

REITs and Income Funds

May 18, 2004

2004 Ontario Budget: Limited Liability Legislation for Income Funds

The 2004 Ontario budget, announced today, confirms that the Ontario government will propose technical legislation to clarify that investors in a publicly traded trust will not be liable for the activities of the trust. This is consistent with the announcement included as part of the *2003 Ontario Economic Outlook and Fiscal Review* released on December 17, 2003 by Finance Minister Greg Sorbara.

The proposed legislation is expected to be introduced shortly. Similar to the *Trust Beneficiaries' Liability Act, 2003* that was first introduced in May, 2003 but not passed, it is expected that the proposed legislation will clarify that the exposure of unitholders to claims against publicly traded trusts is limited to the amount of their investment in the trust, removing any remaining uncertainty for trust investors.

Goodmans has played a leading role in the development of the Canadian income fund sector and will continue to work with the Canadian Institute of Public and Private Real Estate Companies and the Canadian Association of Income Funds to ensure the prompt adoption of this legislative initiative.

If you would like to discuss this proposed legislation or any other matter relating to REITs or income funds, please contact Stephen Pincus at 416.597.4104 or spincus@goodmans.ca or any other member of Goodmans' REITs and Income Funds Group listed on the next page.

Goodmans^{LLP} Update

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