2011 ANNUAL INFORMATION FORM

March 22, 2012

Madison Pacific Properties Inc.
389 West 6th Avenue
Vancouver, B.C.
V5Y 1L1

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In this Annual Information Form all information is presented as at December 31, 2011, unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements regarding the future success of the Company's business that are subject to risk and uncertainties. Examples of such forward-looking statements including, but are not limited to, statements concerning management's belief that the Company is positioned to achieve market rental rates within the markets in which it operates, the Company's expectation to renew mortgage loans as they become due, the Company's belief that loan facilities together with funds on hand and cash generated from operations should provide adequate liquidity, the Company's belief that there will be sufficient future taxable income to utilize income tax losses and undeducted expenditures and the Company's belief that the recoverability of unrecognized investment tax credits is still in doubt as the Company has not established when it will be in a taxable position.

These forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. These risks include risks related to the real estate industry generally, changes in interest rates and demand for industrial and commercial rentals, illiquidity of real estate investments, non-renewal of tenant leases, fluctuation in real estate values, geographic concentration of the business, environmental matters, uninsured losses and income tax risk including reassessment and the sufficiency of taxable income to utilize losses. Although the forward-looking statements contained herein are based upon what management believes to be current and reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are made as of the date of this Annual Information Form and are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any such forward-looking statements to reflect any change in its expectations or in events, conditions or circumstances on which any such forward-looking statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

CORPORATE STRUCTURE

Madison Pacific Properties Inc. ("Madison" or the "Company") is a Vancouver-based real estate company. The head office of Madison is located at 389 West 6th Avenue, Vancouver, British Columbia, V5Y 1L1 and the registered office is located at 25th Floor, Toronto-Dominion Bank Tower, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

Madison was incorporated under the laws of the Province of Nova Scotia on April 30, 1963; was continued into British Columbia on November 7, 1988; and changed its name to Princeton Mining Corporation ("Princeton") on November 16, 1988. In December, 1989 Princeton, through a corporate arrangement pursuant to the *Business Corporations Act* (British Columbia), became the parent company for a group of mining companies. Princeton was continued under the Canada Business Corporations Act on February 26, 1990. Princeton completed a Plan of Arrangement (the "Plan") on April 30, 1998 whereby:

(a) The mining business of Princeton was transferred to a subsidiary;

(b) Each share of Princeton was exchanged for a Class A non-voting preferred share of Princeton and one fortieth of a Class B voting common share of Princeton;

(c) Each Class A non-voting preferred share of Princeton was exchanged for a common share of the subsidiary and the Class A non-voting preferred shares were redeemed by Princeton;

(d) Princeton changed its name to Madison; and

(e) Madison acquired a portfolio of income producing real estate assets in exchange for Class B voting common shares and Class C non-voting common shares of Madison.

Intercorporate Relationships

Madison owns 100% of the equity of MP Western Properties Inc. ("MP Western"). MP Western was incorporated under the laws of the Province of Ontario and was subsequently continued under the Canada Business Corporations Act. MP Western owns 100% of 1073774 Properties Inc., which is a *Canada Business Corporation Act* corporation. Madison owns 100% of the shares of 3530639 Canada Inc. ("3530639") (formerly The Spectra Group of Great Restaurants Inc.). 3530639 is a *Business Corporations Act* (British Columbia) corporation. Madison owns 99.75% of the equity Metro Vancouver Properties Corp. (MVP) (formerly Migenix Inc), consisting of 39.5% of its voting common shares and 100% of its non-voting shares. MVP is incorporated pursuant to the *Business Corporations Act* (British Columbia).

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Madison's portfolio of properties consists of industrial and commercial real estate located in Metro Vancouver and Whistler, British Columbia. Madison has been developing office-warehouse projects in the Richmond and Burnaby industrial markets. In certain of the developments the prime tenant has become a joint venture partner with Madison.

On March 19, 2010 Madison acquired common and non-voting shares of MVP for $4,000,000. On October 1, 2011 Madison acquired additional non-voting shares of MVP for $95,446,000.

The description of the business and assets of Madison contained in this Annual Information Form also includes the business and assets of MP Western, 3530639 and MVP.

NARRATIVE DESCRIPTION OF THE BUSINESS

Principal Business Segment

Madison has one principal business segment: investment in and development of income producing real estate properties. All properties are located in British Columbia with approximately 99.4% of the rentable area located in Metro Vancouver. Madison's investment in income producing real estate properties is summarized under "Property Portfolio".

Property Portfolio

Madison's property portfolio is comprised of interests in 1,326,191 sq. ft. of Net Rentable Area of industrial properties, 180,973 sq.ft. of Net Rentable Area of retail/highway commercial properties, and 119,009 sq.ft. Of Net Rentable Area of office property for a combined total of 1,626,173 sq. ft. As at December 31, 2011 Madison's Industrial Property Portfolio had a committed occupancy rate of 92.2%, its Retail/Highway-Commercial Property Portfolio had 100% and its Office Property Portfolio 97.8%. Overall occupancy at December 31, 2011 was 98.8%. Madison has no residential properties.

The real estate portfolio is diversified over different product types and locations. Madison places emphasis on a high level of maintenance for its properties. Through the combination of well-located and well-maintained properties, Madison is positioned to achieve market rental rates within the markets in which it operates.

The following tables summarize Madison's revenue property portfolio as at December 31, 2011:

Industrial Property Portfolio

Property	Year Built	Net Rentable Area[(2)] (Square Feet)	Percentage Leased and/or Committed	Significant Tenants
Vancouver				
Rupert Square I[(3)] 2750 – 2768 Rupert Street	1988	46,087	100.0%	Daiya Foods, RP Electronics
Rupert Square II[(3)] 2774 – 2788 Rupert Street	1990	11,946	100.0%	Otis Canada
3355 Grandview Highway[(3)]	1965	48,275	100.0%	HCN Publications
850 West Kent Avenue South[(3)]	1982	92,500	100.0%	Coast Paper Limited
West 6th Avenue and Yukon Street[(3)]	1975	26,067	100.0%	Wolsely Canada, head office for the Company
275 West 4th Avenue[(3)]	1963	22,268	100.0%	Armature Electric Ltd.

Property	Year Built	Net Rentable Area[2] (Square Feet)	Percentage Leased and/or Committed	Significant Tenants
1955 Columbia Street[3]	1951	3,177	100.0%	Armature Electric Ltd
325 West 6th Avenue[3]	1965	4,800	100.0%	Highstreet Corporate Rentals Ltd.
Richmond				
13651-13851 Bridgeport Road[3]	1972	67,106	75.1%	Mainland Appliances, TFI Foods International
7360 River Road[3]	1978	102,286	100.0%	Nippon Express Canada
3351 Jacombs Road (50% interest)	1982	4,898	100.0%	Jordans Rugs
11388 No. 5 Road (50% interest)	2003	38,841	100.0%	Kirk Mailing Service, Nishimoto Trading
11251 Dyke Road (50% interest)	2006	30,860	100.0%	Ideon Packaging Ltd.
11231 Dyke Road[3]	2007	98,836	100.0%	Ace Millwork, Ossur Canada, Burek Systems
21771 Fraserwood Way	2007	46,946	100.0%	H-Cold Storage
Delta				
7198 Progress Way[3]	1992	60,680	100.0%	Goodfella
7708 80th Street[3]	1995/2000	91,449	100.0%	VicWest
1599-1607 Derwent Way	1991	87,397	97.7%	M-Chem, Europlex
Burnaby				
9000 Glenlyon Parkway[3]	1996	117,000	100.0%	Ballard Power Systems
7800 Riverfront Gate[3]	2001	70,522	100.0%	Core-Mark International
7700 Riverfront Gate[3] (50% interest)	2004	56,405	100.0%	Alpha Technologies
8315 Riverbend Court[3]	2005	112,601	100.0%	Black Press Group Ltd. West Key Graphics
3811 North Fraser Way[3]	1954	85,244	0.0%	Under development
Total:		1,326,191	92.6%	

Property	Year Built	Net Rentable Area[2] (Square Feet)	Percentage Leased and/or Committed	Significant Tenants
Retail/Highway-Commercial Property Portfolio				
Vancouver				
1855 Fir Street (50% interest)	1941(upgrade 2010)	5,377	100.0%	Brougham Furniture
1625 West 3rd Avenue (50% interest)	2010	2,187	100.0%	Brougham Furniture
Coquitlam				
Lougheed Super Centre 101, Schoolhouse Street (50 % interest)	2001	40,557	100.0%	Winners, Danier Leather, Canadian Western Bank, Cactus Club
2800 Barnet Highway[3]	1984	51,651	100.0%	Rona
Abbotsford				
32073 South Fraser Way	1958	27,756	100.0%	Rona
Chilliwack				
45656 Yale Road West	1981	25,352	100.0%	Rona
Port Moody				
Rocky Point Park	2007	7,500	100.0%	Boathouse Restaurants
White Rock				
14935 Marine Drive	1990	11,298	100.0%	Boathouse Restaurants
Whistler[1]				
4254-4262 Village Stroll[3]	1981	2,848	100.0%	Whistler Village Sports
4308 Main Street[3]	1997	6,447	100.0%	Elephant & Castle Restaurant
Total:		180,973	100.0%	
Office Property Portfolio				
Vancouver				
1190 Homer[3]	2000	37,016	100.0%	Cactus Club, Apple Canada Inc., IBM Canada Inc.
1122 Mainland[3]	1900/1989	81,993	96.8%	Kiei Entertainment, Yaletown Ventures, Big Fish Games
Total:		119,009	97.8%	
Grand Total		1,626,173	98.8%	

Notes:

(1) *Properties owned in Whistler are commercial strata lots which form part of larger developments.*
(2) *The net rentable area of properties 50% owned is shown as 50 % of the total area for purposes of the above table.*
(3) *Properties owned in Metro Vancouver Properties Corp.*

Industrial Property Portfolio

Rupert Square I & II & 3355 Grandview Highway, Vancouver

Rupert Square I, Rupert Square II and 3355 Grandview Highway are three free-standing buildings with leasable areas of 106,308 sq.ft. Located on 5 acres in Vancouver, this development is located in the Grandview Highway Industrial area, with frontage to Rupert Street and Grandview Highway, Vancouver.

Grandview was substantially renovated in 1987. Rupert Square I and Rupert Square II were built on the undeveloped lands in 1988 and 1990 respectively. Most of the tenants of Rupert Square I and II have uses that can be considered as showrooms combined with distribution.

850 West Kent Avenue South, Vancouver

This 92,500 sq. ft. single tenant industrial property is located on the north arm of the Fraser River close to the Oak Street Bridge with quick access to the Vancouver International Airport. The site area is 4.2 acres.

West 6th Avenue and Yukon Street, Vancouver

This 26,067 sq.ft industrial/office property is located between Downtown Vancouver and the Broadway corridor and is within two blocks of the Canada Line rapid transit station on the route to the Vancouver International Airport. The building consists of 17,606 sq.ft. ground floor industrial/showroom space and 8,461 of 2nd floor office space of which 5,411 sq. ft. is occupied by the Company.

275 West 4th Avenue, Vancouver

This building is located on the north east corner of 4th Avenue and Alberta Street in the Main/Cambie Industrial area. The site area is 22,268 sq.ft. with a single tenant building containing 5,738 sq.ft. of office and amenity space and 16,530 sq.ft. of shop, warehouse and display area.

1955 Columbia Street, Vancouver

This building is adjacent to the 275 West 4th Avenue building. The site area is 6,694 sq.ft. with a single tenant building containing 3,177 sq.ft. of shop area.

325 West 6th Avenue, Vancouver

This property is located within the Main/Cambie Industrial area. The building is 4,800 sq. ft. with a site area of 6,040 sq. ft.

13651-13851 Bridgeport Road, Richmond

This 67,106 sq.ft. multi-tenant industrial building is on 3.43 of acres of land located on Bridgeport Road east of the Knight Street Bridge in Richmond.

7360 River Road, Richmond

The property consists of a 102,286 sq.ft. office and warehouse building located on 4.02 acres in the Richmond Town Centre. This location provides quick access to Vancouver International Airport, Westminster Highway, Highway 99 and Downtown Vancouver via Granville Street. Nippon Express leases the entire building.

3351 Jacombs, Richmond

This building is a one-storey office-warehouse building of 9,796 sq.ft. located on .48 acres in the Bridgeport area of Richmond. Jordans Rugs is the sole tenant. The building is located adjacent to IKEA and has easy access from the Knight Street Bridge into Vancouver. This property is owned with a 50% joint venture partner.

11388 No. 5 Road, Richmond

This building is an office-warehouse building of 77,683 sq.ft. located on 3.2 acres in the Riverside Industrial Park in Richmond. This building was completed by Madison in 2003. This property is owned with a 50% joint venture partner.

11251 Dyke Road, Richmond

This 61,720 sq. ft. single tenant office-warehouse property is situated on 2.82 acres on the south arm of the Fraser River. Construction of this build-to-suit was completed November 2006. This property is owned with a 50% joint venture partner.

11231 Dyke Road, Richmond

This 98,836 sq. ft. three-tenant building was completed in early 2007 and sits on 4.37 acres immediately west of 11251 Dyke Road.

21771 Fraserwood Way, Richmond

This 46,946 sq. ft. single tenant industrial building is situated on 3.03 acres within the Fraserwood Industrial Park. The building was completed in July 2007.

7198 Progress Way, Delta

This 60,680 sq. ft. building is located in the Tilbury Industrial Park and is situated on 3.24 acres of land.

7708 80th Street, Delta

This 91,449 sq. ft. building is located in the Tilbury Industrial Park and is situated on 4.05acres of land.

1599-1607 Derwent Way, Delta

This 87,397 sq.ft. building is located within the Annacis Island Industrial Park and is situated on 3.57 acres of land.

9000 Glenlyon Parkway, Burnaby

This 117,000 sq. ft. high tech facility is located within the Glenlyon Business Park. The building is situated on 8 acres of land.

7800 Riverfront Gate, Burnaby

Madison completed construction of this 70,522 sq. ft. concrete warehouse in late 2001. The building is located on a 4.1 acre site.

7700 Riverfront Gate, Burnaby

In 2004, Madison completed construction of this office-warehouse building of 112,810 sq.ft. on the 5 acre site. This property is owned with a 50% joint venture partner.

8315 Riverbend Court, Burnaby

Madison completed construction of this 112,601 sq. ft. industrial/manufacturing building in 2005. The building is located in the Glenwood Estates area of Burnaby.

3811 North Fraser Way, Burnaby

This 8.8 acre development site was acquired in July 2010. A complete redevelopment of the site is currently underway.

Retail/Highway Commercial Property Portfolio

1855 Fir Street, Vancouver

This building was realigned and updated in 2010, totalling 10,753 sq.ft. The site is located on the northwest corner of 3rd Avenue and Fir Street within three blocks of Granville Island. The site was converted to high end retail use from its previous industrial use. This property is owned with a 50% joint venture partner.

1625 West 3rd Avenue, Vancouver

This building was constructed in 2010 and totals 4,373 sq. ft., located adjacent to 1855 Fir Street. This property is owned with a 50% joint venture partner.

Lougheed Super Centre, Coquitlam

This 81,115 sq. ft. retail centre on a six acre site was completed in 2001. This property is owned with a 50% joint venture partner.

2800 Barnet Highway, Coquitlam

This single-tenant building of 51,651 sq.ft. is located on 4.47 acres. The property has frontage along Barnet Highway and Johnson Street. Of the total rentable area, 25,904 sq.ft. is unheated space. The property is leased to Rona.

32073 South Fraser Way, Abbotsford

This single-tenant building of 27,756 sq.ft. is located on 4.0 acres. The property has frontage along both South Fraser Way and Old Yale Road. Of the total rentable area, 11,854 sq.ft. is unheated space. The property is leased to Rona.

45656 Yale Road West, Chilliwack

This single-tenant building of 25,352 sq.ft. is located on 4.0 acres. The property has frontage along Yale Road West and Airport Road. Of the total rentable area, 13,440 sq.ft. is unheated space. The property is leased to Rona.

Rocky Point Park, Port Moody

This 7,500 sq.ft. Boathouse Restaurant was developed on land leased on a long-term basis from the City of Port Moody. The restaurant opened in October 2007.

14935 Marine Drive, White Rock

This is another Boathouse Restaurant tenancy which is situated on land leased on a long-term basis from a private land owner. The building has a gross floor area of 11,298 sq. ft.

4254-4262 Village Stroll, Whistler

The Clocktower Building is a landmark in the Whistler Village Town Centre area. It overlooks Mountain Square and is close to the base lift facilities for both Whistler and Blackcomb Mountains. The Clocktower is a strata titled development built in 1981. The commercial strata lots occupying the ground floor have a total net leasable area of 2,848 sq.ft.

4308 Main Street, Whistler

Delta Whistler Suites is located at the gateway to Whistler Village North, which is south of the Whistler Village Town Centre. The overall strata-titled development is a major resort condominium hotel with associated ground floor retail/commercial space completed in 1997. The five strata lots, with a combined area of 6,447 sq.ft. were acquired by Madison in 1999.

Office Property Portfolio

1190 Homer Street, Vancouver

This building is located in the Yaletown area of Vancouver. 1190 Homer Street is a four-storey building allowing office and retail uses and was renovated in 2000. The building has a rentable area of 37,016 sq.ft.

1122 Mainland Street, Vancouver

In 2004, Madison acquired this 81,993 sq.ft. heritage office building. This class 'B' office building consists of two contiguous structures, made up of a heritage building, which was originally constructed in 1900 and completely renovated in 1991 and a new building which was completed in 1989. Along with the 4 floors of office space, the building has a full level of pedestrian oriented retail space situated on the Mainland Street frontage and underground parking.

Competitive Conditions

Madison competes for suitable real property investments with other real estate investment companies, trusts, pension funds and other institutional investors. Many of these investors have greater financial resources than Madison. An increase in the availability of investment capital and an increase in demand for real property investments would likely result in creased competition for real property investments, thereby increasing purchase prices and reducing the yields from such investments.

Employees

Madison had 9 employees as at December 31, 2011.

RISK FACTORS

The real estate industry is subject to various operating risks. In evaluating Madison and its business, an investor should consider carefully the following risk factors in addition to the other information contained herein.

Real Estate Industry

Real estate properties are subject to varying degrees of risk. Such risks include changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an over-supply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from others with available space and the ability of Madison to provide adequate maintenance at an economic cost.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made regardless of whether or not a property is producing sufficient income to cover such expenses. The real estate properties of Madison are subject to mortgages that require ongoing debt payments and repayments of outstanding amounts on maturity. If Madison is unable or unwilling to make mortgage repayments on any property, losses could be sustained as a result of the lenders exercising of their rights of foreclosure or sale.

Real estate is relatively illiquid. Such illiquidity will tend to limit Madison's ability to vary its portfolio promptly in response to changing economic or investment conditions. Financial difficulties of other property owners resulting in distress sales may further depress real estate values in many of the markets in which Madison operates.

Madison manages these risks through ownership of good quality properties combined with a diverse tenant base. In 2011 no one tenant accounts for more than 11.20% (2010 – 13.43%) of the revenue of Madison and lease maturities are staggered such that no more than 13.70% (2010 – 23.55%) of the rental space is subject to renewal in any one year.

Revenue Producing Properties

The revenue properties of Madison generate income through rental receipts from tenants. Upon the expiry of any lease, there is no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Madison than the existing lease. Furthermore, at any time, a tenant of Madison's properties may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of such tenant's lease and a resultant reduction in cash flow available to Madison.

Fluctuations in Real Estate Values

The commercial and industrial real estate industry is subject to variability and fluctuations in real estate values. The Company has elected to report its investment properties at fair value. Fair value represents the amount at which the properties could be exchanged between a knowledgeable and willing buyer and seller in an arm's length transaction at the date of valuation. Adjustments will be made to the fair values when changes in the underlying valuation assumptions occur.

Geographic Concentration

Madison currently only carries on business in Metro Vancouver and Whistler, British Columbia. Because the operations of Madison are concentrated in these geographic areas, an economic downturn in these markets could cause leasing rates to decline, which could have a material adverse effect on the business and negatively affect the results of operations and financial condition of Madison.

Environmental Matters

As an owner of real estate properties, Madison is subject to various Canadian federal, provincial, and municipal laws relating to environmental matters. Such laws provide that Madison could be liable for costs of removal and remediation of certain hazardous substances or wastes released or deposited on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, could adversely affect Madison's ability to sell such real estate or pledge real estate as collateral for borrowing. In addition such a situation could potentially result in claims against Madison. Madison is not aware of any material pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any material pending or threatened claims relating to environmental conditions at its properties.

Asbestos containing material ("ACM") is known to be present at a limited number of properties. Madison is aware of the presence of polychlorinated biphenyls ("PCB") in the light fixtures at a limited number of properties. Madison believes that it manages and disposes of ACM and PCB in accordance with the applicable laws and that if such laws do not become more stringent, the future costs of ACM abatement or ACM and PCB removal and containment will not be material to the financial position of Madison.

Madison has formal procedures to review and monitor environmental exposure on an on going basis and conducts thorough environmental due diligence as part of its acquisition process. Madison has made and will continue to make the necessary capital expenditures to ensure compliance with environmental laws and regulations. Environmental laws and regulations can change at any time and Madison may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have a material adverse effect on Madison's business, financial condition and results of operations.

General Uninsured Losses

Madison 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 from wars or environmental contamination) which are either uninsurable or not insurable on an economic basis. Madison currently has insurance for earthquake risks, subject to certain policy limits, deductibles, and self-insurance arrangements, and will continue to carry such insurance so long as it is economical to do so. Should an uninsured or underinsured loss occur, Madison could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, while still being obligated to repay any recourse mortgage indebtedness on such properties. If a loss occurs in excess of insured limits, Madison could lose all or part of its investment in, and anticipated profits and cash flows from such property.

Income taxes

In July 2011, the Canada Revenue Agency (CRA) proposed a Notice of Reassessment to one of the Company's subsidiaries with respect to various matters pertaining to certain taxation years. The Company believes that the subsidiary has reported its tax position appropriately. No provision has been made in the accounts for additional income taxes, if any, which may be determined to be payable on ultimate resolution of this dispute. The Company believes it has substantial defenses to the claim and it is unlikely that any material additional tax liability will result.

Interest Rate Fluctuations

Madison's capital structure involves risks primarily associated with leverage and interest rates. Madison's financing includes indebtedness with interest rates set on a floating rate basis which result in fluctuations in Madison's cost of borrowing.

Madison has mitigated this risk by refinancing over 99% of its debt on real estate properties (mortgage loans) at fixed rates ranging from 3.27% to 5.70% per annum and staggering maturities up to 10 years so that no more than 28.6% of such debt matures in one year. The Company has not experienced any difficulties in renewing mortgages as they have become due.

The weighted average year-end interest rate on fixed rate debt was 5.2%. Madison has less than $0.5 million of floating rate mortgages.

Madison has operating line of credit with a chartered bank for $13 million $11.2 million of which is currently available. This loan facility together with funds on hand and cash generated by operations should provide adequate liquidity to meet Madison's obligations as they become due.

DIVIDENDS

Madison initiated a formal dividend policy in 2007. An annual dividend of $0.105 per share is payable to each shareholder semi-annually in February and August of each year. Dividends were paid under this policy in February and August, 2008, 2009, 2010 and 2011 and February 2012. The payment of dividends is subject to available cash resources.

The Company has paid two special dividends, $0.23 per share in February, 2009 and $0.35 per share in October, 2011.

All dividends paid by the Company are eligible dividends unless the Company indicates otherwise.

CAPITAL STRUCTURE

The authorized share capital of Madison consists of an unlimited number of Class A non-voting preferred shares without par value, issuable in series (the "Class A Preferred Shares"), an unlimited number of Class B voting common shares without par value (the "Class B Shares"), an unlimited number of Class C non-voting common shares without par value (the "Class C Shares") and an unlimited number of Old Common Shares without par value.

The Class B Shares entitle a holder thereof to one vote for each share held at all meetings of shareholders, other than meetings at which only holders of a specified class or series are entitled to vote.

The Class C Shares entitle a holder thereof to receive notice of, attend and be heard at all meetings of shareholders, other than meetings at which only holders of a specified class or series are entitled to vote, but are not entitled to vote at such meetings. If an offer is made to purchase Class B Shares that is not made concurrently with an offer to purchase Class C Shares or if the price and terms offered for the Class C Shares is different than that offered for the Class B Shares, the Class C Shares will be entitled to be converted into Class B Shares on a one for one basis, during specified periods during the period of offer for the purpose of depositing those shares to that offer. Any election shall be deemed to also constitute an irrevocable agreement by the holder exercising such rights of conversion not to vote any converted shares. Any election to convert will be deemed to have been withdrawn and be an election to convert back to Class C Shares in certain circumstances as set forth in the special rights and restrictions attached to the Class C Shares, including if more than 50% of the holders of the Class B Shares advise the transfer agent that they will not be depositing shares pursuant to the offer or if the offer is withdrawn or abandoned or if it is not completed within applicable times. Class C Shareholders are cautioned that the conversion rights described herein are limited to very specific circumstances and in no event will entitle a holder of Class C Shares to vote on any item of business, including the election of directors of Madison.

The Class B Shares and the Class C Shares rank equally with one another as to payment of dividends and the participation in the distribution of assets in the event of liquidation, dissolution and winding-up, subject to the rights and privileges, restrictions and conditions attaching to the Class A Preferred Shares.

The Class A Preferred Shares are issuable from time to time in one or more series. The board of directors of Madison is empowered to fix the number, consideration per share and the designation and the provisions attaching to the shares of each series, including the right to vote. The Class A Preferred Shares of each series will rank prior to the Class B Shares and the Class C Shares and on a parity with the Class A Preferred Shares of every other series with respect to dividends and return of the amount paid up thereon.

The Old Common Shares represent the former common shares of Princeton exchanged under the Plan. No Old Common Shares are issued.

MARKET FOR SECURITIES

Trading Price and Volume

Madison's Class B Shares and the Class C Shares are listed and posted for trading on the Toronto Stock Exchange under the symbols MPC and MPC.C respectively. The Class C Shares were listed for trading September 13, 2007. The following chart summarizes the price ranges and volume for the two classes of shares by month during 2011.

TORONTO STOCK EXCHANGE TRADING SUMMARY FOR 2011 (Class B Shares)

	Open	**High**	**Low**	**Close**	**Volume Traded**
December	$3.60	$4.02	$3.09	$3.95	20,454
November	$3.40	$3.60	$3.31	$3.31	2,437
October	$3.04	$3.49	$2.55	$3.49	51,787
September	$3.01	$3.55	$2.91	$3.55	15,975
August	$3.02	$3.22	$2.88	$3.00	20,775
July	$3.00	$3.20	$2.95	$3.00	23,329
June	$2.98	$3.01	$2.87	$3.01	26,607
May	$2.97	$3.00	$2.81	$2.98	15,061
April	$3.01	$3.01	$2.71	$2.73	25,971
March	$3.14	$3.30	$3.03	$3.21	32,931
February	$2.52	$3.00	$2.35	$3.00	37,596
January	$2.30	$2.55	$2.30	$2.40	29,127

TORONTO STOCK EXCHANGE TRADING SUMMARY FOR 2011 (Class C Shares)

Month	**Open**	**High**	**Low**	**Close**	**Volume Traded**
December	$3.01	$4.00	$3.01	$4.00	5,011
November	$3.01	$3.01	$3.00	$3.00	5,100
October	$2.99	$3.00	$2.99	$3.00	20,530
September	$2.85	$3.09	$2.76	$2.76	12,200
August	$3.00	$3.09	$2.76	$3.09	57,700
July	$3.09	$3.09	$2.90	$2.90	3,275
June	$2.80	$3.09	$2.80	$3.09	10,200
May	$2.85	$2.95	$2.85	$2.95	20,050
April	$2.97	$2.99	$2.70	$2.70	9,250
March	$2.85	$2.97	$2.85	$2.97	5,575
February	$2.70	$2.70	$2.70	$2.70	1,000
January	$2.50	$2.50	$2.47	$2.50	37,500

DIRECTORS AND OFFICERS

The following table sets forth the names and provinces of residence, the position held with Madison and the principal occupation during the preceding five years of each of the directors and officers of Madison:

Name	Position Held	Principal Occupation
Richard C. Benmore(1),(2),(3) British Columbia	Director	Financial Consultant (from June, 2007) and Chief Financial Officer of The Spectra Group of Great Restaurants Inc. (until June, 2007) (a restaurant and hospitality company)
Peter J. Bonner British Columbia	Director	President of P.J. Bonner and Associates Ltd. (a diversified holding company); Chairman of the Board and Chief Executive Officer of The Spectra Group of Great Restaurants Inc. until June, 2007
Michael W. Delesalle(1) British Columbia	Director	President of Delcor Holdings Ltd. (a diversified holding company)
Sam Grippo(1) British Columbia	Chairman of the Board and Director	President and Chief Executive Officer of Madison Venture Corporation (a diversified holding company)
Alan Firth(2) British Columbia	President and Chief Executive Officer and Director	President and Chief Executive Officer
James C. O'Rourke(2),(3) British Columbia	Director	President of Orclann Investments Inc.; President and Chief Executive Officer of Copper Mountain Mining Company
Raymond Y.K. Heung British Columbia	Director	President of Vanac Development Corp. (a real estate investment company)
William Ramsey British Columbia	Chief Financial Officer and Secretary	Chief Financial Officer and Secretary of Madison (from May 2008); Chief Financial Officer of Cressey Development Corp. from 2004 to 2007.

Notes

(1) Member of the Audit Committee
(2) Member of the Corporate Governance Committee
(3) Member of Nominating Committee

Mr. Delesalle was appointed a Director in February, 2000. Mr. Firth was appointed a director in July, 2005. Mr. Bonner was appointed a Director in February, 2008. Each of the other Directors has held office since 1998 and each term of office expires immediately prior to the Annual General Meeting of Shareholders. The directors and officers exercise control or direction over 26.6 % of Madison's issued and outstanding Class B voting common shares as of March 22, 2012.

Conflicts of Interest

Madison's directors and officers are engaged in, and will continue to engage in, other activities in the industry in which Madison operates and, as a result of these and other activities, these directors and officers may become subject to conflicts of interest. The *Canada Business Corporations Act* provides that in the event that a director or officer has an interest in a material contract or material transaction, whether made or proposed, the director or officer shall disclose his interest in such contract or transaction and directors shall refrain from voting on any matter in respect of such contract or transaction unless otherwise provided under the *Canada Business Corporations Act*. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *Canada Business Corporations Act*. As at the date hereof, Madison is not aware of any existing or potential material conflicts of interest between Madison, or any of its subsidiaries, and a director or officer.

AUDIT COMMITTEE

Audit Committee Mandate and Charter

A copy of the Company's Audit Committee Mandate and Charter is set out as Appendix "A" hereto.

Composition of Audit Committee

The audit committee of the Company is currently composed of Richard C. Benmore, Michael W. Delesalle and Sam Grippo. Each member of the audit committee is independent and none receives, directly or indirectly, any compensation from the Company other than for service as a member of the board of directors and its committees. All members of the audit committee are financially literate as defined under National Instrument 52-110 – Audit Committees.

Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member is described below.

Richard C. Benmore – Mr. Benmore has been a financial consultant from June 2007 to present. Mr. Benmore served as Chief Financial Officer of The Spectra Group of Great Restaurants Inc. for six years to June 2007. Mr. Benmore was a Chartered Accountant, and was employed by Arthur Andersen, Chartered Accountants for 12 years.

Michael W. Delesalle – Mr. Delesalle is the President of Delcor Holdings Ltd., a diversified holding company. Mr. Delesalle was the President and CEO of Lumberland Building Materials Ltd. for 4 years. Mr. Delesalle obtained an M.B.A. from the University of Windsor, Ontario.

Sam Grippo – Mr. Grippo is President and Chief Executive Officer of Madison Venture Corporation, a diversified holding company. Mr. Grippo is a Chartered Accountant, and was employed by Arthur Andersen, Chartered Accountants, for 5 years. Mr. Grippo obtained a BA from The University of British Columbia.

External Auditor Service Fees

Fees paid by the Company to its external auditors, PricewaterhouseCoopers LLP for 2011 and 2010, are as follows:

Type of Service	Description of Service	Year ended Dec. 31, 2011	Year ended Dec. 31, 2010
		$	$
Audit Fees	For audit of the Company's financial statements, account and advisory services	164,000	122,685
All Other Audit-Related Fees	For advice re reporting issues, tax returns and other audit-related fees	93,005	46,344
Total Fees		257,005	169,029

LEGAL PROCEEDINGS

Madison is not party to any legal proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

In the past three financial years or in the current financial year, no insiders of Madison have been involved in any material transactions with Madison except for fees of $49,000 paid to Madison Venture Corporation, a corporate shareholder, on account of consulting services in connection with the investment made in Metro Vancouver Properties Corp. and other consulting services.

TRANSFER AGENTS AND REGISTRARS

Computershare Investor Services Inc. is the registrar and transfer agent for the Class B and Class C Shares of Madison. Transfers of Class B and Class C Shares can be affected at Computershare's principal offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

Madison did not enter into material contracts during the most recently completed financial year, or before the most recently completed year that are still in effect, other than contracts entered into in the ordinary course of business.

INTERESTS OF EXPERTS

Madison's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors' report dated March 22, 2012 in respect of Madison's consolidated financial statements as at December 31, 2011 and 2010. PricewaterhouseCoopers LLP has advised that they are independent with respect to Madison within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to Madison including audited consolidated financial statements for the year ended December 31, 2011 and Management Discussion and Analysis may be found at www.sedar.com. Other information, including directors' and officers' remuneration and indebtedness, principal holders of Madison shares, options to purchase securities and interests of insiders in material transactions will be contained in Madison's Information Circular to be sent to shareholders. The Annual General Meeting of Shareholders will be held June 27, 2012.

Additional copies of this Annual Information Form and the materials listed in the preceding paragraphs of this section can be obtained upon request from the Secretary of Madison Pacific Properties Inc., 389 West 6th Avenue, Vancouver, British Columbia, V5Y 1L1.

APPENDIX A

Madison Pacific Properties Inc.

Audit Committee Mandate and Charter

I. The Board of Directors' Mandate for the Audit Committee

1. ***The Board of Directors*** ("Board") bears responsibility for the stewardship of Madison Pacific Properties Inc. (the "Corporation"). To discharge that responsibility, the Board is obligated by the *Canada Business Corporations Act* to supervise the management of the business and affairs of the Corporation. The Board's supervisory function involves Board oversight or monitoring of all significant aspects of the management of the Corporation's business and affairs.

Financial reporting and disclosure by the Corporation constitute a significant aspect of the management of the Corporation's business and affairs. The objective of the Board's monitoring of the Corporation's financial reporting and disclosure (the "Financial Reporting Objective") is to gain reasonable assurance of the following:

(a) that the Corporation complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;

(b) that the accounting principles, significant judgments and disclosures which underlie or are incorporated in the Corporation's financial statements are the most appropriate in the prevailing circumstances;

(c) that the Corporation's quarterly and annual financial statements are accurate and present fairly the Corporation's financial position and performance in accordance with generally accepted accounting principles; and

(d) that appropriate information concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.

The Board is of the view that the Financial Reporting Objective cannot be reliably met unless the following activities (the "Fundamental Activities") are conducted effectively.

(a) the Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions;

(b) the Corporation's internal financial controls are regularly assessed for effectiveness and efficiency;

(c) the Corporation's quarterly and annual financial statements are properly prepared by management;

(d) the Corporation's annual financial statements are reported on once audited by an external auditor appointed by the shareholders of the Corporation; and

(e) the financial components of the Corporation's Disclosure Policy are complied with by management and the Board.

To assist the Board in its monitoring of the Corporation's financial reporting and disclosure, the Board has established, and hereby continues the existence of a committee of the Board known as the Audit Committee (the "Committee"). The Committee shall develop and present to the Board for the Board's approval a Charter which, amongst other things, will describe the activities in which the Committee will engage for the purpose of gaining reasonable assurance that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met.

2. Composition of Committee

(a) The Committee shall be appointed annually by the Board and consist of at least 3 members from among the directors of the Corporation, each of whom shall be an independent director and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Executive officers of the Corporation, may not serve as members of the Audit Committee; and

(b) The Board shall designate the Chairman of the Committee.

3. Reliance on Experts

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:

(a) financial statements of the Corporation represented to him or her by an officer of the Corporation or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and

(b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Limitations on Committee's Duties

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met and to enable the Committee to report thereon to the Board.

II. Audit Committee Charter

The Audit Committee's Charter outlines how the Committee will satisfy the requirements set forth by the Board in its mandate. This Charter comprises:

A. Operating Principles

B. Operating Procedures
C. Specific Responsibilities and Duties

A. Operating Principles

The Committee shall fulfill its responsibilities within the context of the following principles.

1. Committee Values

The Committee expects the management of the Corporation to operate in compliance with the Corporation's Code of Business Conduct and Ethics and corporate policies, with laws and regulations governing the Corporation and to maintain strong financial reporting and control processes.

2. Communications

The Chairman (and others on the Committee) expects to have direct, open and frank communications throughout the year with management, other Committee Chairmen, the external auditors and other key Committee advisors as applicable.

3. Financial Literacy

All Audit Committee Members should be sufficiently versed in financial matters to understand the Corporation's accounting practices and policies and the major judgments involved in preparing the financial statements.

4. Annual Audit Committee Work Plan

The Committee, in consultation with management and the external auditors, shall develop an annual Audit Committee Work Plan responsive to the Committee's responsibilities as set out in this Charter. In addition, the Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's financial disclosure.

5. Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chairman of the Committee in consultation with Committee members, senior management and the external auditors.

6. Committee Expectations and Information Needs

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors at least one week in advance of meeting dates.

7. External Resources

To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise.

8. In Camera Meetings

At each meeting of the Committee, the members of the Committee may meet in private session with the external auditors, with management, and with the Committee members only.

9. Reporting to the Board

The Committee, through its Chairman, shall report after each Committee meeting to the Board at the Board's next regular meeting.

10. Committee Self Assessment

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

11. The External Auditors

The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Audit Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

B. Operating Procedures

1. The Committee shall meet at least two times annually or more frequently as circumstances dictate. Meetings shall be held at the call of the Chairman, upon the request of two (2) members of the Committee or at the request of the external auditors.

2. A quorum shall be a majority of the members.

3. Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as Secretary of all meetings of the Committee.

4. In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.

5. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Corporation in a timely fashion.

C. Specific Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Financial Reporting

1. review the Corporation's quarterly and annual financial statements, and related management discussion and analysis with management to gain reasonable assurance that the statements are accurate, complete, represent fairly the Corporation's financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board;

2. review the Corporation's annual financial statements with the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Corporation's financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board;

3. review with management and the external auditors the financial statements of the Corporation's significant subsidiaries.

4. receive from the external auditors reports on their review of the annual financial statements;

5. receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee;

6. review and, if appropriate, recommend approval to the Board of news releases and reports to shareholders issued by the Corporation with respect to the Corporation's annual and quarterly financial statements; and

7. review and, if appropriate, recommend approval to the Board of prospectuses, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar disclosure documents to be issued by the Corporation.

Accounting Policies

1. review with management and the external auditors the appropriateness of the Corporation's accounting;

2. review policies, disclosures, reserves, key estimates and judgments, including changes or variations thereto;

3. obtain reasonable assurance that they are in compliance with GAAP, and report thereon to the Board; and

4. review with management and the external auditors the degree of conservatism of the Corporation's underlying accounting policies, key estimates and judgments and reserves.

Risk and Uncertainty

1. acknowledge that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Corporation, determine the Corporation's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:

   (a) reviewing with management the Corporation's tolerance for financial risks;

   (b) reviewing with management its assessment of the significant financial risks facing the Corporation;

   (c) reviewing with management the Corporation's policies and any proposed changes thereto for managing those significant financial risks; and

   (d) reviewing with management its plans, processes and programs to manage and control such risks.

2. ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value and review such policies and procedures periodically;

3. review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise to be reported to the Board in a timely fashion;

4. review foreign currency interest rate and commodity price risk mitigation strategies, including the use of derivative financial instruments;

5. review the adequacy of insurance coverage maintained by the Corporation;

6. review regularly with management, the external auditors and the Corporation's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements.

Financial Controls and Control Deviations

1. review the plans of the external auditors to gain reasonable assurance that the combined evaluation and testing of internal financial controls is comprehensive, coordinated and cost-effective;

2. receive regular reports from management, the external auditors and legal counsel on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereto.

Compliance with Laws and Regulations

1. review regular reports from management and others (e.g. external auditors) with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements including:

    (a) tax and financial reporting laws and regulations

    (b) legal withholding requirements

    (c) environmental protection laws and regulations

    (d) other laws and regulations which expose directors to liability.

2. review the status of the Corporation's tax returns and those of its subsidiaries;

3. have management report to the Board in writing their compliance with respect to making all remittances on a timely basis.

Relationship with External Auditors

1. recommend to the Board the nomination of the external auditors;

2. approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter;

3. review the performance of the external auditors annually or more frequently as required;

4. receive annually from the external auditors an acknowledgement in writing that the shareholders, as represented by the Board and the Committee, are their primary client;

5. receive a report annually from the external auditors with respect to their independence such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation;

6. review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with internal audit activities and the materiality levels which the external auditors propose to employ;

7. meet regularly with the external auditors in the absence of management to determine, inter alia, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;

8. establish effective communication processes with management and the Corporation's internal and external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee.

Other Responsibilities

1. periodically review the form, content and level of detail of financial reports to the Board;

2. approve annually the reasonableness of the expenses of the Chairman of the Board and the Chief Executive Officer;

3. after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources;

4. review in advance the appointment of the Corporation's senior financial executives;

5. investigate any matters that, in the Committee's discretion, fall within the Committee's duties;

6. review reports from the external auditors, and/or other Committee Chairmen on their review of compliance with the Corporation's Code of Business Conduct and Ethics, and the Corporation's policies on political donations and commissions paid to suppliers or others;

7. perform such other functions as may from time to time be assigned to the Committee by the Board.

Accountability

1. review and update this Charter on a regular basis for approval by the Board;

2. from time to time, as requested by the Board, disclose its Mandate and this Charter in the Corporation's statement of corporate governance practices; review the description of the Committee's activities as set forth in the Corporation's Statement of Corporate Governance Practices.