<u>FORM 51-102F3</u>

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Plaza Retail REIT (the "**REIT**" or "**Plaza**")
98 Main Street
Fredericton, New Brunswick
E3A 9N6

Item 2 Date of Material Change

January 31, 2018.

Item 3 News Release

Attached as Schedule "A" is a copy of the press release relating to the material change, which was disseminated on January 31, 2018 through GlobeNewswire and subsequently filed on the System for Electronic Document Analysis and Retrieval.

Item 4 Summary of Material Change

On January 31, 2018, the REIT announced that it had entered into an agreement to sell to a syndicate of underwriters led by RBC Capital Markets, on a bought-deal basis, $45 million aggregate principal amount of 5.10% convertible unsecured subordinated debentures due March 31, 2023 (the "**Debentures**") (the "**Offering**"). The Debentures are convertible at the option of the holder, into units of the REIT at $5.65 per unit.

Plaza has granted the Underwriters an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part up to 30 days after closing, to purchase up to an additional $2.25 million aggregate principal amount of Debentures to cover over-allotments, if any. Any Debentures issued under the Over-Allotment Option will be issued by Plaza from treasury.

Plaza intends to use the net proceeds from the Offering to redeem its 5.75% convertible subordinated debentures (current outstanding balance of $34.0 million) which mature on December 31, 2018 and which have a par call date of December 31, 2017 (the "**Series D Debentures**"). Plaza intends to use the remainder of the net proceeds to repay amounts outstanding on the REIT's operating line of credit, to fund the REIT's future and on-going development and re-development activities and for general trust purposes.

Plaza intends to provide notice of redemption to holders of the Series D Debentures in February 2018.

The Debentures will be offered in all provinces of Canada. Closing of the Offering is expected to take place on or about February 21, 2018 and is subject to customary conditions, including regulatory approvals.

Item 5 Full Description of Material Change

For a full description of the material change, please see Schedule "A" attached hereto.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

The following senior officer of the REIT is knowledgeable about the material change described in this report:

Floriana Cipollone, Chief Financial Officer
(416) 848-4583

Item 9 Date of Report

February 1, 2018.

Schedule “A”

PRESS RELEASE

FOR IMMEDIATE RELEASE - NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES

PLAZA RETAIL REIT ANNOUNCES BOUGHT DEAL PUBLIC OFFERING OF $45 MILLION OF CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

Fredericton, NB, January 31, 2018

Plaza Retail REIT (“Plaza” or the “REIT”) (TSX: PLZ.UN) is pleased to announce that it has entered into an agreement to sell to a syndicate of underwriters led by RBC Capital Markets, on a bought-deal basis, $45 million aggregate principal amount of 5.10% convertible unsecured subordinated debentures due March 31, 2023 (the “Debentures”) (the “Offering”). The Debentures are convertible at the option of the holder, into units of the REIT at $5.65 per unit.

Plaza has granted the Underwriters an over-allotment option (the “Over-Allotment Option”), exercisable in whole or in part up to 30 days after closing, to purchase up to an additional $2.25 million aggregate principal amount of Debentures to cover over-allotments, if any. Any Debentures issued under the Over-Allotment Option will be issued by Plaza from treasury.

Plaza intends to use the net proceeds from the Offering to redeem its 5.75% convertible unsecured subordinated debentures (current outstanding balance of $34.0 million) which mature on December 31, 2018 and which have a par call date of December 31, 2017 (the “Series D Debentures”). Plaza intends to use the remainder of the net proceeds to repay amounts outstanding on the REIT’s operating line of credit, to fund the REIT’s future and on-going development and re-development activities and for general trust purposes.

Plaza intends to provide notice of redemption to holders of the Series D Debentures in February 2018.

Plaza will, within the next few days, file with the securities commissions and other similar regulatory authorities in each of the provinces of Canada, a preliminary short form prospectus relating to the issuance of the Debentures. Closing of the Offering is expected to take place on or about February 21, 2018.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.

ABOUT PLAZA

Plaza is an open-ended real estate investment trust and is a leading retail property owner and developer, particularly in Eastern Canada. Plaza's portfolio at September 30, 2017 includes interests in 295 properties totaling approximately 7.7 million square feet across Canada and additional lands held for development. Plaza's properties include a mix of strip plazas, stand-alone small box retail outlets and enclosed shopping centres, anchored by approximately 90% national tenants.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements with respect to the REIT and the Offering. These statements generally can be identified by the use of forward-looking words such as “forecast”, “may”, “will”, “would”, “expect”, “estimate”, “planned”, ‘anticipate”, “intend”, “believe” or “continue” or the negative thereof or similar variations. Some of the specific forward-looking statements in this press release include, but are not limited to, statements with respect to the expected closing of the Offering and the use of proceeds therefrom. The actual results and performance of the REIT could differ materially from those expressed or implied by such statements. See the risk factors in the public filings of the REIT. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, the failure to receive any required approvals or consents in connection with the Offering, the failure of the REIT to satisfy the conditions of the Offering or otherwise close the Offering. The cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. The assumptions made in making forward-looking statements are referred to in the public filings of the REIT. The assumptions made in making forward-looking statements in this press release also include the assumption that the REIT will be in a position to satisfy the conditions in respect of the Offering and complete the Offering. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, the REIT specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Additional information about these assumptions and risks and uncertainties are more fully described in the REIT’s regulatory filings that can be obtained on SEDAR at www.sedar.com.

FOR FURTHER INFORMATION:

Visit our website at: www.plaza.ca

Or contact: Michael Zakuta, President and Chief Executive Officer, at (514) 457-0997 or Floriana Cipollone, Chief Financial Officer, at (416) 848-4583