

## **PLAZACORP RETAIL PROPERTIES LTD.**

### **MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 19, 2001**

Shareholders who do not hold their shares in their own name as registered shareholders, should read "Advice to Beneficial Shareholders" within for and explanation of their rights.

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Plazacorp Retail Properties Ltd. ("Corporation") for use at the Annual Meeting of holders of common shares of the Corporation ("Meeting") to be held in the Pedicodiac Room of the Lord Beaverbrook Hotel , 659 Queen Street, Fredericton, New Brunswick on Wednesday, April 19, 2001, at 10:00am (local time) and any adjournment thereof. The information contained herein is as of March 2, 2001 (the "Effective Date") unless otherwise stated.

#### **SOLICITATION OF PROXIES**

The solicitation of proxies will be primarily by mail but proxies may also be solicited personally or by telephone by regular employees of The Corporation without special compensation or by such agents as The Corporation may appoint. The cost of solicitation will be borne by The Corporation. The Corporation may also pay brokers or nominees holding Plazacorp Shares or Plazafund Shares, respectively, in their names or in the names of their principals for their reasonable expenses in sending solicitation materials to their principals.

To be effective, proxies in relation to the Meeting must be received by CIBC Mellon Trust Company, Corporate Trust Department, 600 The Dome Tower, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1 no later than 48 hours before the Meeting or any adjournment thereof.

#### **RECORD DATE**

The Corporation will prepare a list of shareholders of record at the close of business on March 8, 2001 (the "Record Date"). A holder of Common Shares of the Corporation named on that list will be entitled to vote the shares then registered in such holder's name, except to the extent that (a) the holder has transferred the ownership of any of his shares after that date, and (b) that the transferee of those shares produces a properly endorsed share certificate, or otherwise establishes that he owns the shares, and demands not later than the close of business, ten days before the Meeting, that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his shares at the Meeting.

Holders of Common Shares are entitled to one vote at the meeting for each Common Share held, except as otherwise provided herein.

## **APPOINTMENT AND REVOCATION OF PROXIES**

A shareholder has the right to appoint a person (who need not be a Plazacorp shareholder), other than persons designated in the forms of proxy accompanying this Circular, as nominee to attend at and act for and on behalf of such shareholder at the Meeting, as the case maybe, and may exercise such right by inserting the name of such person in the blank space provided on the form of proxy applicable to that meeting. If a shareholder appoints a person designated in the form of proxy as nominee and does not direct the said nominee to vote in favour of or against, or to vote or withhold from voting on, as the case may be, any matter or matters with respect to which an opportunity was given to specify how the shares registered in the name of such shareholder may be voted, the proxy shall be voted in favour of such matter or matters.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to CIBC Mellon Trust Company, Corporate Trust Department, 600 The Dome Tower, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1 no later than 48 hours before the Meeting or any adjournment thereof

Proxies given by shareholders for use at the Meeting may be revoked at any time prior to their use. Subject to compliance with the requirements described in the following paragraph, the giving of a proxy will not affect the right of a shareholder to attend and vote in person at the relevant meeting.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the security holder or his attorney duly authorized in writing, or, if the security holder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized and deposited either at the offices of CIBC Mellon Trust Company, Corporate Trust Department at the aforesaid address, at any time up to and including 4:30 p.m. on the last Business Day preceding the day of such meeting, or any adjournment thereof, at which the proxy is to be used, or, with the Chairman at the relevant meeting on the day of such meeting or any adjournment thereof, and upon any such deposit, the proxy is revoked.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

Shareholders who do not hold shares in their own names(referred to herein as “Beneficial Shareholders”) are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting.

Beneficial Shareholders who complete and return a proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure and provides its own return instructions which should be carefully followed. The form of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

All references to shareholders in this Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered shareholders who produce proof of their identity.

## **VOTING OF PROXIES**

The persons named in the enclosed form of proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the Shareholder who appointed them. Each Shareholder may instruct his proxy how to vote his shares by completing the blanks on the proxy form.

Shares represented by properly executed proxy forms in favour of the person designated on the enclosed form will be voted or withheld from voting in accordance with the instructions given on the proxy forms. In the absence of such instructions, such shares will be voted “FOR” the election as Directors of those nominees of Management listed in the Circular and “FOR” the appointment of Teed Saunders Doyle & Co. Chartered Accountants as auditors of the Corporation.

The enclosed proxy form confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. At the Effective Date the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation has authorized share capital consisting of an unlimited number of Common Shares without nominal or par value, of which 26,333,360 Common Shares are issued and outstanding and 400,000 Common Shares are reserved for the issuance on the exercise of directors’, management and agent’s stock options as of the Effective Date of this Circular. In addition, the Corporation is authorized to issue an unlimited number of preferred shares, none of which are currently issued.

The following table lists those persons and companies who own of record or are known to the Corporation to own beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation as at March 2, 2001.

Name	Number of Shares owned	Percentage of Total Shares Outstanding.
Earl A. Brewer	3,450,794	13.1% (1)
Michael Zakuta	3,204,454	12.2% (1)
Richard Hamm	3,152,032	12.0% (1)

**Note:**

(1) Includes indirect ownership through Plaza Developments Limited Partnership (“PDLP”) and B.D.C. Developments Ltd. (“B.D.C.”). PDLP directly owns 6,915,152 common shares and is owned by B.D.C. Developments Ltd. (39.71%), Richard Hamm (45.22%) and Alexandra Offspring Inc.(15.07%). Alexandra Offspring Inc. is a company related to Richard Hamm. B.D.C. directly owns 614,667 common shares and is owned 35% by Earl Brewer.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **1. Election of Directors:**

Action is to be taken at the meeting with respect to the election of directors. The board of directors presently consists of five (5) members. These directors will hold office until the end of the Meeting or until a successor is elected or appointed. It is proposed that at the Meeting the shareholders of the Corporation fix the number of directors at five and that five directors be elected to hold office until the next annual meeting or until their successors are elected or appointed.

It is the intention of the management designees, if named as proxy, to vote for the election of the following persons to the board of directors unless otherwise directed. Management does not contemplate that any of such nominees will be unable to serve as director. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting on the election of directors.

The following information relating to the nominees as directors is based partly on the Corporation's records and partly on information received by the Corporation from said nominees, and sets forth the name and municipal address of each of the persons proposed to be nominated for election as a director, his current principal occupation, all other positions and offices in the Corporation held by him, the year in which he was first elected a director and the number of Common Shares of the Corporation that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised by him.

Nominee as Directors	Position Presently Held	Principal Occupation	Director Since	Common Shares Beneficially Owned or Controlled as of March 2, 2001
Earl A. Brewer, Fredericton, New Brunswick	President and Chief Executive Officer and Director	Presently - President and Chief Executive Officer, Plazacorp Retail Properties Ltd. and Plaza Atlantic Limited, Chairman of Greenarm Management., and Secretary and Principal of Greenarm Corporation.	Incorporation	3,450,794 (13.1%) (2)
J. Paul Leger, Fredericton, New Brunswick (1)	Secretary and Chief Financial Officer and Director	Presently - Secretary and Chief Financial Officer, Plazacorp Retail Properties Ltd. and Plaza Atlantic Limited. President of Greenarm Management and President of Greenarm Corporation	Incorporation	1,453,671 (5.5%) (2)
Michael A. Zakuta, Beaconsfield, Quebec	Vice- President and Director	Presently - Vice President of Plazacorp Retail Properties Ltd. and Plaza Atlantic Limited. Real estate developer and entrepreneur since 1986 through various private companies of which he is a principal shareholder and officer.	Incorporation	3,204,454 (12.2%) (2)
Richard Hamm, Toronto, Ontario (1)	Director	Presently - Principal of Stepp Three Holdings Ltd. and Partner in Bluewater/Chescott Investment Management Ltd., Formerly - President of Canada Trust Mutual Funds and Senior Vice-President at Trimark Investment Management Inc.	Incorporation	3,152,032 (12.0%) (2)
Stephen Johnson, Toronto, Ontario (1)	Director	Presently - President and CEO of Canadian Real Estate Investment Trust. Formerly - President of DS Marcil Inc. and Vice-President and Director of RBC Dominion Securities Inc.	Incorporation	25,000 (0.1%)

**Notes:**

(1) Member of the Audit Committee

(2) Includes indirect ownership through Plaza Developments Limited Partnership ("PDLP") and B.D.C. Developments Ltd. ("B.D.C."). PDLP directly owns 6,915,152 common shares and is owned by B.D.C. Developments Ltd. (39.71%), Richard Hamm (45.22%) and Alexandra Offspring Inc.(15.07%). Alexandra Offspring Inc. is a company related to Richard Hamm. B.D.C. directly owns 614,667 common shares and is owned by Earl Brewer (35%), Paul Leger (15%) and Michael Zakuta (13.75%).

**2. Appointment of Auditors:**

The management designees, if named as proxy intend to vote for the appointment of Teed Saunders Doyle & Co. Chartered Accountants, as the auditors of the Corporation, to hold office until the next Annual Meeting of Shareholders, at a remuneration to be fixed by the board of directors. Teed Saunders Doyle & Co. Chartered Accountants have been the auditors of the Corporation since incorporation in 1999.

## EXECUTIVE REMUNERATION

### 1. Compensation

There has been no compensation paid to executive officers of the Corporation in this fiscal year.

The Corporation has entered into Management Agreement with Plaza Atlantic Limited, a corporation owned directly and indirectly by Earl Brewer, Paul Leger and Michael Zakuta, directors of the Corporation, whereby Plaza Atlantic Limited has been retained to provide property management and other property related services including leasing and marketing, acquisitions, financing, development and dispositions for the Corporation for its existing properties. During the year ended October 31, 2000 \$611,149 in fees were paid to Plaza Atlantic Limited. The fees paid to Plaza Atlantic Ltd. were at competitive market rates.

### 2. Stock Option Plan

The Corporation has established a Stock Option Plan (the "Plan"). Pursuant to the Plan, the board of directors may allocate non-transferable options to purchase Common Shares to directors, officers, employees and consultants of the Corporation and its subsidiaries. The aggregate number of shares to be issued upon exercise of options granted under the Plan shall not exceed the maximum number of shares permitted to be issued under the rules of any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction. The Plan provides that the exercise price of the shares covered by each option shall be determined by the board of directors and shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed or by any regulatory body having jurisdiction. On November 1, 1999, Plazacorp Retail Properties Ltd. amalgamated with Plazafund Retail Properties Ltd. to form the Corporation which has retained the name Plazacorp Retail Properties Ltd. Prior to amalgamation, the predecessor Corporation established a stock option plan. The options were granted on July 23, 1999. On amalgamation, the stock options were cancelled and issued under the Plan:

	Unexercised Options at October 31, 2000 (Exercisable)	Exercise Price	Expiry date
Earl A. Brewer	120,000	\$0.20	July 23, 2004
J. Paul Leger	60,000	\$0.20	July 23, 2004
Michael A. Zakuta	120,000	\$0.20	July 23, 2004
Richard Hamm	50,000	\$0.20	July 23, 2004
Stephen Johnson	50,000	\$0.20	July 23, 2004

The options are non-transferable and if not exercised, will expire, one year following the date the optionee ceases to be a director or hold an office of the Corporation by reason of death, or 90 days after ceasing to be a director or officer for any reason other than death.

### 3. Retirement Plans

The Corporation has no retirement plans, pension plans or other forms of funded or unfunded retirement compensation and none are proposed at this time.

### 4. Compensation of Directors

Outside directors were paid \$2,100 each for their participation at Directors meetings during the year. An outside director is one who is neither an employee, executive officer, control person or management consultant of the of the Corporation or any of its Associates or Affiliates.

## **5. Employment Contracts and Termination of Employment**

The Corporation has no employment plan or termination plan by which executive officers are entitled to compensation.

## **6. Indebtedness of Directors and Executive Officers**

Other than as herein set forth no proposed nominee, no director, executive officer or any of their respective associates or affiliates is or has been since incorporation indebted to the Corporation, nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any of its subsidiaries.

### **OTHER MATTERS COMING BEFORE THE MEETING**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

### **CORPORATE GOVERNANCE**

The Corporation's Board consists of five directors of whom the Board considers two to be outside directors.

The Corporation is required to have an Audit Committee. The Audit Committee consists of two outside directors namely, Richard Hamm and Stephen Johnson and one related director namely, Paul Leger. The Audit Committee's main role is to ensure the integrity and effectiveness of the Corporation's financial reporting and control systems, review financial statements and reports and oversee relations with the auditors.

During the year the Board of Directors appointed a Management and Reporting Committee consisting of Earl Brewer, Paul Leger and Michael Zakuta, all officers of the Corporation. The Management and Reporting Committee's main role is to approve the Corporation's entering into agreements for the purchase, development and financing of new projects. The Management and Reporting Committee's mandate is limited to the following qualifications; approving projects up to a maximum of 15% of the Corporation's asset base on the proposed date of the acquisition, approving projects that meet the Corporation's minimum financial criteria established by the Board from time to time, approving projects that are not considered to be a related party transaction.

During the year the Board of Directors appointed a Compensation Committee consisting of two outside directors namely Richard Hamm and Stephen Johnson. The role of the Compensation committee is to review the performance and determine the compensation of executive officers of the Corporation.

The Corporation does not have a nominating committee. The responsibility for recruitment falls to the CEO and executive officers of the Corporation and is discussed informally with Board members prior to being presented to the Board.

The Board of directors feels that the current number of Board members has been adequate to provide appropriate level of skill and advice to guide the Corporation. As the Corporation grows the addition of new directors will be considered.

**PLAZACORP OFFICERS' CERTIFICATE**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Fredericton, New Brunswick, this 2nd day of March, 2001.

**PLAZACORP RETAIL PROPERTIES LTD.**

*“Earl A. Brewer”*

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Earl A. Brewer  
President and Chief Executive Officer

*“J. Paul Leger”*

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J. Paul Leger  
Secretary and Chief Financial Officer