of any one corporation or debtor; and
 - (iv) all units of Artis must be listed on a designated stock exchange in Canada.

If Artis were not to qualify as a mutual fund trust, the income tax consequences applicable to Artis would, in some respects, be materially different. Although management of Artis believes that if Artis converts to closed-end status it will, from and after the time of such conversion, be able to satisfy the conditions to qualify as a closed-end mutual fund trust, there can be no assurance that Artis will satisfy all such conditions;

- (c) the holders of Preferred Units will be entitled to receive distributions in priority to Unitholders; and
- (d) where distributions to Unitholders are paid in Units, Unitholders will generally be required to include an amount equal to the fair market value of those Units in their taxable income, notwithstanding that they do not receive a cash distribution.

Availability of Cash Flow

Depending on its financial performance, cash may not be available to Artis for distribution to Unitholders from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures and redemptions of Units. Artis may be required to use part of its debt capacity or reduce distributions to Unitholders in order to accommodate such items.

Fluctuations in Cash Distributions

Although as at December 31, 2011 and the date hereof, Artis' distribution policy provides for monthly cash distributions to Unitholders equal to \$1.08 per Unit on an annualized basis (\$0.09 per Unit per month), the actual amount of cash distributed in respect of Units will depend on numerous factors, including the amount

of principal repayments, tenant allowances, leasing commissions, capital expenditures and other factors that may be beyond the control of Artis. Artis may modify or suspend distributions at any time.

Nature of Units

A return on an investment in Units is not comparable to the return on an investment in a fixed income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions. Although Artis intends to make distributions of a significant percentage of its available cash to Unitholders, such cash distributions are not assured and may be reduced, suspended or discontinued. The ability of Artis to make cash distributions and the actual amount of cash distributed will be dependent upon, among other things, the financial performance of the properties in its portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons, including if Artis is unable to meet its cash distribution targets in the future, and such decline may be significant. It is important for a person making an investment in Units to consider the particular risk factors that may affect both Artis and the real estate industry in which Artis operates and which may therefore affect the stability of the cash distributions on Units. The after-tax return from an investment in Units to Unitholders that is subject to Canadian income tax can be made up of both a “return on” and a “return of” capital. That composition may change over time, thus affecting a Unitholder’s after-tax return. Returns on capital are generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Returns of capital are generally tax-deferred and reduce the Unitholder’s cost base in the Unit for tax purposes. Although as at the date hereof it is expected that Artis has and will continue to qualify for the REIT Exception, the SIFT Rules will apply to Artis in each year in which Artis does not qualify for the REIT Exception throughout the year. The SIFT Rules would require certain amounts to be subject to tax in Artis and also in the hands of Unitholders as eligible dividends, resulting in tax treatment similar to corporations and their shareholders. See “Risk Factors – SIFT Rules”.

Legal Rights attaching to Units

Securities such as the Units share certain, although not all, attributes common to shares of a corporation. Unitholders will not have all of the statutory rights normally associated with the ownership of shares in a corporation including, for example, the right to bring “oppression” or “derivative” actions against Artis. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation. Furthermore, Artis will not be a trust company and, accordingly, will not be registered under any trust and loan company legislation as it will not carry on the business of a trust company.

Restrictions on Redemptions

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments. Notes or other securities which may be distributed *in specie* to holders of Units in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities, and such securities may be subject to an indefinite “hold period” or other resale restriction under applicable securities laws. Any notes so distributed will not be qualified investments for deferred income plans.

The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by Artis in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$30,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides fair market value prices for the Units; and (iii) the trading of the Units has not been suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the redemption date for more than five trading days during the 10 day period commencing immediately after the redemption date. See “Summary of Declaration of Trust – Redemption of Units”.

Failure to Obtain Additional Financing

Artis will likely require additional financing in order to grow and expand its operations. It is possible that such financing will not be available or, if it is available, will not be available on favourable terms. In addition, upon the expiry of the term of financing or refinancing of any particular property owned by Artis, refinancing may not be available in amounts required or may be available only on terms less favourable to Artis than existing financing. Future financing may take many forms, including debt or equity financing, which could alter the debt-to-equity ratio or which could be dilutive to Unitholders.

Dilution

Artis is authorized to issue an unlimited number of Units. Any additional issuance of Units will have a dilutive effect on existing Unitholders.

Unitholder Liability

On June 16, 2005, *The Investment Trust Unitholders' Protection Act* (Manitoba) came into force. This legislation creates a statutory limitation on the liability of beneficiaries of Manitoba income trusts such as Artis. The legislation provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation, or liability of Artis. Further, the Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier (an “**annuitant**”) will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of Artis or its Trustees.

Notwithstanding the Declaration of Trust, Unitholders may not be protected from liabilities of Artis to the same extent as a shareholder of a corporation is protected from the liabilities of the corporation. There is the possibility that personal liability may also arise in respect of claims against Artis (to the extent that such claims are not satisfied by Artis) that do not arise out of contract, including claims in tort, claims for taxes and possibly certain other statutory liabilities.

Potential Conflicts of Interest

There are potential conflicts of interest to which the Trustees and the directors and officers of Artis and Marwest are, and will continue to be, subject to in connection with the current operations and the future ongoing operations of Artis.

Each of Armin Martens, President and Chief Executive Officer of Artis, and Cornelius Martens, a Trustee, is a director and senior officer of Marwest and various other companies affiliated with Marwest. Armin Martens and Cornelius Martens and related parties also own and control Marwest and its affiliates. The individuals above serve as Trustees and/or senior officers of Artis and are, through Marwest and its affiliates or other entities engaged in a wide range of real estate activities, including the development, acquisition, divestiture and management of real estate.

The Declaration of Trust does not restrict the Trustees or officers of Artis from being engaged (directly or indirectly) in real estate and business transactions in which their individual interests actually, or are perceived to, conflict with the interests of Artis. There can be no guarantee that the Trustees and officers of Artis, in acting in a capacity other than as a Trustee or officer of Artis, or Marwest, will act in the best interests of Artis in connection with such other real estate activities.

Furthermore, where there are conflicts of interests involving the entering into of contracts by Artis in which a trustee or officer has a direct or indirect interest, such conflicts of interest will be resolved by procedures and remedies similar to those provided under the *Canada Business Corporations Act*.

Reliance on Key Personnel

The success of Artis is highly dependent on the services of Armin Martens, Chief Executive Officer and James Green, Chief Financial Officer. The loss of the services of any of these individuals may have an adverse effect on Artis.

Changes in Legislation

There can be no assurance that laws will not be changed in a manner that will adversely affect Artis or its Unitholders.

Trustees

The Trustees will not devote their full time and attention to the affairs of Artis.

Risks Relating to the Debentures

The likelihood that a holder of Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial condition of Artis. The Trust Indentures contain limited covenant protection.

The Debentures are unsecured obligations of Artis and are subordinate in right of payment to existing and future mortgage indebtedness and other Senior Indebtedness of Artis and its Subsidiaries. If Artis becomes bankrupt or liquidates its assets, the assets of Artis will be available to pay its obligations with respect to the Debentures only after it has paid all of its Senior Indebtedness in full. There can be no assurance that there will be sufficient assets of Artis to pay amounts due on any or all of the Debentures.

The Trust Indentures do not prohibit or limit the ability of Artis or its Subsidiaries to incur additional debt or liabilities or to make distributions, except in respect of cash distributions where Artis is in default of its payment obligations under the Debentures.

There can be no assurance that Artis will be able to refinance its Debentures on maturity or that the terms of any such refinancing will be as favourable as the terms of its existing indebtedness, including the terms of its existing Debentures. If Artis cannot refinance the Debentures on maturity, there can be no assurance that it will be able to generate sufficient cash flow from operations, or generate sufficient capital through other means such as equity financings or asset sales, to meet required principal payments on its outstanding Debentures.

Additional Risks Relating to the Series E Debentures, the Series F Debentures, and the Series G Debentures

The effect of certain transactions on the Series E Debentures, Series F Debentures or the Series G Debentures could substantially lessen or eliminate the value of the conversion privilege attaching thereto. In the event that a change of control of Artis occurs, holders of the Series E Debentures, the Series F Debentures or the Series G Debentures, as the case may be, will have the right to require Artis to redeem the Series E Debentures, the Series F Debentures or the Series G Debentures, as the case may be, in an amount equal to 101% of the principal amount of the Series E Debentures, the Series F Debentures or the Series G Debentures, as the case may be, plus accrued and unpaid interest until the date of redemption. In the event that persons holding 90% or more of the Series E Debentures, the Series F Debentures or the Series G Debentures, as the case maybe, may exercise their right to require Artis to redeem the Series E Debentures, the Series F Debentures or the Series G Debentures, as the case may be. Artis may acquire the remaining Series E Debentures, the Series F Debentures or the Series G Debentures, as the case may be, on the same terms. In such an event, the conversion privilege associated with the Series E Debentures, the Series F Debentures or the Series G Debentures, as the case may be, would be eliminated.

The Series E Debentures may also be redeemed, at the option of Artis, at any time and from time to time on and after June 30, 2012, subject to certain conditions for redemptions prior to June 30, 2013, at a price equal to the principal amount thereof plus accrued and unpaid interest. Holders of Series E Debentures should assume

that this redemption option will be exercised if Artis is able to refinance at a lower interest rate or if it is otherwise in the interest of Artis to redeem the Series E Debentures.

The Series F Debentures may also be redeemed, at the option of Artis, at any time and from time to time on or after March 31, 2014, subject to certain conditions for redemptions prior to March 31, 2016, at a price equal to the principal amount thereof plus accrued and unpaid interest. Holders of Series F Debentures should assume that this redemption option will be exercised if Artis is able to refinance at a lower interest rate or if it is otherwise in the interest of Artis to redeem the Series F Debentures.

The Series G Debentures may also be redeemed, at the option of Artis, at any time and from time to time on or after June 30, 2016, subject to certain conditions for redemptions prior to June 30, 2016, at a price equal to the principal amount thereof plus accrued and unpaid interest. Holders of Series G Debentures should assume that this redemption option will be exercised if Artis is able to refinance at a lower interest rate or if it is otherwise in the interest of Artis to redeem the Series G Debentures.

Artis may be required to purchase all outstanding Series E Debentures, Series F Debentures and Series G Debentures upon the occurrence of a change of control of Artis. However, it is possible that following a change of control, Artis will not have sufficient funds at that time to make any required purchase of outstanding Series E Debentures, Series F Debentures and Series G Debentures or that restrictions contained in other indebtedness will restrict those purchases.

SUMMARY OF DECLARATION OF TRUST

The following is a brief summary of certain provisions of the Declaration of Trust as at the date of this Annual Information Form. The summary below is not complete and, for full particulars, reference should be made to the Declaration of Trust.

Units and Special Voting Units

The beneficial interests in Artis shall be divided into interests of two classes, described and designated as “Units” and “Special Voting Units”, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, and the interest of each Unitholder and Special Unitholder shall be determined by the number of Units and/or Special Voting Units registered in the name of the Unitholder and/or Special Unitholder.

Rights attaching to Units

Each Unit represents an equal undivided interest in Artis. All Units outstanding from time to time participate *pro rata* in any distributions by Artis and, in the event of termination or winding-up of Artis, in the net assets of Artis. All Units shall rank among themselves equally and rateably without discrimination, preference or priority.

No Unit shall be issued other than as fully paid and non-assessable. There are no pre-emptive rights attaching to the Units.

Rights attaching to Special Voting Units

No Special Voting Unit shall be entitled to any interest or share in the distributions or net assets of Artis. Special Voting Units may be issued in series and shall only be issued in connection with or in relation to Exchangeable LP Units (or other securities exchangeable into Units) issued and shall be automatically cancelled upon the issuance of Units on the exercise, conversion or cancellation of the Exchangeable LP Units (or other securities exchangeable into Units). Subject to the restrictions set forth in the Declaration of Trust, each Special Voting Unit shall entitle the Special Unitholder of record thereof to a number of votes at all meetings of Unitholders or in respect of any written resolution of Unitholders equal to the number of Units into which the Exchangeable LP Units (or other securities exchangeable into Units) to which such Special Voting Unit relates are, directly or indirectly, exchangeable or convertible. For greater certainty,

holders of Special Voting Units shall not be entitled to any distributions of any nature whatsoever from Artis or have any legal or beneficial interest in any assets of Artis on termination or winding-up of Artis.

Legal Ownership of Assets of Artis

The legal ownership of the assets of Artis and the right to conduct the affairs of Artis are vested exclusively in the Trustees, subject to the provisions of the Declaration of Trust, and the Unitholders and Special Unitholders shall have no interest therein other than the interest in Artis conferred by their Units or Special Voting Units issued pursuant to the Declaration of Trust. No Unitholder or Special Unitholder has or is deemed to have any right of ownership in any of the assets of Artis.

Trustees

There shall be a minimum of three and a maximum of ten Trustees. The number of Trustees may (i) be increased or decreased from time to time by the Unitholders (in which circumstances, in the case of an increase, the Unitholders shall have the right to appoint additional Trustees (up to the maximum)), or (ii) be increased by the Independent Trustees up to a maximum of 10 (in which circumstances the Independent Trustees shall have the right to appoint additional Independent Trustees (up to the maximum)). Any Trustees so appointed shall serve as Trustees until the next annual meeting of the Unitholders.

The Declaration of Trust provides that a majority of the Trustees comprising the Audit Committee and the Governance and Compensation Committee shall be Independent Trustees. The Independent Trustees may increase the number of Trustees (up to the maximum) and appoint additional Independent Trustees to serve as Trustees until the next annual meeting of Unitholders.

Meetings of Voting Unitholders

Meetings of Voting Unitholders must be called and held for the election or removal of Trustees, the appointment or removal of the auditors of Artis, the approval of amendments to the Declaration of Trust (except as described below under “Amendments to Declaration of Trust”), the sale or transfer of all or substantially all of the assets of Artis (other than as part of an internal reorganization of the assets of Artis as approved by the Trustees) and the termination of Artis. Meetings of Voting Unitholders will be called and held annually for the election of the Trustees and the appointment of auditors of Artis.

Two persons who are holders of Units and/or Special Voting Units represented in person or by proxy representing greater than 5% of the votes attaching to the issued and outstanding Voting Units shall constitute a quorum for any meeting of Voting Unitholders.

Holders of whole Units or Special Voting Units may attend and vote at all meetings of Voting Unitholders, either in person or by proxy. Each whole Unit and Special Voting Unit entitles the holder thereof to one vote at all meetings of Voting Unitholders.

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

The Voting Unitholders shall be entitled to vote upon the following matters, upon such other matters as are set forth in the Declaration of Trust and upon such matters for which Voting Unitholder approval is required pursuant to the requirements of any stock exchange upon which the Units may trade from time to time:

- (a) the election or removal of Trustees (other than the appointees of Marwest or any other asset manager of Artis);
- (b) the appointment, approval or removal of auditors of Artis;

- (c) the approval of amendments to the Declaration of Trust (except amendments which may be made by the Trustees without the consent of Voting Unitholders);
- (d) the reclassification of the Units;
- (e) the sale of the assets of Artis as an entirety or substantially as an entirety (provided that, for greater certainty, Artis shall be entitled to transfer all or a portion of its assets to an entity controlled by Artis pursuant to an internal reorganization of Artis and such transfer shall not require the approval of Voting Unitholders); and
- (f) the termination of Artis.

Purchases of Units

Artis may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchases will constitute an “issuer bid” under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof. A Unitholder does not have the right at any time to require Artis to purchase such Unitholder’s Units.

Take-Over Bids

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

Issuance of Units

Artis may issue new Units from time to time. In addition, new Units may be issued for cash through public offerings, through rights offerings to existing Unitholders (i.e., in which Unitholders receive rights to subscribe for new Units in proportion to their existing holdings of the Units, which rights may be exercised or sold to other investors) or through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing Unitholders). In certain instances, Artis may issue new Units as consideration for the acquisition of new properties or assets. The price or the value of the consideration for which Units may be issued will be determined by the Trustees, generally in consultation with investment dealers or brokers who may act as underwriters or agents in connection with offerings of Units. No new Units issued will provide the holder thereof with enhanced voting or other enhanced rights.

Limitation on Non-Resident Ownership

At no time may Non-Residents be the beneficial owners of more than 49% of the Units, on a basic or fully-diluted basis (and for greater certainty, including Units into which Exchangeable LP Units (or other securities exchangeable for Units) may be converted or exchanged), and Artis shall inform its transfer agent of this restriction. The Trustees may require a registered holder of Units and/or Special Voting Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units registered in such Unitholder’s name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of more than 40% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the

foregoing, the Trustees determine that more than 40% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable LP Units (or other securities exchangeable for Units) may be converted or exchanged) are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units or Exchangeable LP Units or other securities, as the case may be, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or Exchangeable LP Units or other securities or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or Exchangeable LP Units or other securities or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Unitholders sell such Units or Exchangeable LP Units or other securities and, in the interim, shall suspend the voting and distribution rights attached to such Units or Exchangeable LP Units or other securities (other than the right to receive the net proceeds from the sale). Upon such sale or conversion, the affected holders shall cease to be holders of the relevant Units or Exchangeable LP Units or other securities and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such securities. Artis may direct its transfer agent to do any of the foregoing.

No liability shall accrue to Artis or the Trustees if the Units of a Non-Resident Unitholder are sold at a loss to such Unitholder. Unless and until the Trustees shall have been required to do so under the terms hereof, the Trustees shall not be bound to do or take any proceedings or action with respect to the foregoing paragraph by virtue of the powers conferred on them. The Trustees shall use reasonable commercial efforts to actively monitor the ownership of Units by Non-Residents. It is acknowledged that the Trustees cannot definitely monitor the ownership of Units by Non-Residents if the Units are registered in the name of an intermediary. The Trustees shall not be liable for any violation of the Non-Resident ownership restriction which may occur during the term of Artis.

Information and Reports

Artis will furnish to Unitholders such financial information and reports as are from time to time required by applicable securities laws.

Authorized Amendments to Declaration of Trust

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

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

- (a) an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;
- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units and, including, without limiting the generality of the foregoing,
 - (i) the removal or change of rights to distributions (but not a change to the specific amount of a distribution);
 - (ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or
 - (iii) the reduction or removal of a distribution preference or liquidation preference;
- (c) the creation of new rights or privileges attaching to certain of the Units or Special Voting Units;
- (d) the constraint of the issue, transfer or ownership of the Units or Special Voting Units or the change or removal of such constraint; and

- (e) the amendment of the investment guidelines set out under “Investment Guidelines and Operating Policies - Investment Guidelines” and the operating policies set out at paragraphs (b), (d), (e), (f), (g) and (h) thereunder.

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

- (a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees or over Artis; (ii) the status of Artis as a “mutual fund trust” under the Tax Act and, if the Trustees so decide, a “registered investment” under the Tax Act; or (iii) the distribution of Units;
- (b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;
- (c) to remove any conflicts or inconsistencies between public disclosure and the Declaration of Trust or to make minor corrections which are, in the opinion of Trustees, necessary or desirable and not prejudicial to the Unitholders;
- (d) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws;
- (e) which, in the opinion of the Trustees, are necessary or desirable in order to permit distributions to be paid through the issuance of Units rather than in cash; and
- (f) for any purpose (except ones in respect of which a Voting Unitholder vote is specifically otherwise required) if the Trustees are of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable.

Term of Artis and Sale of Substantially All Assets

Artis has been established for an indefinite term. Pursuant to the Declaration of Trust, termination of Artis or the sale or transfer of the assets of Artis as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of Artis as approved by the Trustees) requires approval by the Unitholders.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions that serve to protect Unitholders without creating undue limitations on Artis. As the Trustees may be engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act* that require each Trustee to disclose to Artis any interest in a material contract or transaction or proposed material contract or transaction with Artis (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture arrangement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Artis. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee is required to disclose in writing to Artis or request to have entered into the minutes of meetings of Trustees the nature and extent of his interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one for indemnity under the provisions of the Declaration of Trust or liability insurance.

Redemption of Units

Right of Redemption

Each Unitholder shall be entitled to require Artis to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with the conditions hereinafter provided.

Exercise of Redemption Right

To exercise a Unitholder's right to require redemption, a duly completed and properly executed notice requiring Artis to redeem Units, in a form approved by the Trustees, shall be sent to Artis at the head office of Artis.

Upon receipt by Artis of the notice to redeem Units, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefore) including the right to receive any distributions thereon which are declared payable to the Unitholders of record on a date which is subsequent to the day of receipt by Artis of such notice. Units shall be considered to be tendered for redemption on the date that Artis has received the notice and other required documents or evidence as aforesaid.

Cash Redemption

Upon receipt by Artis of the notice to redeem Units in accordance with the Declaration of Trust, the holder of the Units tendered for redemption shall be entitled to receive a price per Unit (hereinafter called the "**Redemption Price**") equal to the lesser of:

- (a) 90% of the "market price" of the Units on the principal market on which the Units are quoted for trading during the 10 trading day period ending on the date on which the Units were surrendered to Artis for redemption; and
- (b) 100% of the "closing market price" on the principal market on which the Units are quoted for trading on the date on which the Units were surrendered to Artis for redemption.

For the purposes of the foregoing provision, "market price" shall be an amount equal to the weighted average of the closing price of the Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Units traded on a particular day, the "market price" shall be an amount equal to the weighted average of the average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the "market price" shall be the weighted average of the following prices established for each of the 10 trading days: the average of the last bid and last ask prices for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the weighted average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day. For the purposes of paragraph (b) above, the "closing market price" shall be: an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the weighted average of the highest and lowest prices of Units if there was trading and the exchange or other market provides only the highest and lowest trading prices of Units traded on a particular day; and the weighted average of the last bid and last ask prices if there was no trading on the date.

Subject to the matters set forth below under "No Cash Redemption in Certain Circumstances" and "Alternative Redemption", the Redemption Price payable in respect of the Units tendered for redemption during any month shall be paid by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to or to the order of the Unitholder who exercised the right of redemption on or before the last day of the calendar month following the month in which the Units were tendered for redemption.

No Cash Redemption in Certain Circumstances

Artis shall not be required to pay the Redemption Price applicable to Units tendered for redemption in cash if:

- (a) the total amount payable by Artis for redemptions of Units in cash prior thereto in the same calendar month exceeds \$30,000 (“**Monthly Limit**”); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any calendar month. In the absence of such a waiver, Units tendered for redemption in any calendar month in excess of the Monthly Limit will be redeemed for cash and, subject to any applicable regulatory approvals, in accordance with the Declaration of Trust on a *pro rata* basis, provided that in such circumstances the Trustees may waive the Monthly Limit in order to avoid the issuance of unsecured promissory notes issued by Artis or a Subsidiary of Artis in a principal amount of less than \$100 as may be permitted under the provision of the Declaration of Trust described under “Alternative Redemption” below;
- (b) at the time the Units are tendered for redemption, the outstanding Units are not listed for trading or quoted on any stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; or
- (c) the normal trading of the outstanding Units is suspended or halted on any stock exchange on which the Units are listed for trading or, if not so listed, on any market on which the Units are quoted for trading, on the date that such Units tendered for redemption were tendered to Artis for redemption or for more than five trading days during the 10 trading day period commencing immediately after the date on which such Units tendered for redemption were tendered to Artis for redemption.

Alternative Redemption

If the provision of the Declaration of Trust requiring the Redemption Price to be paid in cash is not applicable to Units tendered for redemption by a Unitholder, the Redemption Price per Unit to which the Unitholder would otherwise be entitled shall, subject to receipt of all necessary regulatory approvals, be paid and satisfied by way of the distribution to such Unitholder of unsecured subordinated promissory notes issued by Artis or a Subsidiary (the “**Notes**”), which Notes will bear interest at a market rate to be determined by the issuer of the Notes payable monthly, each in the principal amount of \$100, on the basis of such number of Notes for such Units tendered for redemption equal to the product of (i) the number of Units tendered for redemption multiplied by (ii) the Redemption Price per Unit, which product will then be divided by \$100 on the date the Units were tendered for redemption. The Redemption Price payable pursuant to the Declaration of Trust in respect of Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer, to or to the order of the Unitholder who exercised the right of redemption, on the last day of the calendar month following the month in which the Units were tendered for redemption.

Where Artis makes a distribution *in specie*: (a) the Trustees shall allocate proportionately to the redeeming Unitholders any income or capital gain realized by Artis as a result of the distribution of such property to such Unitholders or, if the Notes that are distributed to such Unitholders are issued by a Subsidiary of Artis, as a result of a transaction pursuant to which such Notes were issued by the Subsidiary of Artis to Artis, and such amounts shall be payable to such Unitholders; (b) the Redemption Price payable to a redeeming Unitholder pursuant to the Declaration of Trust shall be reduced by an amount equal to the amount of income or capital gain so allocated to the redeeming Unitholder; and (c) the amount of income or capital gain so allocated to the redeeming Unitholder and the Redemption Price payable to the redeeming Unitholder (as adjusted in accordance with the Declaration of Trust) shall both be paid by the Notes issuable to the redeeming Unitholder Pursuant to the Declaration of Trust.

Cancellation of all Redeemed Units

All Units which are redeemed by Artis shall be cancelled and such Units shall no longer be outstanding and shall not be reissued.

Subordination

Following any *in specie* redemption pursuant to the Declaration of Trust, holders of Notes will be required to acknowledge that they are subject to any applicable subordination agreements as may be determined by the Trustees prior to delivery of such Notes to the Unitholder.

Authorization to Make Amendments to the Declaration of Trust

On May 14, 2009, Unitholders approved a special resolution to authorize the Trustees to make amendments to the Declaration of Trust to, among other things: (i) convert Artis from an open-end trust to a closed-end trust; (ii) authorize Artis to create and issue Preferred Units; and (iii) amend certain terms and conditions relating to the Units (including the removal of the right of Unitholders to require Artis to redeem their Units); and (iv) make such other amendments that the Trustees consider necessary or advisable to facilitate the creation and/or issuance of the Preferred Units. Artis obtained a favourable advance tax ruling from the Canada Revenue Agency with respect to certain matters relating to the amendments to the Declaration of Trust and the issuance of Preferred Units. The advance tax ruling was to be binding on the Canada Revenue Agency provided that the Preferred Units were created and issued prior to December 31, 2009. In the event that Artis determines to proceed with an issuance of Preferred Units, the Trustees will consider the appropriate means of confirming the applicability of the ruling. The issuance of Preferred Units will also require the Trustees to execute a second amended and restated declaration of trust prior to the closing of the issuance and sale of Preferred Units. In connection with any such amendments, it is contemplated that the Trustees would also amend the Declaration of Trust to: (i) remove the ability of Artis to create and issue Special Voting Units; and (ii) permit Artis to make distributions to Unitholders in additional Units in lieu of cash. Similar provisions are contained in the declarations of trusts of many Canadian real estate investment trusts and the Declaration of Trust provides that the Trustees may amend the Declaration of Trust to provide that Artis may make distributions in additional Units in lieu of cash.

In the event that Artis amends the Declaration of Trust and issues Preferred Units:

- (a) the holders of Preferred Units will have the rights attached to the Preferred Units, including without limitation:
 - (i) the right to receive cumulative distributions at fixed rates of return paid in priority to distributions paid on the Units in accordance with the terms attaching to the Preferred Units; and
 - (ii) in the event of a liquidation, dissolution, termination or winding-up of Artis, the right to receive the subscription amount for their Preferred Units, any unpaid cumulative distributions on Preferred Units, plus a *pro rata* share of the preferred distribution for the distribution period in which the liquidation, dissolution, termination or winding-up occurs, in priority to the payment of any amounts to Unitholders;
- (b) if so determined by the Trustees at the time of the creation and issuance of the Preferred Units, the holders will have the right to convert the Preferred Units (including any unpaid cumulative distributions) into Units at such time and upon such terms as may be determined by the Trustees at the time of the creation and issuance of Preferred Units;
- (c) if so determined by the Trustees at the time of the creation and issuance of the Preferred Units, Artis will have the right to redeem the Preferred Units at such times as the Trustees may establish;
- (d) Artis will cease to be an open-ended trust as a result of the removal of the redemption right attaching to the Units and will thereafter have to satisfy the conditions described below under the heading “Risk Factors – Proposed Amendments to the Declaration of Trust” in order to qualify as a closed-end mutual fund trust; and
- (e) if the cash available to Artis is not sufficient to pay all of the distributions required to be paid to Unitholders, Artis will satisfy such required distributions on Units through the issuance of additional Units.

Holders of Preferred Units will not be entitled to vote at meetings of Unitholders other than in respect of matters that directly affect the rights attaching to the Preferred Units and in other circumstances required by the rules and policies of the TSX or by applicable law.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides for certain guidelines on investments which may be made by Artis. The assets of Artis may be invested only in accordance with the following guidelines (unless approved by a majority of the Trustees (including a majority of the Independent Trustees)):

- (a) Artis may invest in interests (including fee ownership and leasehold interests) in income-producing real property in Canada and the U.S.;
- (b) Artis will not make any investment, take any action or omit to take any action that would disqualify Artis as a “mutual fund trust” within the meaning of the Tax Act or that would result in Units being disqualified for investment by Registered Plans;
- (c) Artis may invest in a joint venture arrangement only if:
 - (i) the arrangement is one pursuant to which Artis holds an interest in real property jointly or in common with others (“**joint venturers**”) either directly or through the ownership of securities of a corporation or other entity (a “**joint venture entity**”) as co-owners and not as partners;
 - (ii) Artis’ interest in the joint venture arrangement is not subject to any restriction on transfer other than a right of first offer or right of first refusal, if any, in favour of the joint venturers;
 - (iii) Artis has a right of first offer or right of first refusal to buy the interests of the other joint venturers; and
 - (iv) the joint venture arrangement provides an appropriate buy-sell mechanism to enable a joint venturer to purchase the other joint venturers’ interests or to sell its interest;

provided that, notwithstanding the foregoing, Artis may from time to time enter into any joint venture arrangement which does not comply with any of subparagraphs (c) (ii), (iii) or (iv) above if the Trustees determine that the investment is desirable for Artis and is otherwise in compliance with the investment restrictions, the investment guidelines and the operating policies established in accordance with the Declaration of Trust and in effect at such time;

- (d) Artis will not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” will have the meaning ascribed thereto by National Instrument 81-102 – *Mutual Funds* adopted by the Canadian Securities Administrators, as amended from time to time;
- (e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province or of Canada, short-term government debt securities or in money market instruments of, or guaranteed by, a Schedule I Canadian chartered bank maturing within one year from the date of issue, Artis may not hold securities other than securities of a trust, limited partnership or corporation formed for the purpose of holding real property, securities of a joint venture entity or an entity or corporation wholly-owned by Artis formed and operated for the purpose of holding real property or for any other purpose relating to the activities of Artis, and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, Artis may acquire securities of other real estate investment trusts;
- (f) Artis will not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (g) Artis will not invest in operating businesses unless such investment is incidental to a transaction: (i) where revenue will be derived, directly or indirectly, principally from real property, or (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property (in each case as determined by the Trustees);

- (h) Artis will not acquire interests in general partnerships or limited partnerships provided that Artis may invest in a general partnership or a limited partnership if:
 - (i) the general partnership or limited partnership is formed and operated solely for the purpose of acquiring, owning, maintaining, improving, leasing or managing a particular real property or properties or interests therein;
 - (ii) Artis' interest in the limited partnership is not subject to any restriction on transfer other than a right of first offer or right of first refusal, if any, in favour of any other partner or any affiliate thereof;
 - (iii) Artis has a right of first offer or right of first refusal to buy the interests of the other partners; and
 - (iv) Artis has received a legal opinion to the effect that the investment (a) would not disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act, and (b) would not result in the Trust losing any status under the Tax Act that is otherwise beneficial to the Trust and its Unitholders;

provided that, notwithstanding the foregoing, Artis may from time to time enter into any limited partnership arrangement which does not comply with any of subparagraphs (h) (ii) or (iii) above if the Trustees determine that the investment is desirable for Artis and is otherwise in compliance with the investment restrictions, the investment guidelines and the operating policies established in accordance with the Declaration of Trust and in effect at such time;

- (i) Artis may invest in raw land for development or other development projects for the purpose of (i) renovating or expanding existing facilities; or (ii) developing new facilities which will, upon completion, be income-producing. In furtherance of subparagraph (ii), without limiting the generality of paragraph (e) and notwithstanding the provisions of paragraphs (j) and (k) below, Artis may invest in mortgages (including participating or convertible mortgages): (A) granted by an entity, directly or indirectly, wholly owned by Artis or by Artis with a joint venturer; (B) granted by a joint venturer; or (C) provided that Artis has an option or a right to acquire an interest in the project or an entity which owns any such development project, in each case secured against the real property underlying any such development project and may continue to hold such mortgages following completion of the project;
- (j) notwithstanding the provisions of paragraph (i) above and (k) below, Artis may invest in mortgages and mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible mortgage) where: (i) the security therefor is income-producing real property which otherwise meets the general investment guidelines of Artis adopted by the Trustees from time to time in accordance with the Declaration of Trust and the restrictions set out therein; and (ii) the mortgage is registered on title to the real property which is security therefor; and
- (k) notwithstanding paragraphs (i) and (j) above, Artis may invest in mortgages if Artis intends to use the acquisition of the mortgages as a method of acquiring control of an income-producing real property which would otherwise meet the investment guidelines of Artis.

For the purpose of the foregoing guidelines (other than paragraph (b)), the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Artis will be deemed to be those of Artis on a proportionate consolidation basis. In addition, any references in the foregoing to investments in real property will be deemed to include an investment in a joint venture arrangement.

If at any time a regulatory authority having jurisdiction over Artis or any property of Artis shall enact any law, regulation or requirement which is in conflict with any investment restriction of Artis then in force, such restriction in conflict shall, if the Trustees on the advice of legal counsel to Artis so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict, and, notwithstanding anything to the contrary contained in the Declaration of Trust, any such resolution of the Trustees shall not require the prior approval of Unitholders.

Operating Policies

The Declaration of Trust provides that the operations and affairs of Artis will be conducted in accordance with the following policies (unless otherwise agreed to by the Independent Trustees):

- (a) (i) any written instrument creating an obligation which is or includes the granting by Artis of a mortgage; or
- (ii) to the extent that the Trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Unitholders, any written instrument which in the judgment of the Trustees is a material obligation;

must, so far as is commercially reasonable, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of Artis, but that only property of Artis or a specific portion thereof will be bound; Artis, however, is not required, subject to having, in the opinion of the Trustees, used all reasonable efforts to comply with this requirement;

- (b) in addition to the provisions of paragraph (i) under the heading “Investment Guidelines and Operating Policies — Investment Guidelines”, Artis may engage in construction or development of real property in order to maintain its real properties in good repair or to enhance the income-producing potential of properties in which Artis has an interest;
- (c) title to each real property must be held by and registered in the name of Artis, the Trustees, a Trustee for Artis or in the name of a corporation or other entity wholly-owned, directly or indirectly, by Artis or, directly or indirectly, by Artis together with joint venturers;
- (d) Artis will not directly or indirectly guarantee any indebtedness or liabilities of any person unless such guarantee (i) is given in connection with or incidental to an investment that is otherwise permitted pursuant to the Declaration of Trust, and (ii) has been approved by a majority of the Independent Trustees. In addition, Artis will not directly or indirectly guarantee any indebtedness or liabilities of any person if doing so would (A) disqualify Artis as a “mutual fund trust” within the meaning of the Tax Act, or (B) result in Artis losing any status under the Tax Act that is otherwise beneficial to Artis and its Unitholders;
- (e) Artis will obtain an independent appraisal, or otherwise satisfy itself of the value, of each property that it intends to acquire;
- (f) Artis will obtain and maintain at all times insurance coverage in respect of potential liabilities of Artis and the accidental loss of value of the assets of Artis from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
- (g) Artis will obtain or review such environmental audits of each real property to be acquired by it to the satisfaction of the Trustees. All new leases granted by Artis must contain appropriate covenants from the lessee respecting environmental matters as determined by the Trustees from time to time; and
- (h) Artis will not incur or assume any indebtedness if, after the incurring or the assuming of the indebtedness, the total indebtedness of Artis would be more than 70% of the Gross Book Value. For the purposes of this provision, the term “indebtedness” means any obligation of Artis for borrowed money, provided that: (i) an obligation will only constitute indebtedness to the extent that it would appear as a liability on the consolidated balance sheet of Artis in accordance with GAAP; (ii) indebtedness excludes trade accounts payable, distributions payable to Unitholders, accrued liabilities arising in the ordinary course of business; (iii) convertible debentures shall be deemed not to constitute indebtedness; and (iv) promissory notes issued by Artis or a Subsidiary of Artis pursuant to Unit redemptions in accordance with the Declaration of Trust shall not be considered indebtedness.

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

Amendments to Investment Guidelines and Operating Policies

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

DISTRIBUTIONS AND DISTRIBUTION POLICY

The following outlines the distribution policy of Artis as contained in the Declaration of Trust and the current distribution policy of the Trustees as of the date of this Annual Information Form. The distribution policy may be amended by the Trustees from time to time.

General

The following is a summary of the current distribution policy of Artis as contained in the Declaration of Trust. Artis currently makes monthly cash distributions to Unitholders of \$0.09 per Unit (or \$1.08 per Unit on an annualized basis). Distributions in respect of a month will be paid on the Distribution Date to Unitholders of record on the last business day of such month (or other distribution period).

As disclosed above under “Summary of Declaration of Trust – Authorized Amendments to Declaration of Trust”, the Unitholders have authorized the Trustees to make amendments to the Declaration of Trust to, among other things: (i) convert Artis from an open-end trust to a closed-end trust by removing the right of Unitholders to require Artis to redeem their Units; (ii) authorize Artis to create and issue Preferred Units; and (iii) make such other amendments that the Trustees consider necessary or advisable to facilitate the creation and/or issuance of the Preferred Units. Artis has obtained a favourable advance tax ruling from the Canada Revenue Agency with respect to certain matters relating to the amendments to the Declaration of Trust and the issuance of Preferred Units. The advance tax ruling was to be binding on the Canada Revenue Agency provided that the Preferred Units were created and issued prior to December 31, 2009. In the event that Artis determines to proceed with an issuance of Preferred Units, the Trustees will consider the appropriate means of confirming the applicability of the ruling from Canada Revenue Agency. The issuance of Preferred Units will also require the Trustees to execute a second amended and restated declaration of trust prior to the closing of the issuance and sale of Preferred Units. The holders of Preferred Units would be entitled to receive distributions in priority to the Unitholders. In connection with any such amendments, it is contemplated that the Trustees would also amend the Declaration of Trust to: (i) remove the ability of Artis to create and issue Special Voting Units; and (ii) permit Artis to make distributions to Unitholders in additional Units in lieu of cash.

Distributions

The Trustees may distribute to Unitholders at such time or times in the year as they shall determine, such amounts of the income (including Net Realized Capital Gains) as the Trustees determine in their discretion. The Declaration of Trust provides that the Trustees may declare to be payable and make distributions out of the income, the Net Realized Capital Gains and/or the capital of Artis or otherwise in such amount or amounts and on such dates as the Trustees may determine to persons who are Unitholders at the record date set for such distribution.

Unitholders at the close of business on the last day of a month (or other period selected by the Trustees) shall be entitled to receive their proportionate share any distributions of income and/or Net Realized Capital Gains declared by the Trustees for such month (or other period).

A Unitholder has the legal right to enforce payment of any amount which is stated to be payable to a Unitholder under the Declaration of Trust at the time such amount is declared payable.

Each year Artis shall deduct in the calculation of its income such amounts as are paid or payable to Unitholders for the year, as permitted by the Tax Act, to minimize its liability for income tax under Part I of the Tax Act for such year.

Payment of Distributions

Artis shall deduct or withhold from distributions payable to Unitholders all amounts required by law to be withheld from such distributions and Artis shall remit such taxes to the appropriate governmental authority within the times prescribed by law. Unitholders who are Non-Residents will be required to pay all withholding taxes payable in respect of any distributions of income by Artis.

Income Tax Matters

In computing the net income of Artis for income tax purposes for any year, except as the Trustees otherwise determine, Artis shall claim the maximum amount of capital cost allowance and other discretionary deductions available to Artis under the Tax Act.

Allocations of Net Income for Tax Purposes

Unless the Trustees otherwise determine, the (i) net income of Artis for a taxation year of Artis, determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6), and (ii) Net Realized Capital Gains payable to Unitholders shall, to the extent of the aggregate distributions made or declared payable in the year to Unitholders, be allocated to the Unitholders for the purposes of the Tax Act in the same proportion as the total distributions made or declared payable to Unitholders in such taxation year. The Trustees shall in each year make such other designations for tax purposes in respect of income and other distributions that the Trustees consider to be reasonable in all of the circumstances.

Additional Authorized Amendments to the Declaration of Trust

The Unitholders have authorized the Trustees to make amendments to the Declaration of Trust to, among other things: (i) convert Artis from an open-end trust to a closed-end trust by removing the right of Unitholders to require Artis to redeem their Units; (ii) authorize Artis to create and issue Preferred Units; and (iii) make such other amendments that the Trustees consider necessary or advisable to facilitate the creation and/or issuance of the Preferred Units. See “Summary of Declaration of Trust – Authorized Amendments to Declaration of Trust”.

Restrictions on Distributions

Under the terms of the Series D Trust Indenture, the Series E Trust Indenture, the Series F Trust Indenture and the Series G Trust Indenture, Artis is prohibited from paying any distributions on its Units if it is in default of its obligations to pay the principal and interest on the Series D Debentures, the Series E Debentures, the Series F Debentures or the Series G Debentures, respectively.

Distribution History

The following is a summary of the distributions payable by Artis during the year ended December 31, 2011.

Distribution Record Date	Payment Date	Amount of Distribution per Unit
January 31, 2011	February 15, 2011	\$0.09
February 28, 2011	March 15, 2011	\$0.09
March 31, 2011	April 15, 2011	\$0.09
April 30, 2011	May 13, 2011	\$0.09
May 31, 2011	June 15, 2011	\$0.09
June 30, 2011	July 15, 2011	\$0.09

July 31, 2011	August 15, 2011	\$0.09
August 31, 2011	September 15, 2011	\$0.09
September 30, 2011	October 14, 2011	\$0.09
October 31, 2011	November 15, 2011	\$0.09
November 30, 2011	December 15, 2011	\$0.09
December 31, 2011	January 13, 2012	\$0.09

DRIP

Artis has adopted the DRIP, which provides eligible Unitholders with an opportunity to reinvest cash distributions in additional Units. Participants in the DRIP receive distributions of Units at the weighted-average closing price of the Units for the five trading days immediately preceding the relevant distribution payment date. Participants in the DRIP receive Units equal to 104% of the amount of cash distributions reinvested. The DRIP also provides participants with the opportunity to make additional investments in Units at the weighted average closing price of the Units for the five trading days immediately preceding the relevant distribution payment date.

THE PARTNERSHIP

General

The Partnership is a limited partnership formed under the laws of the Province of Manitoba pursuant to the Partnership Agreement to invest in properties and assets in a manner consistent with the Declaration of Trust.

General Partner

The General Partner is the general partner of the Partnership and is wholly-owned by Artis.

Limited Partnership Units

The Partnership is entitled to issue various classes of partnership interests. The Partnership currently has Class A limited partnership units held by Artis. Holders of Class A limited partnership units are entitled to notice of, and to attend and vote at, all meetings of limited partners of the Partnership. No limited partnership units of the Partnership are permitted to be issued to or held by Non-Residents.

Exchangeable LP Units are issuable in series and may be issued in respect of property acquisitions made by the Partnership from time to time. The Exchangeable LP Units entitle the holder thereof to receive distributions, on a per unit basis, which are economically equivalent, to the extent possible, to distributions on the Units. Each holder of Exchangeable LP Units is required to enter into the Exchange Agreement with Artis, the Partnership and the General Partner pursuant to which the Exchangeable LP Units will be indirectly exchangeable on a one-for-one basis for Units at any time at the option of the holder, unless the exchange would jeopardize Artis' status as a "unit trust", "mutual fund trust" or other status under the Tax Act. Holders of Exchangeable LP Units may receive Special Voting Units of the Partnership entitling the holder to receive notice of, to attend and to vote at all meetings of Unitholders. The Partnership is entitled to require the redemption of the Exchangeable LP Units in certain specified circumstances. The Exchangeable LP Units may not be transferred without the consent of the General Partner. In the event that Artis makes certain changes to the Declaration of Trust to facilitate the issuance of Preferred Units, Artis will no longer be authorized to issue any Special Voting Units.

Exchange Agreement

A holder of Exchangeable LP Units is required to enter into the Exchange Agreement which will provide such holder with the right to require Artis to indirectly exchange each Exchangeable LP Unit for one Unit, subject to customary anti-dilution adjustments.

The exchange procedure may be initiated at any time by the holder of an Exchangeable LP Unit so long as all of the following conditions have been met:

- (a) the exchange would not cause Artis to breach the restrictions respecting Non-Resident ownership contained in Declaration of Trust as described in "Summary of Declaration of Trust";
- (b) Artis is legally entitled to issue the Units in connection with the exercise of the exchange rights; and
- (c) the person receiving the Units upon the exercise of the exchange rights complies with all applicable securities laws.

The Exchangeable LP Units may also be exchanged for Units in certain other specified circumstances.

Dilution Rights and Economic Equivalence

The Exchange Agreement provides that if there is a change in the number of Units outstanding as a result of a subdivision, consolidation, reclassification, capital reorganization or similar change in the Units (other than a consolidation of Units immediately following a distribution of Units in lieu of a cash distribution), the exchange ratio of Exchangeable LP Units for Units will be proportionately adjusted. The Exchange Agreement also provides that Artis will not issue or distribute Units to the holders of all or substantially all of the then outstanding Units (other than a distribution of Units in lieu of cash distribution), issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Units or issue or distribute property of Artis to the holders of all or substantially all of the then outstanding Units unless, in each case, the economic equivalent thereof (as determined by the Trustees) is issued or distributed simultaneously to the holders of Exchangeable LP Units.

Reclassification of Units

Pursuant to the Exchange Agreement, if at any time while any Exchangeable LP Unit is outstanding, there is any consolidation, amalgamation, arrangement, merger or other form of business combination of Artis with or into any other entity resulting in a reclassification of the outstanding Units, the exchange right attaching to the Exchangeable LP Units will be adjusted in a manner approved by the Trustees, acting reasonably, so that holders of Exchangeable LP Units will be entitled to receive, in lieu of the number of Units to which they would otherwise have been entitled, the kind and number or amount of securities that they would have been entitled to receive as a result of such event if, on the effective date thereof, they had been the registered holder of the number of Units which they would have held had they exercised the exchange right attaching to the Exchangeable LP Units immediately before the effective date of any such transaction.

DESCRIPTION OF CAPITAL STRUCTURE

The description of the Units contained in this section is based upon the Declaration of Trust as at December 31, 2011 and the date of this annual information form. At the annual and special meeting of Unitholders held on May 14, 2009, Unitholders resolved to approve amendments to the Declaration of Trust which would, among other things, authorize the creation of a new class of preferred equity securities of Artis, referred to as "Preferred Units", which will entitle the holder thereof to receive distributions of Artis in priority to distributions received by Unitholders. The particulars of the authorized amendments to the Declaration of Trust are set forth under "Summary of Declaration of Trust – Authorized Amendments to the Declaration of Trust" above. The summary below does not take into account any of the authorized amendments to the Declarations of Trust which have not been implemented as at the date of this annual information form.

Units and Special Voting Units

The interests in Artis shall be divided into interests of two classes, described and designated as "Units" and "Special Voting Units", which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, and the interest of each Unitholder and Special Unitholder shall be determined by the number of Units and/or Special Voting Units registered in the name of the Unitholder or Special Unitholder.

Rights Attaching to Units

Each Unit represents an equal undivided beneficial interest in Artis. All Units outstanding from time to time participate *pro rata* in any distributions by Artis and, in the event of termination or winding-up of Artis, in the net assets of Artis. All Units shall rank among themselves equally and rateably without discrimination, preference or priority.

No Unit shall be issued other than as fully paid and non-assessable. There are no pre-emptive rights attaching to the Units.

Rights Attaching to Special Voting Units

No Special Voting Unit shall be entitled to any interest or share in the distributions or net assets of Artis. Special Voting Units may be issued in series and shall only be issued in connection with or in relation to Exchangeable LP Units (or other securities exchangeable into Units) issued and shall be automatically cancelled upon the issuance of Units on the exercise, conversion or cancellation of the Exchangeable LP Units (or other securities exchangeable into Units). Subject to the restrictions set forth in the Declaration of Trust, each Special Voting Unit shall entitle the Special Unitholder of record thereof to a number of votes at all meetings of Unitholders or in respect of any written resolution of Unitholders equal to the number of Units into which the Exchangeable LP Units (or other securities exchangeable into Units) to which such Special Voting Unit relates are, directly or indirectly, exchangeable or convertible. For greater certainty, holders of Special Voting Units shall not be entitled to any distributions of any nature whatsoever from Artis or have any legal or beneficial interest in any assets of Artis on termination or winding-up of Artis.

Limitation on Non-Resident Ownership

There is a limit on the number of Units which may be owned by Non-Residents. See “Summary of Declaration of Trust – Limitation on Non-Resident Ownership”.

DRIP

Artis has adopted the DRIP, which provides Unitholders with an opportunity to reinvest cash distributions in additional Units. See “Distributions and Distribution Policy – DRIP” above.

Unitholders’ Rights Plan

The adoption of the Rights Plan was approved by Unitholders on May 16, 2008 and was renewed at the annual and special meeting of Unitholders to be held on May 19, 2011. The Rights Plan is designed to ensure the fair treatment of Unitholders in any transaction involving a change of control of Artis by providing the Trustees and Unitholders with more time to evaluate any unsolicited take-over bid and, if appropriate, to seek out other alternatives to maximizing Unitholder value. The Rights Plan provided that until the occurrence of certain specified events, the rights will trade with the Units and are represented by the certificates representing the Units. The rights become exercisable only when a person acquires or announces an intention to acquire twenty (20%) percent or more of the outstanding Units without complying with the “permitted bid” provisions of the Rights Plan. Should a non-permitted acquisition occur, each right would entitle the holder of Units (other than the acquiring person and related parties and joint actors of such person) to purchase additional Units at a fifty (50%) percent discount to the market price at the time. The Rights Plan provided that a “permitted bid” was a take-over bid made to all Unitholders on identical terms and conditions that are open for acceptance for a period of at least 60 days. If at the end of the 60-day period, at least 50% of the outstanding Units (other than those owned by the offerors and related parties and joint actors of the offeror) have been tendered under the bid, the offeror may take up and pay for the tendered Units, but must extend the bid for a further 10 days to allow all Unitholders to tender to the bid.

The Rights Plan will remain in effect for a period of three (3) years following each renewal date.

Debentures

Series C Debentures

The following is a general summary of certain attributes of the Series C Debentures and is qualified in its entirety by the Series C Trust Indenture. The outstanding Series C Debentures were redeemed in full effective March 15, 2012.

Principal Amount per Series C Debenture:	\$1,000.00
Initial Number of Series C Debentures Issued:	30,000
Initial Aggregate Principal Amount Issued:	\$30,000,000
Term:	May 31, 2013
Interest Rate:	6.25% per annum
Frequency of Payment:	Semi-annually, not in advance, on November 30 and May 31

Conversion Privilege

Each Series C Debenture was convertible into Units at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the business day immediately preceding the date specified by Artis for redemption of the Series C Debentures, at the conversion price of \$17.25 per Unit, being a conversion rate of 57.9710 Units per \$1,000 principal amount of Series C Debentures, subject to adjustment in certain events.

Redemption Right

The Series C Debentures were not redeemable prior to May 31, 2009. On or after May 31, 2009, but prior to May 31, 2011, the Series C Debentures were redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and less than 30 days' prior notice, provided that the weighted-average trading price of the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price of \$17.25. On and after May 31, 2011 but prior to the maturity date, the Series C Debentures were redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and not less than 30 days' prior notice.

On March 15, 2012, Artis redeemed all of the outstanding Series C Debentures in the aggregate principal amount of \$29,891,000 in cash, plus aggregate accrued and unpaid interest in the amount of \$541,507.

Series D Debentures

The following is a general summary of certain attributes of the Series D Debentures and is qualified in its entirety by the Series D Trust Indenture.

Principal Amount per Series D Debenture:	\$1,000.00
Initial Number of Series D Debentures Issued:	20,000
Initial Aggregate Principal Amount Issued:	\$20,000,000
Term:	November 30, 2014
Interest Rate:	5.0% per annum
Frequency of Payment:	Semi-annually, not in advance, on November 30 and May 31

Conversion Privilege

Subject to the terms of the Series D Trust Indenture, the Series D Debentures are convertible into Units at the option of the holder after the second anniversary of the issue of the Series D Debentures at a price of \$17.75 per Unit.

Forced Conversion Right

At any time prior to the maturity of the Series D Debenture, Artis may force the conversion of the Series D Debenture, in whole or in part, into Units at the conversion price of \$17.75 per Unit, provided that the volume-weighted average price per Unit for the 20 consecutive trading days ending on the fifth trading day preceding the date on which Artis gives notice of forced conversion is not less than 120% of the conversion price of \$17.75.

Series E Debentures

The following is a general summary of certain attributes of the Series E Debentures and is qualified in its entirety by the Series E Trust Indenture.

Principal Amount per Series E Debenture:	\$1,000.00
Initial Number of Series E Debentures Issued:	46,000
Initial Aggregate Principal Amount Issued:	\$46,000,000
Term:	June 30, 2014
Interest Rate:	7.5% per annum
Frequency of Payment:	Semi-annually, not in advance, on June 30 and December 31

Conversion Privilege

Each Series E Debenture is convertible into Units at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the business day immediately preceding the date specified by Artis for redemption of the Series E Debentures, at the conversion price of \$9.30 per Unit, being a conversion rate of 107.527 Units per \$1,000 principal amount of Series E Debentures, subject to adjustment in certain events. Holders converting their Series E Debentures will receive accrued and unpaid interest on such Series E Debentures from the period of the last interest payment date up to and including the last record date declared by Artis for determining Unitholders entitled to receive distributions on Units. Notwithstanding the foregoing, no Series E Debenture may be converted during the three business days preceding June 30 and December 31 in each year, commencing December 31, 2009, as the register of the Indenture Trustee will be closed during such periods.

Redemption Right

The Series E Debentures are not redeemable prior to June 30, 2012. On or after June 30, 2012, but prior to June 30, 2013, the Series E Debentures are redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and not less than 30 days' prior notice, provided that the weighted-average trading price for the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price. On and after June 30, 2013 but prior to the maturity date, the Series E Debentures are redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and not less than 30 days' prior notice.

Payment Upon Redemption or Maturity

Subject to regulatory approval, Artis has the option to satisfy its obligations to repay the principal amount of the Series E Debentures, in whole or in part, due at redemption or maturity upon at least 30 days' and not more than 60 days' prior notice, by delivering to the Indenture Trustee that number of freely tradable and listed Units obtained by dividing the principal amount of the Series E Debentures by 95% of the of the weighted-average trading price of the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date of redemption or maturity, as applicable.

Put Right Upon Change of Control

Upon the occurrence of a change of control involving the acquisition of voting control or direction of 66 ²/₃ or more of the Units by any person or group of persons acting jointly or in concert, holders of Series E

Debentures will have the right to require Artis to repurchase their Series E Debentures, in whole or in part, at a price equal to 101% of the principal amount of the Series E Debentures, plus accrued and unpaid interest.

90% Transactions

If, upon occurrence of a change of control of Artis which results in Artis acquiring 90% or more of the issued and outstanding Series E Debentures, Artis will have the right to acquire the remaining Series E Debentures from the holders thereof. If a person makes a take-over bid for the Series E Debentures which results in that person acquiring (or being entitled to acquire) 90% or more of the issued and outstanding Series E Debentures (other than Series E Debentures held by such person), such person shall be entitled to acquire the remaining Series E Debentures from the holders thereof who did not tender to the take-over bid on the same terms and conditions as set forth in the take-over bid.

Series F Debentures

The following is a general summary of certain attributes of the Series F Debentures and is qualified in its entirety by the Series F Trust Indenture.

Principal Amount per Series F Debenture:	\$1,000.00
Initial Number of Series F Debentures Issued:	86,250
Initial Aggregate Principal Amount Issued:	\$86,250,000
Term:	June 30, 2020
Interest Rate:	6.0% per annum
Frequency of Payment:	Semi-annually, not in advance, on June 30 and December 31

Conversion Privilege

Each Series F Debenture is convertible into Units at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the business day immediately preceding the date specified by Artis for redemption of the Series F Debentures, at the conversion price of \$15.50 per Unit, being a conversion rate of 64.5161 Units per \$1,000 principal amount of Series F Debentures, subject to adjustment in certain events. Holders converting their Series F Debentures will receive accrued and unpaid interest on such Series F Debentures from the period of the last interest payment date up to and including the last record date declared by Artis for determining Unitholders entitled to receive distributions on Units. Notwithstanding the foregoing, no Series F Debenture may be converted during the three business days preceding June 30 and December 31 in each year, commencing June 30, 2010, as the register of the Indenture Trustee will be closed during such periods.

Redemption Right

The Series F Debentures are not redeemable prior to March 31, 2014. On or after March 31, 2014, but prior to March 31, 2016, the Series F Debentures are redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and not less than 30 days' prior notice, provided that the weighted-average trading price for the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price. On and after March 31, 2014 but prior to the maturity date, the Series F Debentures are redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and not less than 30 days' prior notice.

Payment Upon Redemption or Maturity

Subject to regulatory approval, Artis has the option to satisfy its obligations to repay the principal amount of the Series F Debentures, in whole or in part, due at redemption or maturity upon at least 30 days' and not more than 60 days' prior notice, by delivering to the Indenture Trustee that number of freely tradable and listed Units obtained by dividing the principal amount of the Series F Debentures by 95% of the of the weighted-average trading price of the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date of redemption or maturity, as applicable.

Put Right Upon Change of Control

Upon the occurrence of a change of control involving the acquisition of voting control or direction of 66 ²/₃ or more of the Units by any person or group of persons acting jointly or in concert, holders of Series F Debentures will have the right to require Artis to repurchase their Series F Debentures, in whole or in part, at a price equal to 101% of the principal amount of the Series F Debentures, plus accrued and unpaid interest.

90% Transactions

If, upon occurrence of a change of control of Artis which results in Artis acquiring 90% or more of the issued and outstanding Series F Debentures, Artis will have the right to acquire the remaining Series F Debentures from the holders thereof. If a person makes a take-over bid for the Series F Debentures which results in that person acquiring (or being entitled to acquire) 90% or more of the issued and outstanding Series F Debentures (other than Series F Debentures held by such person), such person shall be entitled to acquire the remaining Series F Debentures from the holders thereof who did not tender to the take-over bid on the same terms and conditions as set forth in the take-over bid.

Series G Debentures

The following is a general summary of certain attributes of the Series G Debentures and is qualified in its entirety by the Series G Trust Indenture.

Principal Amount per Series G Debenture:	USD\$1,000.00
Initial Number of Series F Debentures Issued:	88,000
Initial Aggregate Principal Amount Issued:	USD\$88,000,000
Term:	June 30, 2018
Interest Rate:	5.75% per annum
Frequency of Payment:	Semi-annually, not in advance, on June 30 and December 31

Conversion Privilege

Each Series G Debenture is convertible into Units at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the business day immediately preceding the date specified by Artis for redemption of the Series G Debentures, at the conversion rate of 52.7397 Units per US\$1,000 principal amount of Series G Debentures, calculated by multiplying the reference price of \$18.25 per Unit by 1.0390, being the exchange rate between Canadian dollars and US dollars prevailing on April 13, 2011, subject to adjustment in certain events. Holders converting their Series G Debentures will receive accrued and unpaid interest on such Series G Debentures from the period of the last interest payment date up to and including the last record date declared by Artis for determining Unitholders entitled to receive distributions on Units. Notwithstanding the foregoing, no Series G Debenture may be converted during the three business days preceding June 30 and December 31 in each year as the register of the Indenture Trustee will be closed during such periods.

Redemption Right

The Series G Debentures are not redeemable prior to June 30, 2014. On or after June 30, 2014, but prior to June 30, 2016, the Series G Debentures are redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and not less than 30 days' prior notice, provided that the weighted-average trading price for the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the reference price of \$18.25. On and after June 30, 2014 but prior to the maturity date, the Series G Debentures are redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at Artis' sole option on not more than 60 days' and not less than 30 days' prior notice.

Payment Upon Redemption or Maturity

Subject to regulatory approval, Artis has the option to satisfy its obligations to repay the principal amount of the Series G Debentures, in whole or in part, due at redemption or maturity upon at least 30 days' and not more than 60 days' prior notice, by delivering to the Indenture Trustee that number of freely tradable and listed Units obtained by dividing the principal amount of the Series G Debentures by 95% of the of the weighted-average trading price of the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date of redemption or maturity, as applicable.

Put Right Upon Change of Control

Upon the occurrence of a change of control involving the acquisition of voting control or direction of 66 ²/₃ or more of the Units by any person or group of persons acting jointly or in concert, holders of Series G Debentures will have the right to require Artis to repurchase their Series G Debentures, in whole or in part, at a price equal to 101% of the principal amount of the Series G Debentures, plus accrued and unpaid interest.

90% Transactions

If, upon occurrence of a change of control of Artis which results in Artis acquiring 90% or more of the issued and outstanding Series G Debentures, Artis will have the right to acquire the remaining Series G Debentures from the holders thereof. If a person makes a take-over bid for the Series G Debentures which results in that person acquiring (or being entitled to acquire) 90% or more of the issued and outstanding Series G Debentures (other than Series G Debentures held by such person), such person shall be entitled to acquire the remaining Series G Debentures from the holders thereof who did not tender to the take-over bid on the same terms and conditions as set forth in the take-over bid.

Ranking of Debentures

The payment of the principal of, and interest on, the Debentures will have priority over the payment of any distributions on the Units, but subordinated in right of payment to the prior payment in full of any Senior Indebtedness, provided that Artis shall be entitled to pay interest and the principal amount on the Debentures if there is no default on payment under any Senior Indebtedness. Each series of Debentures ranks *pari passu* with the other series of Debentures. The Trust Indentures permit Artis to create and issue further indebtedness in the future, including debentures which rank *pari passu* or subordinate to the Debentures without the prior consent of the holders of such Debentures.

Incentive Plan

The following is a summary of the Incentive and is qualified in its entirety by the text of the Incentive Plan.

Awards

Awards granted under the Incentive Plan may consist of unit options ("**Options**"), restricted units ("**Restricted Units**"), deferred units ("**Deferred Units**") and installment units ("**Installment Units**" and together with the Options, Restricted Units and Deferred Units, the "**Awards**"). Each Award is subject to the terms and conditions set forth in the Incentive Plan and to those other terms and conditions specified by the Board of Trustees and memorialized in a written award agreement.

Units Subject to the Incentive Plan

Subject to adjustment in certain circumstances as discussed below, the Incentive Plan authorizes the issuance of up to 7% of Artis' issued and outstanding Units from time to time pursuant to the terms of such Incentive Plan. The Trustees will from time to time reserve for the purposes of the Plan, out of its authorized and unissued Units, such number of Units. The expiry, exercise, redemption or other issuance of Units underlying an Award will result in further Units being available for issuance under the Plan. The Units

underlying options granted under Artis' amended unit option plan dated June 9, 2006 (which plan terminated upon the adoption of the Incentive Plan) remained outstanding following the adoption of the Incentive Plan and remain exercisable in accordance with their terms. The Incentive Plan provides that the Units underlying such options shall be included in the calculation of the number of Units that are issuable to Participants under the Incentive Plan. The exercise or expiry of such options will result in further Units being available for issuance under the Incentive Plan.

No Participant will be granted Awards with respect to more than 5% of Artis' issued and outstanding Units. In accordance with the rules of the TSX, the Incentive Plan further provides that (i) the number of Units issuable to insiders of Artis, at any time, pursuant to the Incentive Plan and any other security-based compensation arrangement adopted by Artis, cannot exceed 10% of the issued and outstanding Units; and (ii) the number of Units issued to insiders of Artis, within any one year period, under the Incentive Plan and any other security-based compensation arrangement adopted by Artis cannot exceed 10% of the issued and outstanding Units. If, and to the extent, Awards granted under the Incentive Plan expire, terminate, are cancelled, or are forfeited for any reason without having been exercised in full, the Units associated with those Awards will again become available for grant under the Incentive Plan. Additionally, if and to the extent an Award is settled for cash, the Units subject thereto will again become available for grant under the Incentive Plan.

In the event of any recapitalization, reorganization, arrangement, amalgamation, split or combination, distribution or other similar event or transaction, substitutions or adjustments will be made by the Board of Trustees in its discretion to: (i) the aggregate number, class and/or issuer of the securities reserved for issuance under the Incentive Plan; (ii) the number, class and/or issuer of securities subject to outstanding Awards; and (iii) the exercise price of outstanding Options, in each case in a manner that reflects equitably the effects of such event or transaction. In addition, the appropriate adjustments in the number of Units under an Award and the other terms and conditions thereunder, may be made by the Board of Trustees in its discretion to give effect to the adjustments in the number of Units of Artis resulting from the implementation and operation of Artis' Unitholder Rights Plan.

The maximum number of Units issuable under the Incentive Plan is 7% of the issued and outstanding Units from time to time. Accordingly, as of March 30, 2012, there are an aggregate of 101,643,304 Units issued and outstanding, of which 7% is 7,115,031 Units. As of March 30, 2012, there are 2,137,125 Units underlying the options outstanding under the Unit Option Plan, representing approximately 2.1% of the issued and outstanding Units as at March 30, 2012. Accordingly an additional 4,977,906 Units (representing approximately 4.9% of the issued and outstanding Units) are reserved for issuance under the Incentive Plan. Changes in the number of outstanding Units of Artis from time to time will result in a corresponding change in the maximum number of Units issuable under the Incentive Plan. In the event of the expiry, exercise, redemption or issuance of Units underlying Awards or the options outstanding under the Unit Option Plan, additional Units will be available for issuance under the Incentive Plan.

Administration

The Incentive Plan will be administered and interpreted by the Board of Trustees or a committee designated by the Board of Trustees, which initially shall be the Compensation and Governance Committee. The Board of Trustees or appointed committee, if applicable, will have full authority to grant Awards under the Incentive Plan and determine the terms of such Awards, including the persons to whom Awards are to be granted, the type and number of Awards to be granted and the number of Units to be covered by each Award. The Board of Trustees will also have full authority to specify the time(s) at which Awards will be exercisable or settled.

Eligibility

Trustees, officers or employees of Artis or any of its affiliates, Trustees, and designated employees of certain service providers who provide management services to Artis or any of its affiliates and who spend a significant amount of time and attention on the affairs and business of Artis are eligible to participate in the Incentive Plan.

Unit Options

The Incentive Plan provides that the Board of Trustees may grant Options. Any Options granted under the Incentive Plan will have a maximum term of ten years, and will be exercisable at a price not less than the volume weighted-average trading price of the Units for the five trading days immediately preceding such date on the TSX. Initially, Options will be time-vested 25% annually over four years, subject to the right of the Board of Trustees to determine at the time of grant that a particular Option will be exercisable in whole or in part on a different date and to determine at any time after the time of grant that a particular Option will be exercisable in whole or in part on an earlier date for any reason. In addition, vesting of Options may be subject to performance tests at the discretion of the Board of Trustees.

Notwithstanding the foregoing, the Incentive Plan provides that in the event that the term of an Option expires during or within ten days after the last day of a “blackout period” imposed by Artis, the Option shall expire on the date (the “**Blackout Expiration Date**”) that is ten business days following the end of the blackout period. The Blackout Expiration Date will not be subject to the discretion of the Board of Trustees.

Restricted Units

The Incentive Plan provides that the Board of Trustees may grant Awards of Restricted Units. A Restricted Unit is a contractual promise to issue Units and/or cash in an amount equal to the “fair market value” (as defined in the Incentive Plan and as determined at the time of distribution) of the Units subject to the Award, at a specified future date. Restricted Units will vest on and after the third anniversary of the date of grant, subject to the right of the Board of Trustees to determine at the time of grant that a particular Restricted Unit will vest on different dates and to determine at any time after the time of grant that a particular Restricted Unit will vest at an earlier or later time. In addition, vesting of Restricted Units may be subject to performance criteria at the discretion of the Board of Trustees.

An Award of Restricted Units may be settled in Units, cash, or in any combination of Units and/or cash, at the election of the recipient.

Deferred Units

The Incentive Plan provides that the Board of Trustees may grant Awards of Deferred Units. A Deferred Unit is a contractual promise to issue Units and/or cash in an amount equal to the “fair market value” (as defined in the Incentive Plan and as determined at the time of distribution) of the Units subject to the Award, at a specified future date.

Deferred Units granted on a particular date will vest in accordance with the following schedule:

- (i) one-third of the Deferred Units will vest on the first anniversary of the date of grant;
- (ii) one-third of the Deferred Units will vest on the second anniversary of the date of grant; and
- (iii) one-third of the Deferred Units will vest on the third anniversary of the date of grant,

subject to the right of the Board of Trustees to determine at the time of grant that a particular Deferred Unit will vest in whole or in part on different dates (including an earlier or later date) and to determine at any time after the time of grant that a particular Deferred Unit will vest in whole or in part on earlier or later dates for any reason.

Installment Units

The Incentive Plan provides that the Board of Trustees may grant Awards of Installment Units. Eligible Participants may subscribe for Installment Units pursuant to a subscription agreement, for a purchase price equal to not less than the “fair market value” of the Units (the “**Subscription Price**”), which Subscription Price will be payable in cash Installments. The terms of the Award may include the requirement for payment of not less than 5% of the Subscription Price for such Installment Units. The “fair market value” of the Units will be the volume weighted-average trading price on the TSX of the Units for the five trading days

immediately preceding the grant of any such Installment Units. All Installment payments must be made over a period of not more than ten years. Installment payments in respect of Installment Receipts may be accelerated in certain circumstances. See “Effects of Termination of Service” below.

Prior to payment in full of all Installments (including interest thereon, as described below) relating to Installment Units, beneficial ownership of Installment Units will be represented by Installment receipts issued by Artis (the “**Installment Receipts**”) to Participants. Participants will be required to pay interest to Artis on the outstanding balance of the remaining Installments at a ten-year fixed rate, which interest rate shall not be less than the rate prescribed under the Tax Act at the time such Installment Units are granted or at such other rate determined by the Board of Trustees at that time. Pursuant to an Installment receipt and pledge agreement to be entered into between Artis and each applicable Participant upon acceptance by Artis of the Participant’s subscription agreement for Installment Units (the “**Installment Receipt and Pledge Agreement**”), the subject Participant will be required to apply all distributions paid on Installment Units to pay such interest and to pay the remaining Installments, such that, following all such payments, the Participant will have paid the full fair market value of the Installment Units.

Installment Units will be registered in the name of a custodian and pledged to Artis as security for payment by the subject Participant of the remaining Installments. Under the Installment Receipt and Pledge Agreement, legal title to the Installment Units will be registered in the name of the custodian and held as security for the payment of obligations of the subject Participant until all Installments have been fully paid. If payment of any Installments from a subject Participant is not received by the custodian when due, any Installment Units then remaining held as security may, unless otherwise provided for by Artis and subject to applicable law, be sold by the custodian in the market and that portion of the proceeds equal to the remaining Installments owing delivered to Artis.

Under the Incentive Plan, holders of Installment Receipts will be the beneficial owners of the Installment Units from the date of issue, subject to their obligation to make the remaining installment payments. Holders of Installment Receipts will have the same rights and privileges, and will be subject to the same limitations, as registered holders of Units, except for certain rights and privileges that are limited under the Installment Receipt and Pledge Agreement to protect the value of Artis’ security interest in the Installment Units. In particular, Participants holding Installment Receipts will be entitled to receive any distributions paid on such Installment Units. Such Participants will be required to apply any distributions received by them in respect of the Installment Units to make payments of interest and the remaining Installments. A Participant will not be entitled to vote the Installment Units, unless there is no outstanding amount owed to the Trust by such Participant.

Upon due payment of all Installments, the Installment Units will be released to the subject Participant and such Participant will become the registered holders of the Installment Units. Until all Installment payments have been made, such Participant will not be allowed to transfer or dispose of his or her Installment Units or the associated Installment Receipts, other than to a “permitted assign” as defined below under “Assignability”.

Effects of Termination of Service

Generally, unless provided otherwise in the applicable award agreement or individual employment agreement, Options, Restricted Units or Deferred Units granted under the Incentive Plan will expire at the earlier of the expiration date and the following: (i) within 12 months following death of a Participant (with full vesting occurring on death); (ii) three years after the date of the Participant’s retirement as an employee or a service provider (or 30 days after the date such Participant ceases to be retired and is employed by a competitor of Artis)(and with such Awards continuing to vest during such period); (iii) 30 days after the Participant’s resignation as an officer or employee of Artis or natural termination of a service provider contract, as applicable (with all unvested Awards terminating on the date of resignation or termination); (iv) 12 months after the date of a disability, as defined in the Incentive Plan (with respect to Awards which has vested on the date of disability); (v) 30 days after the termination of the Participant’s employment or service without cause or a Participant’s contract as a service provider is terminated by Artis before its normal termination date without cause, provided that any unvested Options, Restricted Units or Deferred Units will vest immediately and be exercisable (or otherwise entitle the Participant to receive the underlying cash and/or Units in accordance with its terms; (vi) immediately upon the termination of the Participant’s

employment or service with cause (as defined in the Incentive Plan); and (vii) notwithstanding paragraphs (i) through (vi), 90 days after the date that a Participant who is a Trustee (and who is not also an employee or designated service provider who has been terminated for cause or without constructive dismissal) ceases to hold office as a trustee of Artis, other than in respect of a voluntary resignation and provided that any such Options, Restricted Units or Deferred Units will immediately vest and be exercisable (or otherwise entitled the Participant to receive the underlying cash and/or Units in accordance with its terms), within such 90 day period. The Incentive Plan also calls for accelerated vesting in certain circumstances, as more particularly set forth in Section 8 of the Incentive Plan.

With respect to Installment Units, unless provided otherwise in the applicable Installment Receipt and Award Agreement, in the event of the death or disability of a Participant or on termination of their employment or service with Artis, the Participant shall be required to pay all outstanding Installments within six months of the event giving rise to the loss of eligible status, failing which, the Installment Units may, at the option of Artis and subject to applicable law: (i) be acquired by Artis for cancellation; or (ii) be sold by the custodian in the market in accordance with the Incentive Plan and the applicable Installment Receipt and Award Agreement. In the event that any non-executive Trustee who is a Participant should retire, resign or otherwise cease to be a Trustee prior to payment in full of the Installments, then: (i) at the election of the Trustee, the Trustee may pay all outstanding Installments in full and thereupon receive the Installment Units in accordance with the Incentive Plan and the applicable Installment Receipt and Award Agreement; or (ii) at the election of Artis, either: (a) the Trustee may pay the Installments in the ordinary course in accordance with the terms of the grant of such Installment Units; or (b) Artis may direct the custodian to sell the Installment Units in the market in accordance with the Incentive Plan and the applicable Installment Receipt and Award Agreement.

Assignability

Awards may not be assigned or transferred by a Participant, other than to a permitted assign or, in the case of a deceased Participant, by will or by the laws of descent or distribution. A “permitted assign” is an assign as determined by the Trustees. Notwithstanding the foregoing, the Incentive Plan Permits a Participant to assign or transfer any Options, Restricted Units or Deferred Units to which such Participant is entitled to a personal holding company wholly-owned by such Participant.

Amendment and Termination of the Incentive Plan

The Board of Trustees may, in its sole discretion, amend, suspend or terminate the Incentive Plan at any time without the approval of Unitholders, provided that no such amendment, suspension, or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or materially prejudice the rights of any holder under any Award.

The Board of Trustees may not, without approval of the Unitholders, make amendments to the Incentive Plan for any of the following purposes:

- to increase the maximum number of Units that may be issued;
- to reduce the exercise price of Options (other than a reduction resulting from a change made at the discretion of the Trustees in the event of a recapitalization, reorganization, arrangement, split or combination, distribution or other similar event or transaction);
- to extend the expiry date of Awards for the benefit of any Participant (including an insider of Artis);
- to increase the maximum number of Units issuable to insiders of Artis; and
- to amend the amending provisions of the Incentive Plan.

The Board of Trustees may, in accordance with the Incentive Plan and subject to the receipt of the required regulatory approval, where required, in its sole discretion, make amendments to the Incentive Plan including, but not limited to:

- amendments of a technical, clerical, or “housekeeping” nature, or to clarify any provision of the Incentive Plan;
- termination of the Incentive Plan;

- amendments to respond to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements;
- amendments in respect of the vesting provisions of any Awards; and
- amendments to the termination provisions of Awards granted under the Incentive Plan that do not entail an extension beyond the original expiry date,

and provided that: (i) if the amendments would reduce the exercise price of Options or extend the expiry date of Awards granted to Insiders, other than as authorized under the Incentive Plan, approval of Unitholders must be obtained; (ii) the Board of Trustees would have had the authority to initially grant the Award under the terms as so amended; and (iii) the consent or deemed consent of the holder of the Award is obtained if the amendment would materially prejudice the rights of such holder.

Change in Control

Upon or in anticipation of any change in control of Artis, the Board of Trustees may, in its sole and absolute discretion and without the need for the consent of any Participant, cancel any Award in exchange for a substitute award of a successor entity. Substitute awards shall have no less economic value, no more stringent performance conditions, and similar vesting schedules as existing Awards. If such exchange for substitute awards is not effected by the Board of Trustees, the Board of Trustees has the discretion to accelerate the vesting of Options, Restricted Units and Deferred Units, provided that the Participant's employment, service or term of office with Artis, is terminated without cause (as defined in the Incentive Plan). The treatment of Installment Units shall be determined by the Board of Trustees at its discretion at that time.

A change in control means, for the purposes of the Incentive Plan the occurrence of any of the following, in one transaction or a series of related transactions:

- any person acquires beneficial ownership within the meaning of applicable securities law, directly or indirectly, of securities of Artis representing more than 50% of the voting power of Artis' then outstanding Units for the election of Trustees;
- a consolidation, securities exchange, reorganization, arrangement or amalgamation of Artis resulting in the Unitholders immediately prior to such event not owning at least a majority of the voting power of the resulting entity's securities outstanding immediately following such event;
- the sale or other disposition of all or substantially all the assets of Artis;
- a liquidation or dissolution of Artis; or
- any similar event deemed by the Board of Trustees to constitute a change in control for the purposes of the Incentive Plan.

MARKET FOR SECURITIES

Trading Price and Volume

Units

The Units are listed for trading on the TSX under the trading symbol "AX.UN". The table below sets out the high and low trading price for the Units for the twelve month period ended December 31, 2011.

Month	High (\$)	Low (\$)	Volume
January, 2011	13.83	13.12	3,786,906
February, 2011	13.82	13.12	2,731,144
March, 2011	14.25	12.90	4,024,102
April, 2011	14.22	13.40	2,576,557
May, 2011	14.47	13.65	2,807,155
June, 2011	14.40	13.76	3,276,134
July, 2011	14.20	13.77	2,477,869
August, 2011	14.00	9.83	5,848,189

September, 2011	13.68	12.18	5,181,304
October, 2011	13.40	11.10	3,769,140
November, 2011	14.04	12.80	2,941,427
December, 2011	14.15	13.73	3,842,621

Series E Debentures

The Series E Debentures are listed for trading on the TSX under the trading symbol “AX.DB.E”. The table below sets out the high and low trading price for the Series E Debentures for the twelve month period ended December 31, 2011.

Month	High (\$)	Low (\$)	Volume
January, 2011	146.53	143.10	3,590
February, 2011	149.23	141.07	4,400
March, 2011	149.95	140.00	6,170
April, 2011	151.24	145.20	6,270
May, 2011	154.10	148.83	2,140
June, 2011	152.75	148.56	3,060
July, 2011	151.10	148.93	1,590
August, 2011	148.17	130.70	2,440
September, 2011	144.78	131.05	1,950
October, 2011	142.58	122.41	780
November, 2011	150.00	140.53	2,820
December, 2011	151.00	147.34	1,590

Series F Debentures

The Series F Debentures are listed for trading on the TSX under the trading symbol “AX.DB.F”. The table below sets out the high and low trading price for the Series F Debentures for the twelve month period ended December 31, 2011.

Month	High (\$)	Low (\$)	Volume
January, 2011	102.74	100.02	24,990
February, 2011	102.95	101.52	14,590
March, 2011	104.00	101.50	10,370
April, 2011	103.50	101.00	8,490
May, 2011	104.00	102.5	9,060
June, 2011	103.80	101.75	12,090
July, 2011	103.64	101.80	5,530
August, 2011	103.00	98.00	15,420
September, 2011	103.00	93.01	9,080
October, 2011	100.51	92.00	7,940
November, 2011	100.50	98.00	5,290
December, 2011	101.98	100.00	7,760

Series G Debentures

The Series G Debentures are listed for trading on the TSX under the trading symbol “AX.DB.U”. The table below sets out the high and low trading price for the Series G Debentures for the period commencing on the date of listing on the TSX and ending on December 31, 2011.

Month	High (\$)	Low (\$)	Volume
April, 2011	100.04	99.50	115,650
May, 2011	100.45	99.75	128,920
June, 2011	100.20	99.50	37,560
July, 2011	101.00	99.60	20,350
August, 2011	100.51	94.00	31,930

September, 2011	98.90	89.99	21,660
October, 2011	96.00	87.50	12,890
November, 2011	97.20	91.50	8,520
December, 2011	96.85	92.25	9,130

ESCROWED SECURITIES

No securities of Artis were held in escrow as at December 31, 2011.

TRUSTEES AND OFFICERS

Trustees

The Declaration of Trust provides that the investment policies and operations of Artis are the responsibility of its Trustees, of which as at December 31, 2011 there were seven (7).

Trustees are elected annually by resolution passed by a majority of the votes cast at a meeting of the Unitholders. Trustees elected at an annual meeting will be elected for a term expiring at the subsequent annual meeting and will be eligible for re-election. The Independent Trustees have the power to increase the number of Trustees (to a maximum of ten) and to appoint additional Independent Trustees to serve as Trustees until the next annual meeting of Unitholders.

The table below sets forth, for each Trustee and executive officer of Artis, as at December 31, 2011, their position(s) with Artis as at December 31, 2011, the period of time they have served as a Trustee or executive officer of Artis and their principal occupation.

Name, Municipality of Residence and Position with Artis	Trustee/Officer Since	Principal Occupation During the Past Five Years
Armin Martens East St. Paul, MB Trustee, President and C.E.O.	November 8, 2004	President and Chief Executive Officer of Artis.
James Green Winnipeg, MB Chief Financial Officer	November 8, 2004	Chief Financial Officer of Artis..
Cornelius Martens East St. Paul, MB Trustee	November 8, 2004	President of various companies comprising the Marwest Group of Companies, including Marwest Management Canada Ltd. and Marwest Construction Ltd., located in Winnipeg, Manitoba.
Edward Warkentin (1)(3) East St. Paul, MB Trustee and Chair of the Board of Trustee	November 8, 2004	Partner at the law firm of Aikins, MacAulay & Thorvaldson LLP, Winnipeg, Manitoba.
Victor Thielmann (1)(2) Winnipeg, MB Trustee	November 8, 2004	President of Nova 3 Engineering Ltd., an engineering firm located in Winnipeg, Manitoba.
Wayne Townsend (2)(3) Winnipeg, MB Trustee	November 8, 2004	Partner at Lawton Partners Financial Planning Services Limited, a financial planning services firm located in Winnipeg, Manitoba.
Allan McLeod (1)(2) Winnipeg, MB Trustee	June 10, 2005	Chief Executive Officer, Tribal Councils Investment Group of Manitoba Ltd.
Delmore Crewson (2) (3) Winnipeg, MB Trustee	June 9, 2006	Corporate Director. Former senior partner and Vice-Chair of Deloitte & Touche LLP.
Kirsty Stevens Winnipeg, MB Chief Administrative Officer	October 1, 2010	Chief Administrative Officer of Artis. Various positions with Artis and Marwest.

Notes:

- (1) Member of the Governance and Compensation Committee as at December 31, 2011. Edward Warkentin is the Chair of the Governance and Compensation Committee.
- (2) Member of the Audit Committee as at December 31, 2011. Delmore Crewson is the Chair of the Audit Committee.
- (3) Member of the Investment Committee as at December 31, 2011. Wayne Townsend is the Chair of the Investment Committee

To the knowledge of Artis, as at the date hereof, the Trustees and executive officers of Artis as a group beneficially own or exercise control or direction over 904,366 Units, representing approximately 0.9% of the issued and outstanding Units as at the date of this annual information form on a non-diluted basis.

Trustees' and Executive Officer Biographies**Armin Martens, P.Eng., M.B.A., President, Chief Executive Officer and Trustee**

Mr. Martens has been actively involved in the construction, development and management of commercial real estate since the 1980's. In addition to his position as President and CEO of Artis REIT, he is President and CEO of Marwest Development Corporation, a position he has held since 1994. Mr. Martens is a professional engineer (APEGM) and has an M.B.A. from the International Institute for Management Development (IMD) in Lausanne, Switzerland. Mr. Martens is a past director of Fortress Paper Ltd. (TSX:FTP), as well as the Bank of Canada, Canada's central bank.

Delmore Crewson, FCA, Trustee

Mr. Crewson is a former senior partner and Vice-Chair of Deloitte and Touche LLP. He is a member of the Institute of Chartered Accountants of Manitoba and has been elected as a "Fellow" of the Institute. Mr. Crewson serves on the Board of Directors and as Chair of the Audit Committee of the Wawanesa Group of Companies and Pollard Banknote Limited. He also chairs the Audit and Evaluations Committee for the Department of Finance, Canada, as well as chairs the Audit Committee of the Canadian Grain Commission. Mr. Crewson is a member of the Institute of Corporate Directors and a member of the Manitoba Chapter Advisory Board. He is the past President of the Institute of Chartered Accountants of Manitoba and is a former Canadian Institute of Chartered Accountants Board and Executive Committee member. Mr. Crewson has also served on numerous community boards and has held leadership positions in a number of organizations including the Manitoba Museum of Man and Nature, and the Associates of the Faculty of Management, University of Manitoba. He also served as a Director on the Board of Management and chaired the Audit Committee of Canada Customs and Revenue Agency.

Cornelius Martens, P.Eng., Trustee

A long time resident of Manitoba, Mr. Martens graduated from the University of Manitoba with a Bachelor of Science degree in Civil Engineering in 1965. He became a member of the Association of Professional Engineers & Geologists of Manitoba (APEGM) in 1967. Mr. Martens began his career in the field of commercial real estate development, construction and property management in 1968, when he, together with his father, incorporated what today is known as The Marwest Group of Companies. The Marwest Group of Companies is engaged in the development, construction and management of income-producing properties, including office buildings, shopping centres, residential and mixed-use properties both in Canada and the United States. In his capacity as President of various companies within the Marwest Group of Companies during the last 35 years, Mr. Martens has acquired extensive and valuable business experience, particularly in the field of real estate. From 1996 to 2001, Mr. Martens was a director of Consolidated Properties Ltd., a publicly traded company previously listed on the TSX. Mr. Martens is currently President and Chief Executive Officer of numerous companies including Marwest Construction Ltd. and Marwest Management Canada Ltd., all based in Winnipeg, Manitoba. Mr. Martens is also the President and Chief Executive Officer and a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.

Allan C. McLeod, Trustee

Allan McLeod is the President and Chief Executive Officer of Tribal Councils Investment Group of Manitoba Ltd. (TCIG), and its group of wholly-owned subsidiaries, including Arctic Beverages Limited, First Canadian Health Management Corporation, Rupertsland Holdings Inc., First Nations Financial Services Inc., First Canadian Fuels Ltd., First Canadian Infrastructure Inc., Precambrian Wholesale (2010) Limited, First Canadian Transportation Inc., First Canadian Hospitality Inc., and Famous Ribs of Canada Ltd. Allan also serves as a Director or Trustee for several other TCIG private and public companies, including All in West Capital Corporation. In 2004, Allan was honoured with the Top 40 under 40 award for Canada.

Victor Thielmann, FEC, P.Eng., Trustee

Mr. Thielmann is the President and Chief Executive Officer of Nova 3 Engineering Ltd. and has over 35 years experience in the electrical construction and professional consulting industry. Mr. Thielmann holds a Bachelor of Science in Electrical Engineering from the University of Manitoba and is a practising member of the Association of Professional Engineers and Geoscientists of Manitoba as well as most Canadian provincial professional engineering associations and has received the Fellow designation from Engineers Canada. He is an active member of several international code and standard setting associations, including NFPA, SFPE and IEEE. He is a former director of the Forks North Portage, a Canadian crown corporation owned by the municipal, provincial, and federal government. He currently serves as a director/trustee of Artis, a TSX-listed issuer and All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.

Wayne Townsend, CFP, Trustee

Mr. Townsend is a Partner at Lawton Partner Financial Planning Services Limited and has over 35 years of experience in the wealth management and insurance industry. Mr. Townsend holds a Bachelor of Arts from the University of Manitoba, the Certified Financial Planner (CFP) designation, the Chartered Life Underwriter (C.L.U.) designation, the Chartered Financial Consultants (Ch.F.C.) designation, Society of Trust and Estate Practitioners (TEP) and is a graduate of the Canadian Securities Course. He is a founding partner of Value Partners Investments Inc. Past board activities include Vice-Chair of St. John's-Ravenscourt School, a Past Chairman at Misericordia General Hospital Foundation and Past Vice-Chair at Misericordia General Hospital. Mr. Townsend currently serves as a director/trustee of Cardinal Capital Management, Lawton Partners, Artis and All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.

Edward Warkentin, B.A., LL.B., Trustee

Mr. Warkentin of Winnipeg, Manitoba, holds an undergraduate degree from the University of Winnipeg, a law degree from the University of Manitoba and has been a member of the Bars of Ontario and Manitoba for more than 30 years. Mr. Warkentin is the Managing Partner of Aikins, MacAulay & Thorvaldson LLP and practices in the area of corporate and commercial law. He is a former director and Chair of Youth for Christ (Winnipeg) Inc., former director of Manitoba Mineral Resources Ltd. and former director of Grace Hospital Board of Management. He is currently a director of Exchange Income Corporation, a TSX-listed issuer, and a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer. He is also a director or officer of several private corporations, foundations and public partnerships.

James Green, C.A., Chief Financial Officer

Mr. Green, a resident of Winnipeg, Manitoba, graduated from the University of Manitoba in 1976 with a Bachelor of Science degree. He joined Touche Ross & Co., Chartered Accountants and obtained his C.A. designation from the Institute of Chartered Accountants of Manitoba in 1981. Mr. Green joined the Marwest Group of Companies in 1981 and has since served in various capacities. Mr. Green currently devotes the majority of his time to his position as Chief Financial Officer of Artis REIT. As well, he is Vice President and Chief Financial Officer of the companies in the Marwest Group, a position he has held since 1994. Mr. Green has also served in a volunteer capacity on the board of directors of various charities and non-profit organizations.

Kirsty Stevens, CMA, Chief Administrative Officer

Ms. Stevens, a long-time Manitoba resident, joined the Marwest Group of Companies in 2004, after having worked for over 15 years in private industry in finance and accounting roles. Ms. Stevens has worked exclusively for Artis since late 2004 and has served in various capacities for Artis since that time. In 2008, Ms. Stevens received her CMA designation and effective October 1, 2010, was appointed Chief Administrative Officer of Artis. Ms. Stevens currently serves in a volunteer capacity as the Treasurer of the board of directors of the Human Resources Association of Manitoba.

Board Committees

The Board has established three standing committees: (i) the Audit Committee; (ii) the Governance and Compensation Committee; and (iii) the Investment Committee. The Governance and Compensation Committee has also established the Disclosure Committee as a sub-committee.

Audit Committee

Pursuant to the Declaration of Trust, the Board is required to have an audit committee consisting of at least three Trustees. While the Declaration of Trust provides that a majority of the Audit Committee members must be Independent Trustees, National Instrument 52-110 *Audit Committees* (the “**Audit Committee Rule**”) requires that each member of the Audit Committee must be “independent” within the meaning of the Audit Committee Rule. Subject to the delegation to the Audit Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes in its form and function as may be mandated by any relevant regulatory authorities, the Audit Committee shall, among other things:

- (a) oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting;
- (b) satisfy itself on behalf of the Board with respect to Artis’ internal control system, including (i) to identify, monitor and assess business risks; and (ii) to ensure compliance with legal, ethical and regulatory requirements;
- (c) review the annual financial statements of Artis prior to their submission to the Board for approval. The process should include but not be limited to:
 - (i) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - (ii) reviewing significant accruals or other estimates;
 - (iii) reviewing accounting treatment of unusual or non-recurring transactions;
 - (iv) ascertaining compliance with covenants under loan agreements;
 - (v) reviewing disclosure requirements for commitments and contingencies;
 - (vi) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - (vii) reviewing unresolved differences between management and the external auditors; and
 - (viii) obtaining explanations of significant variances within comparative reporting periods;
- (d) review the financial statements, management discussion and analysis and annual and interim earnings press releases, and make a recommendation to the Board with respect to their approval, prior to their release to the public. The Committee must be satisfied that adequate procedures are in place for the review of the Artis’ disclosure of all other financial information, where extracted or

derived from the financial statements, and shall periodically assess the adequacy of those procedures;

- (e) with respect to the appointment of external auditors by the Board:
 - (i) recommend to the Board the appointment of the external auditors;
 - (ii) recommend to the Board the terms of engagement of the external auditors, including the compensation of the external auditors and a confirmation that the external auditors shall report directly to the Committee; and
 - (iii) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
- (f) review with external auditors (and the internal auditor if one is appointed by Artis) their assessment of the internal controls of Artis, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses, and to review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Artis;
- (g) pre-approve all non-audit services to be provided to Artis or its subsidiaries by the external auditors;
- (g) review risk management policies and procedures of Artis; and
- (h) annually review, discuss and assess the performance of the Committee and its members, and shall periodically review and consider the need for recommending amendment to this charter to the Board.

Governance and Compensation Committee

Pursuant to the Declaration of Trust, the Board is required to have a governance and compensation committee. The Governance and Compensation Committee is comprised of three Independent Trustees. Subject to the delegation to the Governance and Compensation Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes in its form and function as may be mandated by any relevant regulatory authorities, the Governance and Compensation Committee is responsible for:

- (a) developing the system of, and overall approach to, governance generally, monitoring compliance with applicable governance requirements, assessing the Board's effectiveness in governance matters and making recommendations to the Board with respect to corporate governance of Artis as a whole, including without limitation:
 - (i) the stewardship role of the Board in respect of management of Artis;
 - (ii) Board size and composition;
 - (iii) Trustees' remuneration; and
 - (iv) such processes and procedures as may be reasonably necessary to allow the Board to function independently of management;
- (b) generally review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites for the management of Artis;
- (c) review and make recommendations to the Board regarding incentive compensation and equity based plans generally;

- (d) administer those functions delegated to the Governance and Compensation Committee pursuant to the Unit Option Plan; and
- (e) generally review and make recommendations to the Board with respect to succession planning for the management of Artis.

With respect to compensation, the Governance and Compensation Committee is responsible for, among other things:

- (a) evaluating management performance, including in respect of any established goals and objectives, and reviewing and making recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for management based on such evaluation;
- (b) reviewing and making recommendations to the Board with respect to incentive compensation; and
- (c) reviewing and making recommendations to the Board with respect to policies regarding management benefits and perquisites, if any.

The Governance and Compensation Committee is also responsible for administering the Unit Option Plan, including, where consistent with the general purpose and intent of the Unit Option Plan and subject to the specific provisions of the Unit Option Plan:

- (a) selecting the persons who will receive a grant of Unit options;
- (b) determining the exercise price of each Unit option; and
- (c) determining the time or times when Unit options will be granted and exercisable and the conditions applicable thereto.

Disclosure Committee

The Governance and Compensation Committee established a sub-committee called the Disclosure Committee, which is comprised of the President and Chief Executive Officer of Artis, the Chairman of Artis and the Chief Financial Officer of Artis. The composition of the Disclosure Committee will be determined from time to time by the Governance and Compensation Committee.

The Disclosure Committee has adopted a disclosure policy addressing, among other things, the following matters:

- (a) the timely and accurate public dissemination of material information regarding Artis;
- (b) the protection of the confidential information regarding Artis;
- (c) the persons who are authorized spokespersons of Artis;
- (d) prohibitions on selective disclosure and other prohibited uses of material information regarding Artis which has not been generally disclosed; and
- (e) requirements with respect to the use of forward-looking information.

Investment Committee

The Trustees established an Investment Committee comprised of three Trustees, each of whom is an Independent Trustee. Subject at all times to the provisions of the Declaration of Trust, and to any other regulations or resolutions that the Trustees may adopt, the Investment Committee is responsible for:

- (a) reviewing all proposals regarding investments, dispositions and financings, subject to the following limitations:
 - (i) The Investment Committee may authorize strategic transactions (acquisitions or dispositions) of up to 20% of Artis' gross book value in a given year;
 - (ii) Once the Investment Committee has reached its authorization limit within the year, it may seek approval from the Board for a new authorization limit for the forthcoming year;
 - (iii) The Investment Committee authorizes the Chief Executive Officer to enter into proposed transactions and make investments on behalf of the trust provided that the amount of the investment is not more than 1% of the REIT's then-calculated gross book value;
 - (iv) The Investment Committee authorizes the Chief Executive Officer to enter into mortgage financing arrangements with respect to acquisitions and owned properties;
 - (v) The Investment Committee may authorize equity and debenture offerings required to finance the transactions approved by the Investment Committee, provided that the overall debt-to-gross book value ratio remains consistent with Board policy.
- (b) to make recommendations in connection therewith to the Board of Trustees; and
- (c) to the extent authorized by the Board of Trustees, to authorize proposed transactions and make investments on behalf of the Trust.

The Committee will carry out these responsibilities with a view to achieving the Trust's strategic objectives of acquiring a portfolio of quality assets and delivering the benefits of such asset ownership to unitholders.

The Declaration of Trust contains detailed investment and operating guidelines which are binding on the Committee at all times.

Audit Committee Matters

Audit Committee Charter

The full text of the Audit Committee Charter is set forth on Appendix "A" to this annual information form.

Composition of Audit Committee

The Audit Committee is comprised of four Independent Trustees, being Delmore Crewson, Allan McLeod, Victor Thielmann and Wayne Townsend. Delmore Crewson is the Chair of the Audit Committee. Each member of the Audit Committee is "independent" and "financially literate" within the meaning of the Audit Committee Rule. The experience and education of the members of the Audit Committee are set forth under "Trustees and Officers" above.

Audit Fees

Artis' external auditor for the fiscal years ended December 31, 2011 and 2010 is Deloitte and Touche, LLP. The aggregate fees billed by Artis' external auditors for audit services in the last two fiscal years for audit services is as follows: 2011 - \$456,175; 2010 - \$376,850.

Artis may retain its current external auditor to provide advisory and consulting services.

Audit-Related Fees

The aggregate fees billed by Artis' external auditor in each of the last two fiscal years for assurance and related services that are reasonably related to the performance of the audit or review of Artis' financial statements, including prospectus related review, and are not reported under "Audit Fees" above are as follows: 2011 - \$52,440; 2010 - \$304,400.

Tax Fees

The aggregate fees billed by Artis' external auditors in each of the last two fiscal years for professional services for tax compliance, tax advice and tax planning is as follows: 2011 - \$514,130; 2010 - \$70,193.

All Other Fees

The aggregate fees billed by Artis' external auditors in each of the last two fiscal years for products and services, other than services reported above, are as follows: 2011 - \$nil; 2010 - \$nil.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No Trustee or officer of Artis:

- (a) is, as at the date hereof or has been, within 10 years before the date hereof, a director or executive officer of any person or company that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities laws;
 - (ii) was subject to an event that resulted, after the Trustee or officer ceased to be a director or officer, in the company being subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Trustee or officer.

No Trustee or officer of Artis has (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) been subject to any other penalties or sanctions by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder.

Conflicts of Interest

There are potential conflicts of interest to which: (i) the Trustees, and (ii) Marwest and its affiliates (and their respective directors, officers and employees), are subject to in connection with the ongoing operations of Artis.

Each of Armin Martens, President and Chief Executive Officer of Artis, and Cornelius Martens, a Trustee, is a director and senior officer of Marwest and various other companies affiliated with Marwest. Armin Martens and Cornelius Martens and related parties also own and control Marwest and its affiliates. The individuals above serve as Trustees and/or senior officers of Artis and are, through Marwest and its affiliates or other entities engaged in a wide range of real estate activities, including the development, acquisition, divestiture and management of real estate.

The Declaration of Trust does not restrict the Trustees or officers of Artis or Marwest or its affiliates from being engaged (directly or indirectly) in real estate and business transactions in which their individual interests actually, or are perceived to be, in conflict with the interests of Artis. Accordingly, there can be no guarantee that the Trustees and officers of Artis, when acting in a capacity other than a Trustee or officer of Artis, or that Marwest will act in the best interests of Artis in connection with their real estate activities.

Where there are conflicts of interests involving the entering into of contracts by Artis in which a Trustee or officer has a direct or indirect interest, such conflicts of interest will be resolved by procedures and remedies similar to those provided under the *Canada Business Corporations Act*.

MANAGEMENT OF ARTIS

During 2011, Marwest was the asset manager of Artis pursuant to the Asset Management Agreement and Marwest Management was the property manager of all Artis' properties pursuant to the Property Management Agreement.

Asset Management

The Asset Management Agreement was a long-term agreement that was scheduled to expire on August 1, 2025 pursuant to which Marwest was responsible for all of the day-to-day affairs of the operations and activities of Artis.

Under the Asset Management Agreement, the following individuals served as management to Artis in the following capacities:

Armin Martens	-	President and Chief Executive Officer
Cornelius Martens	-	Executive Vice-President
James Green	-	Chief Financial Officer
Kirsty Stevens	-	Chief Administrative Officer

Under the Asset Management Agreement, Marwest was also responsible for, among other things:

- providing Artis with support services, consisting of accounting and human resource services, office space and equipment and secretarial personnel for the administration of the day-to-day activities of Artis;
- identifying investment opportunities which meet the investment guidelines set out in the Declaration of Trust of Artis;
- providing the Trustees with information and advice relating to proposed acquisitions, dispositions and financings;
- establishing investment and operating plans for Artis;
- conducting and supervising the due diligence required in connection with proposed acquisitions and completion of any resulting transactions;
- supervising and providing direction to the property manager of Artis;
- maintaining the books and financial records of Artis;
- determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of Artis for tax and accounting purposes;
- preparing reports and other information required to be sent to the Unitholders and other disclosure documents;
- calculating and determining all allocations of income;
- communicating with Unitholders and other persons, including investment dealers, lenders and professionals;

- administering or supervising the administration on behalf of Artis of the payment of distributable income and other distributions by Artis; and
- without limiting the generality of the foregoing, such further duties as may be required by the Trustees.

Under the Asset Management Agreement, Marwest was entitled to an annual advisory fee payable quarterly equal to 0.25% of the adjusted cost base of Artis' assets, an acquisition fee equal to 0.5% of the cost of the property acquired.

On December 31, 2011, Artis and Marwest terminated the asset management agreement. On January 1, 2012, Artis fully internalized its asset management functions.

Property Management

The Property Management Agreement was a long-term agreement that was scheduled to expire on August 1, 2025 under which Marwest Management was responsible for the management, operation and maintenance of Artis' properties.

Under the Property Management Agreement, Marwest Management was entitled to an annual management fee for each property owned by Artis based upon one of the following formulae, which was determined by the Independent Trustees on a property-by-property basis:

- a fee equal to four (4%) percent of the gross receipts which are collected from the property, plus G.S.T.; or
- a fee equal to five (5%) percent of net rents from the property, plus G.S.T.

Under the Property Management Agreement, Marwest Management was also entitled to receive: (i) a leasing commission equal to five (5%) percent plus G.S.T., of the total rental payments for the first five years under the lease, plus three (3%) percent on the balance of the duration of the lease, less any leasing commissions paid to a third party agent; (ii) a leasing renewal commission payable in an amount equal to fifty (50%) percent of the leasing commission set forth above; and (iii) tenant improvement or renovation fees where Artis instructs Marwest Management to construct tenant improvements or to renovate same or where Marwest Management was requested by Artis to construct, modify, or re-construct improvements to, or on, a property, in an amount equal to five (5%) percent plus G.S.T., of the total cost of such work, the cost of all permits, material, labour, contracts, and subcontracts together with fees to designers, engineers and other consultants engaged by Marwest Management or contractors to complete such tenant improvements or renovations or such other fee as negotiated between Marwest and Artis.

On December 31, 2011, the Property Management Agreement was assigned by Marwest Management to a limited partnership wholly-owned by Artis. On January 1, 2012, Artis internalized the property operations for 78 properties that were previously directly managed by Marwest Management.

PROMOTERS

No person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of Artis or of a Subsidiary, as applicable.

LEGAL PROCEEDINGS

To the knowledge of Artis, it is not a party to, nor are any of its properties the subject of, any material legal proceedings involving Artis or its properties and no such material legal proceedings are being contemplated or threatened.

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Armin Martens, the President and Chief Executive Officer of Artis and a Trustee, and Cornelius Martens, who served as Executive Vice-President of Artis until December 31, 2011 and a Trustee, and James Green, the Chief Executive Officer of Artis, had a continuing interest in the Asset Management Agreement and the Property Management Agreement by virtue of the fact that they are directors and officers of Marwest and/or Marwest Management and, in the case of Armin Martens and Cornelius Martens, by virtue of the fact that Marwest and Marwest Management are owned by persons that are their associates and other family members. The Asset Management Agreement and the Property Management Agreement were terminated effective December 31, 2011. See “Management of Artis”.

Aikins, MacAulay & Thorvaldson LLP, a law firm associated with Edward Warkentin, a Trustee, provides legal services to Artis in connection with its property acquisitions, debt and equity financings, regulatory matters and other legal matters.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of Artis’ Debentures is Bank of New York Mellon – Corporate Trust, 600, 333-7th Avenue SW in Calgary, Alberta T2P 2Z1.

The registrar and transfer agent of Artis’ Units is Canadian Stock Transfer Company Inc., acting as administrative agent for CIBC Mellon Trust Company, 600, 333-7th Avenue SW in Calgary, AB T2P 2Z1.

MATERIAL CONTRACTS

The following are the material contracts, other than contracts entered into in the ordinary course of business, entered into by Artis in the most recently completed financial year of Artis or up to the date hereof, which are in force and effect on December 31, 2011:

1. The Declaration of Trust, as more particularly described under “Summary of Declaration of Trust”;
2. the Series D Trust Indenture, as more particularly described under “Description of Capital Structure – Series D Debentures”;
3. the Series E Trust Indenture, as more particularly described under “Description of Capital Structure – Series E Debentures”;
4. the Series F Trust Indenture, as more particularly described under “Description of Capital Structure – Series F Debentures”;
5. the Series G Trust Indenture, as more particularly described under “Description of Capital Structure – Series G Debentures”;
6. the Partnership Agreement, as more particularly described under “The Partnership”;
7. the Exchange Agreement, as more particularly described under “The Partnership”;
8. the agreement dated June 9, 2006 between Artis and CIBC Mellon Trust Company with respect to the implementation and administration of the DRIP;
9. the amended and restated loan agreement dated September 22, 2010, between Artis and Brookfield Bridge Lending Fund Inc. with respect to the acquisition line of credit described above under “Property Portfolio – Acquisition Line of Credit”; and

10. the amended and restated rights plan agreement dated May 19, 2011 between Artis and CIBC Mellon Trust Company with respect to the renewal of the Rights Plan.

Artis has also adopted the Incentive Plan.

Electronic copies of the contracts set out above may be accessed on the SEDAR website at www.sedar.com or by contacting Artis REIT at 300 – 360 Main Street, Winnipeg, Manitoba R3C 3Z3, Attention: Investor Relations.

INTERESTS OF EXPERTS

Deloitte & Touche LLP are the auditors who prepared the auditors' report and the report on Canadian generally accepted accounting standards for Artis' annual financial statements as at December 31, 2011. Deloitte & Touche LLP and its partners are independent within the meaning of the Professional Code of Conduct of the Institute of Chartered Accountants of Manitoba.

ADDITIONAL INFORMATION

Additional information related to Artis may be found on the SEDAR website at www.sedar.com. Additional information, including Trustee's and executive officers' remuneration and indebtedness, principal holders of the Units and securities authorized for issuance under equity compensation plans, as applicable, is contained in Artis' information circular prepared in connection with the annual meetings of Unitholders. Additional financial information is provided in Artis' financial statements and management discussion and analysis for its most recently completed financial year and interim periods and subsequent continuous disclosure.

APPENDIX "A"

ARTIS REAL ESTATE INVESTMENT TRUST AUDIT COMMITTEE CHARTER

Role and Objective

The Audit Committee (the "Committee") is a committee of the board of trustees (the "Board") of Artis Real Estate Investment Trust ("REIT") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of REIT and related matters;
2. To provide better communication between directors and external auditors;
3. To enhance the external auditors' independence; and
4. To increase the credibility and objectivity of financial reports.

Membership of Committee

1. The Committee shall be comprised of at least three (3) trustees of REIT, each of which shall be "independent" as such term is used in Multilateral Instrument 52-110 – Audit Committees ("MI 52-110") and an "unrelated" trustee within the meaning of the TSX Company Manual.
2. The Board shall have the power to appoint the Committee Chairman.

Meetings

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken.
4. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet with the external auditors at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the external auditors and the Committee consider appropriate.

Mandate and Responsibilities of Committee

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.

2. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to REIT's internal control system:
 - (i) identifying, monitoring and mitigating business risks; and
 - (ii) ensuring compliance with legal, ethical and regulatory requirements.
3. It is a responsibility of the Committee to review the annual financial statements of REIT prior to their submission to the Board for approval. The process should include but not be limited to:
 - (i) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - (ii) reviewing significant accruals or other estimates such as the ceiling test calculation;
 - (iii) reviewing accounting treatment of unusual or non-recurring transactions;
 - (iv) ascertaining compliance with covenants under loan agreements;
 - (v) reviewing disclosure requirements for commitments and contingencies;
 - (vi) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - (vii) reviewing unresolved differences between management and the external auditors; and
 - (viii) obtaining explanations of significant variances within comparative reporting periods.
4. The Committee is to review the financial statements, MD&A and annual and interim earnings press releases, and make a recommendation to the Board with respect to their approval, prior to their release to the public. The Committee must be satisfied that adequate procedures are in place for the review of the REIT's disclosure of all other financial information, where extracted or derived from the financial statements, and shall periodically assess the adequacy of those procedures.
5. With respect to the appointment of external auditors by the Board, the Committee shall:
 - (i) recommend to the Board the appointment of the external auditors;
 - (ii) recommend to the Board the terms of engagement of the external auditors, including the compensation of the external auditors and a confirmation that the external auditors shall report directly to the Committee; and
 - (iii) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
6. The Committee shall review with external auditors (and the internal auditor if one is appointed by REIT) their assessment of the internal controls of REIT, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of REIT and its subsidiaries.
7. The Committee must pre-approve all non-audit services to be provided to REIT or its subsidiaries by the external auditors. The Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.

8. The Committee shall review risk management policies and procedures of REIT (i.e. hedging, litigation and insurance).
9. The Committee shall establish a procedure for:
 - (i) the receipt, retention and treatment of complaints received by REIT regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees and agents of REIT of concerns regarding questionable accounting or auditing matters.
10. The Committee shall review and approve REIT's hiring policies regarding employees and former employees of the present and former external auditors of REIT.
11. The Committee shall have the authority to investigate any financial activity of REIT. All employees and agents of REIT are to cooperate as requested by the Committee.
12. The Committee may retain any person having special expertise and/or obtain independent professional advice to assist in satisfying their responsibilities at the expense of REIT without any further approval of the Board.
13. The Committee shall annually review, discuss and assess the performance of the Committee and its members, and shall periodically review and consider the need for recommending amendment to this charter to the Board.