

**DUNDEE REAL ESTATE INVESTMENT TRUST**  
**Suite 1600**  
**30 Adelaide Street East**  
**Toronto, Ontario M5C 3H1**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "Meeting") of the unitholders of **DUNDEE REAL ESTATE INVESTMENT TRUST** (the "Trust") will be held:

on **Wednesday, May 7, 2008**  
at **2:00 p.m. (MDT)**  
at the **Fairmont Palliser Hotel – Turner Valley Room**  
**133 9<sup>th</sup> Avenue SW**  
**Calgary, Alberta**

for the following purposes:

1. to receive the audited consolidated financial statements of the Trust for the financial year ended December 31, 2007 together with the report of the auditor thereon;
2. to elect trustees of the Trust for the ensuing year;
3. to appoint the auditor of the Trust and its subsidiaries for the ensuing year and to authorize the trustees of the Trust to fix the remuneration of such auditor;
4. to consider, and if thought fit, pass a special resolution in the form attached as Appendix A to the management information circular which accompanies this notice, authorizing and approving certain amendments to the distribution payment provisions in the Trust's amended and restated declaration of trust; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

If you are a registered holder of units of the Trust, whether or not you plan to attend the Meeting in person you are requested to complete, sign, date and return to Computershare Trust Company of Canada, the transfer agent and registrar of the Trust, the enclosed form of proxy. All instruments appointing proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 not later than 5:00 p.m. (Toronto time) on Monday, May 5, 2008 or with the Chair of the Meeting prior to the commencement of the Meeting on the date of the Meeting, and any instruments appointing proxies to be used at any adjournment or postponement of the Meeting must be so deposited at least 48 hours (excluding Saturdays and holidays) prior to the time set for such adjournment or postponement of the Meeting or with the Chair of the adjourned or postponed Meeting prior to the commencement of the Meeting on the date of the Meeting.

If you are a non-registered holder of units of the Trust (for example, if you hold units of the Trust in an account with a broker, dealer or other intermediary), whether or not you plan to attend the Meeting in person you should follow the voting procedures described in the voting instruction form or other document accompanying the Management Information Circular or call your broker, dealer or other intermediary for information on how you can vote your units.

The trustees of the Trust have fixed March 26, 2008 as the record date for the determination of unitholders of the Trust entitled to receive notice of and vote at the Meeting. Any unitholder that has acquired units of the Trust after the record date will not be entitled to vote those units at the Meeting.

DATED at Toronto, Ontario this 4th day of April, 2008.

By Order of The Board



Michael J. Cooper  
Vice Chairman and Chief Executive Officer

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## DUNDEE REAL ESTATE INVESTMENT TRUST MANAGEMENT INFORMATION CIRCULAR

All information in this management information circular is presented as of March 15, 2008 unless otherwise indicated.

**This management information circular (the “Management Information Circular”) is furnished in connection with the solicitation of proxies by management of Dundee Real Estate Investment Trust (the “Trust” or “Dundee REIT”) for use at the annual and special meeting of unitholders of the Trust (the “Meeting”) to be held at the time and place and for the purposes set forth in the Notice of Annual and Special Meeting of Unitholders which accompanies this Management Information Circular.**

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### PART I – VOTING

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#### SOLICITATION OF PROXIES

Proxies will be solicited primarily by mail and supplemented by telephone or other personal contact by the trustees and officers of the Trust, employees of subsidiaries of the Trust and/or the asset manager of the Trust. These persons will not receive any extra compensation for these activities. The Trust may pay brokers or other service providers acting on their behalf for their reasonable expenses incurred in connection with sending proxies and this Management Information Circular to beneficial owners of units and obtaining voting instructions from them. The Trust will bear the cost of soliciting proxies.

No person is authorized to give any information or to make any representation other than that which is contained in this Management Information Circular and, if given or made, you should not rely upon that information or representation as having been authorized by the Trust. Information in this Management Information Circular that is current as of a particular date may have changed by the time you receive this document.

#### APPOINTMENT AND REVOCATION OF PROXIES

If you are a “Registered” holder of units of the trust (a “Unitholder”), you will have received a form of proxy with this Management Information Circular. The persons named in the form of proxy are trustees and/or officers of the Trust. **Unitholders have the right to appoint a person or company (who does not need to be a Unitholder), other than the persons whose names appear on the form of proxy, to attend and act for and on behalf of that Unitholder at the Meeting and at any adjournment or postponement of the Meeting.** This right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed form of proxy in the manner described in the Notice of Annual and Special Meeting of

Unitholders which accompanies this Management Information Circular (the “Notice of Meeting”).

A Unitholder who has completed and delivered a proxy may revoke it by delivering a written instrument (such as another completed form of proxy). This instrument must be executed by the Unitholder or by his or her attorney properly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney of the corporation properly authorized. This instrument must be delivered to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, prior to 5:00 p.m. (Toronto time) on the second last business day preceding the day of the Meeting or any adjournment or postponement of the Meeting. A Unitholder may also revoke a proxy in any other manner permitted by law.

Only Unitholders or the persons they appoint are permitted to attend and vote at the Meeting. You are a “Non-Registered Unitholder” if you hold units that are registered either (a) in the name of an intermediary (an “Intermediary”), such as a broker, investment dealer, bank, trust company or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan; or (b) in the name of a clearing agency, such as CDS Clearing and Depository Services Inc., of which the Intermediary is a participant. Non-Registered Unitholders may have their units voted at the Meeting by following the instructions provided to them by or on behalf of their Intermediaries.

Typically, a Non-Registered Unitholder will receive a voting instruction form or other document with this Management Information Circular. This form allows you to provide voting instructions with respect to your units. The voting instruction form is similar to the form of proxy provided to Unitholders. However, its purpose is limited to instructing a Registered Unitholder how to vote on your behalf.

Intermediaries will typically make arrangements that will allow you to provide voting instructions by completing and returning a voting instruction form by mail or facsimile, calling a toll-free telephone number

(1-800-474-7493) or by using the internet at [www.proxyvote.com](http://www.proxyvote.com). You should carefully follow the directions provided to you in order to ensure that your units are voted at the Meeting.

**Except as described below, Non-Registered Unitholders receiving a voting instruction form or other document from an Intermediary cannot use that document to vote units directly at the Meeting. Rather, the completed voting instruction form must be returned or voting instructions must otherwise be provided pursuant to the instructions accompanying the document well in advance of the deadline for the receipt of proxies set out in this Management Information Circular.**

Please note that Non-Registered Unitholders seeking to attend the Meeting will not be recognized at the Meeting for the purpose of voting units registered in the name of an Intermediary or a clearing agency unless the Non-Registered Unitholder instructs the Intermediary or clearing agency to appoint him or her as a proxyholder. In order to do this, the individual should follow the instructions on the voting instruction form regarding the manner in which voting instructions are to be provided and, in doing so, specify that individual's own name as the person to be appointed as proxyholder for the purposes of voting his or her units. For instance, if "John Smith" is a Non-Registered Unitholder and he wishes to be appointed as a proxyholder, on the voting instruction form he receives from his Intermediary, he should insert the name "John Smith" in the space provided and follow the other procedures specified on the form for appointing a proxyholder other than one of the individuals specified on the form.

**Non-Registered Unitholders should communicate their voting instructions well in advance of the deadline for the receipt of proxies of 5:00 p.m. (Toronto time) on Monday, May 5, 2008 in order to allow their instructions to be processed before the deadline.**

#### **EXERCISE OF DISCRETION BY PROXIES**

The units represented by a properly completed proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting or at any adjournment or postponement of the Meeting in accordance with the instructions on the proxy. **In the absence of instructions, those units will be voted FOR each of the matters referred to in the proxy.**

The accompanying form of proxy is for use by Unitholders and confers discretionary authority on the persons named in the form of proxy to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment or postponement of the Meeting. As at April 4, 2008,

the date of the Notice of Meeting, management of the Trust does not know of any amendments, variations or other matters to be brought before the Meeting. However, if any other matters should properly be brought before the Meeting or any adjournment or postponement of the Meeting, the units represented by that proxy will be voted on those matters in accordance with the judgement of the person named as proxyholder in the proxy.

#### **DOCUMENTS AVAILABLE UPON REQUEST**

A copy of the following documents will be made available to any person upon request to the Chief Financial Officer of the Trust: (a) the most recent annual information form of the Trust, together with any documents incorporated by reference therein; (b) the most recent annual report of the Trust containing the Trust's audited comparative financial statements for the year ended December 31, 2007; (c) any interim financial statements of the Trust filed with Canadian securities regulators for any period after December 31, 2007; and (d) the management information circular of the Trust in respect of the most recent annual meeting of unitholders of the Trust. The Trust will provide these documents to securityholders without charge and may require a person making a request who is not a security holder to pay a reasonable charge for the costs of providing these documents.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS**

##### **Description of REIT Units**

The amended and restated declaration of trust governing Dundee REIT (the "Declaration of Trust") authorizes the issuance of an unlimited number of two classes of units: REIT units and special trust units ("Special Trust Units"). The REIT units are issuable in two series: REIT Units, Series A (also referred to in this Management Information Circular as a "REIT A Unit" and collectively as the "REIT A Units") and REIT Units, Series B (also referred to as a "REIT B Unit" and collectively as the "REIT B Units"). As at March 15, 2008, there were 17,143,442 REIT A Units and 476,316 REIT B Units outstanding.

Special Trust Units may only be issued to holders of certain limited partnership units of Dundee Properties Limited Partnership ("Dundee Properties LP"), the Trust's principal operating subsidiary, and allow persons holding those limited partnership units to vote on matters relating to the Trust. As at March 15, 2008, there were 3,354,850 Special Trust Units outstanding. Each REIT unit and Special Trust Unit entitles the holder of record to one vote per unit on each matter to be acted upon at the Meeting. In this Management Information Circular, REIT A Units, REIT B Units and Special Trust Units are referred to collectively as "Units".

Voting Units Outstanding at March 15, 2008	
REIT Units, Series A	17,143,442
REIT Units, Series B	476,316
Special Trust Units	3,354,850
<b>TOTAL VOTING REIT UNITS OUTSTANDING</b>	<b>20,974,608</b>

### Record Date

The trustees of the Trust have fixed March 26, 2008 as the record date for the determination of holders of Units entitled to receive notice of and vote at the Meeting. Unitholders of record at the close of business on March 26, 2008 will be entitled to vote at the Meeting and at all adjournments and

postponements of the Meeting, even if they have disposed of their Units since the record date. Accordingly, any person not already a Registered Unitholder who acquires Units after the record date will not be entitled to receive notice of and vote at the Meeting.

### Principal Unitholders

To the knowledge of the trustees and senior officers of the Trust, the only persons that beneficially own, directly or indirectly, or control or direct, voting securities of the Trust carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Trust as at March 15, 2008 are outlined in the table below.

**Table 1 – Principal Unitholders**

Name and Municipality of Residence	Number and Class of REIT Units	Percentage of Outstanding Class
Dundee Corporation, directly and indirectly through its subsidiaries Toronto, Ontario	3,354,850 Special Trust Units  329,925 REIT A Units	100% (representing 16.0% of the outstanding voting securities of the Trust)  1.9% (representing 1.6% of the outstanding voting securities of the Trust)
GE Real Estate Canada Toronto, Ontario	2,997,371 REIT A Units  476,316 REIT B Units	17.5% (representing 14.3% of the outstanding voting securities of the Trust)  100% (representing 2.3% of the outstanding voting securities of the Trust)

Management understands that the REIT A Units registered in the name of CDS & Co. are beneficially owned through various dealers and other intermediaries on behalf of their clients and other parties. The names of the beneficial owners of such REIT A Units are not known to the Trust.

Except as set out above, the trustees and officers of the Trust have no knowledge of any person that beneficially owns, directly or indirectly, or controls or directs 10% or more of the outstanding Units.

## **PART II – BUSINESS OF THE MEETING**

### FINANCIAL STATEMENTS

The audited consolidated financial statements of the Trust for the financial year ended December 31, 2007, are included in the annual report of the Trust, which has been mailed to unitholders together with this Management Information Circular.

### ELECTION OF TRUSTEES

Pursuant to the Declaration of Trust, Dundee REIT may have between five and 12 trustees at any given time, and a majority of the trustees must be resident Canadians. Dundee REIT currently has 11 trustees. Pursuant to the Declaration of Trust, Dundee Corporation is entitled to appoint up to one less than a majority of the trustees, provided that Dundee Corporation and its affiliates maintain an ownership interest in the Trust at a certain level. The remaining trustees are to be elected by unitholders. Dundee Corporation is also entitled to vote its Special Trust

Units for the election of the remaining trustees. Pursuant to the Declaration of Trust, Dundee REIT's Chief Executive Officer and/or President may not be appointed as a trustee by Dundee Corporation, but may be elected as a trustee by unitholders.

Dundee Corporation has opted to appoint only three trustees, whose names are set forth below in Table 3. Accordingly, unitholders will be asked to elect eight of the 11 trustees for the ensuing year. The persons named in the form of proxy which accompanies this Management Information Circular intend to vote for the election of the eight nominees whose names are set forth in Table 2 below, unless the unitholder who has given the proxy has directed that the units represented by the proxy be withheld from voting in respect of the election of trustees of the Trust.

Management of the Trust does not contemplate that any of the eight nominees listed below will be unable to serve as a trustee of the Trust for the ensuing year. However, if that should occur for any reason prior to the Meeting or any adjournment or postponement of the Meeting, the persons named in the form of proxy which accompanies this Management Information Circular intend to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Other than the nominees of Dundee Corporation, trustees will hold office for a term expiring at the conclusion of the next annual meeting of unitholders of the Trust or until their successors are elected or appointed and will be eligible for re-election. Nominees of Dundee Corporation will hold office for a term expiring at the next annual meeting unless removed prior to that meeting at the direction

of Dundee Corporation. A trustee appointed by the trustees between meetings of unitholders or to fill a vacancy will be appointed for a term expiring at the conclusion of the next annual meeting or until his or her successor is elected or appointed and will be eligible for election or re-election.

Table 2 below sets forth the names of the eight nominees to be elected by unitholders, their position with the Trust, their principal occupation or employment, the date upon which they became a trustee of the Trust, the approximate number of units beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them and information regarding the number of meetings attended in 2007. All of the individuals set forth in Table 2 and Table 3 are residents of Ontario, Canada, other than Mr. Bierbaum and Dr. Bautz, who are residents of Germany.

**Table 2 – Nominees to be Elected by Unitholders**

Name and Position	Principal Occupation	Date Became Trustee	Units Owned or Controlled <sup>(1)</sup>	Deferred Trust Units and Income Deferred Trust Units Owned or Controlled	Board Meetings Attended	Committee Meetings Attended
Dr. Günther Bautz Trustee	Counsellor on Intellectual Property, Braun GmbH	June 30, 2003	5,500	2,182	9 of 9	4 of 4
Detlef Bierbaum Vice-Chairman and Trustee	Partner, Bankhaus Sal. Oppenheim jr. & Cie, KGaA, a private investment bank	June 30, 2003	4,702	6,355	7 of 9	0 of 1
Donald K. Charter <sup>(2)</sup> Trustee	Corporate Director and President, 3Cs Corporation, a private company	June 30, 2003	27,580	1,697	9 of 9	n/a
Michael J. Cooper <sup>(3)(4)</sup> Trustee	Vice Chairman and Chief Executive Officer of Dundee REIT	June 30, 2003	269,498	182,502	9 of 9	n/a
Peter A. Crossgrove <sup>(5)</sup> Trustee	Corporate Director	May 9, 2003	21,992	3,151	9 of 9	8 of 8
Robert G. Goodall Trustee	President, Canadian Mortgage Capital Corporation, a mortgage brokerage company	June 30, 2003	6,242	4,943	8 of 9	7 of 7
Duncan Jackman <sup>(6)</sup> Trustee	Chairman and Chief Executive Officer, E-L Financial Corporation Limited, an insurance holding company	September 11, 2003	2,353	1,697	9 of 9	1 of 1
Robert Tweedy <sup>(7)</sup> Trustee	Chairman, Useppa Holdings Limited, a diversified management company	September 11, 2003	3,000	4,943	8 of 9	1 of 1

(1) The respective nominee has furnished the information as to the number of Units beneficially owned or over which control or direction is exercised.

(2) Mr. Charter is also a director of Baffinland Iron Mines Corporation, IAM Gold Corporation, Great Plains Exploration Inc., and Lundin Mining Corporation, each of which is a reporting issuer in Canada.

(3) Mr. Cooper is also a director of Cogitore Resources Inc. and Zoolander Corporation, each of which is a reporting issuer in Canada. Mr. Cooper holds a 23.2% equity interest in Dundee Realty Corporation, a subsidiary of Dundee Corporation. Dundee Realty Corporation holds 290,940 LP Class B Units, Series 1 and the same number of corresponding Special Trust Units.

(4) Includes 67,498 LP Class B Units, Series 1 beneficially owned or over which control or direction is exercised by Dundee Realty Corporation, being 23.2% of the aggregate number of LP Class B Units, Series 1 beneficially owned or over which control or direction is exercised by Dundee Realty Corporation, an associate of Mr. Cooper.

- (5) Mr. Crossgrove is also a director of Barrick Gold Corporation, QLT Inc., Excellon Resources Inc. and Pelangio Mines Inc., each of which is a reporting issuer in Canada.
- (6) Mr. Jackman is also a director of E-L Financial Corporation Limited, Algoma Central Corporation, United Corporations Limited, Economic Investment Trust Limited and First National Financial Income Fund, each of which is a reporting issuer in Canada.
- (7) Mr. Tweedy is also a director of Route1 Inc. and CPI Plastics Group Limited, each of which is a reporting issuer in Canada. Mr. Tweedy has, within 10 years before the date of the Management Information Circular, made a proposal under the *Bankruptcy and Insolvency Act* (Canada). The proposal was accepted by the creditor and Mr. Tweedy is no longer liable for the indebtedness.

**Table 3 – Nominees of Dundee Corporation**

Name and Position	Principal Occupation	Date Became Trustee	Units Owned or Controlled <sup>(1)</sup>	Deferred Trust Units and Income Deferred Trust Units Owned or Controlled	Board Meetings Attended	Committee Meetings Attended
Joanne Ferstman <sup>(2)</sup>	Executive Vice President, Chief Financial Officer and Corporate Secretary, Dundee Corporation, a holding company dedicated to wealth management, real estate and resources and Executive Vice President and Chief Financial Officer, DundeeWealth Inc., an investment management company	March 26, 2007	1,103	530	6 of 7	n/a
David J. Goodman <sup>(3)</sup> Trustee	President and Chief Executive Officer, DundeeWealth Inc., an investment management company	June 30, 2003	1,698	2,077	9 of 9	n/a
Ned Goodman <sup>(4)</sup> Chairman and Trustee	President and Chief Executive Officer, Dundee Corporation, a holding company dedicated to wealth management, real estate and resources	June 30, 2003	31,934	16,314	8 of 9	2 of 3

(1) The respective nominee has furnished the information as to the number of Units beneficially owned or over which control or direction is exercised.

(2) Ms. Ferstman is also a trustee of Aeroplan Income Fund and Breakwater Resources Ltd., each of which is a reporting issuer in Canada.

(3) Mr. David Goodman is also a director of DundeeWealth Inc., a reporting issuer in Canada.

(4) Mr. Ned Goodman is also a director of Breakwater Resources Ltd., Cogitore Resources Inc., Dundee Corporation, DundeeWealth Inc. and Eurogas Corporation, each of which is a reporting issuer in Canada. He is also a director of a number of corporations which are the general partners of certain investment funds that are or were reporting issuers in Canada, including investment funds managed by affiliates of Dundee Corporation.

(5) Does not include the units beneficially owned or over which control or direction is exercised by Dundee Corporation, an associate of Ned Goodman. See "Part I – Voting – Voting Securities and Principal Holders - Principal Unitholders".

### APPOINTMENT OF AUDITOR

The auditor of the Trust and the Trust's subsidiaries is PricewaterhouseCoopers LLP, Chartered Accountants. PricewaterhouseCoopers LLP was initially appointed as the auditor of the Trust on June 23, 2003. Unitholders are being asked to approve the appointment of PricewaterhouseCoopers LLP as the auditor of the Trust and the Trust's subsidiaries for the ensuing year and to authorize the trustees of the Trust to fix the remuneration of the auditor. The Trust's subsidiaries (excluding subsidiaries of Dundee Properties LP) are Dundee Properties OTA Limited Partnership, Dundee Properties OTB Limited Partnership, Dundee Properties OTA (GP) Inc., Dundee Properties OTB (GP) Inc. and Dundee Properties LP.

### AMENDMENTS TO DISTRIBUTION PAYMENT PROVISIONS OF THE DECLARATION OF TRUST

Unitholders are being asked to consider and vote on a special resolution, substantially in the form attached as Appendix A to this Management

Information Circular, authorizing certain amendments to the distribution payment provisions of the Declaration of Trust.

### Provisions Currently in Declaration of Trust

Currently, Sections 9.1(a) and (b) of the Declaration of Trust provide that the Trust shall distribute to holders of REIT A Units and REIT B Units, to the extent possible, on or about each monthly distribution date, not less than one-twelfth of 80% of the Trust's distributable income, on an annualized basis, based on the estimated distributable income of the Trust for the calendar year. Accordingly, Sections 9.1(a) and (b) of the Declaration of Trust provide for the annual payout of at least 80% of the Trust's annualized distributable income, subject to certain exceptions.

For instance, Sections 9.1(a) and (b) of the Declaration of Trust also provide the trustees with the ability to reduce for any period the percentage of distributable income to be distributed to those

unitholders if they determine that it would be in the best interests of the Trust to do so.

Notwithstanding the 80% distribution requirement and the Trustee's ability to reduce this percentage, the Trust is also subject to the overall requirement (which generally applies to income trusts in Canada by virtue of their declarations of trust) that all of the income, net realized capital gains and any other applicable amounts of the Trust will be distributed to unitholders on an annual basis so that the Trust will not have any liability for tax under Part I of the *Income Tax Act* (Canada) (the "Tax Act") in any taxation year. In this regard, Section 9.1 of the Declaration of Trust also requires that the amount to be distributed on or before the January 15<sup>th</sup> distribution date of each year be not less than the amount necessary to ensure that the Trust shall not be liable to pay income tax under Part I of the Tax Act for the preceding taxation year, after taking into account any capital gains refund.

### Proposed Amendments

Amendments to Sections 9.1(a) and (b) of the Declaration of Trust are being proposed in order to remove the reference to "80%" as being the minimum annual distribution payment percentage and to provide the trustees with the sole discretion to determine the annual distribution payment percentage based on what the trustees consider appropriate in the circumstances of the Trust.

Irrespective of whether the proposed amendments are adopted, the Trust will continue to be subject to the provisions in Section 9.1 of the Declaration of Trust that require it to distribute amounts necessary to ensure that the Trust shall not be liable to pay income tax under Part I of the Tax Act for the preceding taxation year.

The proposed modifications to Sections 9.1(a) and (b) are marked below in the excerpt from the Declaration of Trust:

#### "9.1 Distributions

The Trust shall distribute:

- (a) to the Unitholders of REIT Units, Series A, to the extent possible, and such Unitholders shall have a right to receive, on or about each Distribution Date, not less than one-twelfth of such percentage 80% of the Distributable Series A Income and the Converted Distributable Series B Income, on an annualized basis, as the Trustees in their sole discretion determine would be in the best interests of the Trust to distribute, based on the estimated Distributable Series A Income and Converted Distributable Series B Income for the calendar year. ~~If the Trustees determine that it would be in the best interests of the Trust, they may reduce for any period the percentage of Distributable Series A~~

~~Income and Converted Distributable Series B Income to be distributed to such Unitholders; and~~

- (b) to the Unitholders of REIT Units, Series B, to the extent possible, and such Unitholders shall have a right to receive, on or about each Distribution Date, not less than one-twelfth of such percentage 80% of the Unconverted Distributable Series B Income, on an annualized basis, as the Trustees in their sole discretion determine would be in the best interests of the Trust to distribute, based on the estimated Unconverted Distributable Series B Income for the calendar year. ~~If the Trustees determine that it would be in the best interests of the Trust, they may reduce for any period the percentage of Distributable Series B Income to be distributed to such Unitholders"~~

### Reasons for Proposing the Amendments

The amendments to Sections 9.1(a) and (b) of the Declaration of Trust are being proposed in order to provide the trustees with the discretion to determine the appropriate annual distribution payment percentage on REIT A Units and REIT B Units based on what would be in the best interests of the Trust. The trustees do not believe that a formula based exclusively on a fixed percentage of distributable income is the best way to determine distribution payment amounts, especially if it requires an increase in distributions above what is prudent, as there are other factors that should also be considered.

A copy of the special resolution authorizing and approving the proposed amendments to the distribution payment provisions of the Trust, is attached as Appendix A to this Management Information Circular. In accordance with the Declaration of Trust, in order to be passed, this special resolution must be approved by at least 66 2/3% of the votes cast by Unitholders. **The trustees unanimously recommend that Unitholders vote in favour of this special resolution.**

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## PART III – GOVERNANCE

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### TRUSTEES' AND OFFICERS' LIABILITY INSURANCE

Dundee REIT carries trustees' and officers' liability insurance with a total annual aggregate policy limit of \$20,000,000 (comprised of a \$10,000,000 Primary Policy and \$10,000,000 Excess Policy). Under this insurance coverage, the Trust is reimbursed for payments made under indemnity provisions on behalf of trustees and officers contained in the Declaration of Trust, and pursuant to individual indemnity agreements between Dundee REIT and each officer and trustee (the "Indemnities") subject to a deductible payable by the Trust of \$250,000 for securities claims and \$150,000 for all other claims. The Declaration of Trust and the Indemnities provide for the indemnification in certain circumstances of trustees and officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office.

### GOVERNANCE PRACTICES

The Trust is committed to maintaining high standards of governance. The Trust's governance practices are disclosed below in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

#### Board of Trustees

##### *Trustee Independence*

The Board has determined that six of the 11 individuals standing for election or appointment as trustees at the Meeting are independent within the meaning of NI 58-101. The following individuals are not independent: Mr. Cooper, who is Vice Chairman and Chief Executive Officer of the Trust; Mr. Don Charter, who has been, within the last three years, an executive officer of Dundee Corporation; Ms. Joanne Ferstman, who is an executive officer of Dundee Corporation; Mr. David Goodman, who is an executive officer of a subsidiary of Dundee Corporation; and Mr. Ned Goodman, who is Chairman of the Board and an executive officer of Dundee Corporation.

The Governance and Environmental Committee of the Board participates in the determination of trustee independence and makes recommendations to the Board. The determinations are based on information concerning the personal, business and other relationships and dealings between the trustees and the Trust, its affiliates and auditors.

The Board has a preference for an independent, non-executive Chair of the Board, but is prepared to consider exceptions when that would be in the best

interests of the Trust. The current Chair of the Board is not an independent trustee. However, in order to provide leadership for independent trustees, an independent trustee will, as required from time to time, chair meetings of independent trustees and assume other responsibilities. Although the independent trustees do not hold regularly scheduled meetings, a meeting of independent trustees may be called whenever an issue arises which requires consideration by independent trustees. For instance, in 2007, the independent trustees held meetings to discuss and approve certain matters related to the sale (the "Transaction") of the Trust's portfolio of real estate assets located primarily in Eastern Canada to an affiliate of General Electric Capital Canada ("GE Real Estate"). Mr. Crossgrove acted as Chair of these meetings.

#### Board Mandate

The Board is responsible for the stewardship of the activities and affairs of the Trust. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Trust's strategic planning and organizational structure and supervising management to ensure that the strategic planning and organizational structure enhance and preserve the business of the Trust and the underlying value of the Trust. The text of the Board's mandate is attached as Schedule B to this Management Information Circular.

#### Position Descriptions

The Board has adopted position descriptions for each of the Chair of the Board and the Chief Executive Officer of the Trust.

The primary responsibility of the Chair of the Board is to provide leadership to the Board and to enhance Board effectiveness. The position description for the Chair sets out the responsibilities and duties of the Chair, including: overseeing the Board's discharge of its duties; taking steps to foster the Board's understanding of its responsibilities and boundaries with management; overseeing the responsibilities delegated to all Board committees; assisting in reviewing and monitoring the long term business plan, strategies and policies of the Trust's operating subsidiary and the achievement of its objectives; establishing procedures to govern the effective and efficient conduct of the Board's work; scheduling meetings of the Board and working with committee chairs to co-ordinate the schedule of meetings for committees; organizing and presenting agendas for Board meetings based on input from trustees and management; overseeing the distribution of information to the Board in a manageable form and

sufficiently in advance of meetings; presiding over Board meetings and conducting meetings in an efficient, effective and focussed manner; and chairing meetings of the Trust's unitholders.

The primary responsibility of the Chief Executive Officer is to lead the Trust by providing a strategic direction that includes the development and implementation of plans, policies, strategies and budgets for the growth and profitable operation of the Trust. The position description for the Chief Executive Officer sets out specific responsibilities, including: seeing that the day-to-day activities and affairs of the Trust are appropriately managed; recommending to the Board and, following their approval by the Board, consistently striving to achieve the Trust's financial and other goals and objectives; overseeing the Trust's achievement and maintenance of a satisfactory competitive position within the real estate industry; overseeing and taking steps to enhance where necessary reliable internal control systems; fulfilling all responsibilities as assigned by the Board, in the manner expected by the Board; taking steps to build an effective management team below the level of the Chief Executive Officer and overseeing the Trust's active plan for management's development and succession; fostering a culture that promotes ethical practices and encourages individual integrity; maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top-quality employees at all levels; and serving as the chief spokesperson for the Trust.

#### **Orientation and Continuing Education**

New trustees are given the opportunity to individually meet with senior executive officers of the Trust to improve their understanding of the Trust's operations. Tours of certain properties may also be arranged for interested trustees. New trustees are provided with a package of materials containing, among other things, a copy of the Declaration of Trust, reference materials describing the Trust's organizational structure, the structure of the Board and its committees and a copy of the Board's mandate. New trustees are briefed on matters such as the Trust's reporting structure, strategic plans, significant financial, accounting and risk issues, management and the external auditors. Prior to agreeing to join the Board, new trustees are given a clear indication of the workload and time commitment required.

On an ongoing basis, trustees are given presentations on various aspects of the Trust's activities and functions during regularly scheduled Board meetings. In addition, all trustees regularly receive information on Dundee Properties LP's operations, a financial overview and other pertinent information. All trustees have open access to the Trust's senior management. Reading materials on

topics relevant to the real estate industry, as well as governance and compliance matters, are included from time to time in the materials provided to trustees for meetings. Trustees identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings. Suggested reading materials are also identified by the Chair of the Board and committee chairs.

#### **Ethical Business Conduct**

The Trust has adopted a code of conduct that serves as a statement of the values and principles that guide trustees, officers and employees of the Trust and its subsidiaries and related entities in their day-to-day business activities. The code of conduct sets out procedures for monitoring compliance with the code, describes the measures designed to ensure that the trustees exercise independent judgment in considering transactions and agreements in respect of which a trustee, officer or employee has a material interest, and describes other steps taken to encourage and promote a culture of ethical business conduct. For instance, if, at any Board meeting, a trustee or officer has a material interest in a matter being considered, such trustee or officer will not be present for discussions relating to the matter and will not participate in any vote on the matter. A copy of the code of conduct of the Trust is available on the SEDAR website at [www.sedar.com](http://www.sedar.com), and on the Trust's website at [www.dundeeireit.com](http://www.dundeeireit.com).

The Trust has also adopted a whistleblower policy which allows officers and employees to bring forward, on a confidential and anonymous (if desired) basis, concerns or complaints regarding unethical or fraudulent business practices or any activity that could give rise to a financial concern.

The Board believes that providing a forum for employees and officers to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within the Trust.

#### **Asset Management**

In connection with the Transaction, effective August 24, 2007, the Trust entered into an asset management agreement with Dundee Realty Corporation (the "Asset Management Agreement") pursuant to which Dundee Realty Corporation acts as the Trust's asset manager. The Asset Management Agreement provides for a broad range of asset management advisory services for the following fees:

- Base annual management fee calculated and payable on a monthly basis, equal to 0.25% of the gross asset value of properties, which Dundee Realty Corporation and the Trust agreed in the

Asset Management Agreement was approximately \$1.5 billion as at August 24, 2007.

- Incentive fee equal to 15% of the Trust's adjusted funds from operations per unit in excess of \$2.65 per unit.
- Capital expenditures fee equal to 5% of all hard construction costs incurred on each capital project with costs in excess of \$1.0 million excluding work done on behalf of tenants or any maintenance capital expenditures.
- Acquisition fee equal to (i) 1.0% of the purchase price of a property, on the first \$100.0 million of properties in each fiscal year; (ii) 0.75% of the purchase price of a property on the next \$100.0 million of properties acquired in each fiscal year, and (iii) 0.50% of the purchase price on properties in excess of \$200.0 million in each fiscal year.
- Financing fee equal to 0.25% of the debt and equity of all financing transactions completed on our behalf to a maximum of actual expenses incurred by Dundee Realty Corporation in supplying services relating to financing transactions.

The Asset Management Agreement does not obligate Dundee Realty Corporation to provide the services of any particular person to the Trust, including the services of the Trust's current senior management team. However, the Trust has no reason to believe the services of its current senior management team will not continue to be provided by Dundee Realty Corporation.

#### **Board Committees**

The Board has four committees: the Audit Committee, the Compensation Committee, the Governance and Environmental Committee and the Investment Committee.

The corporate governance guidelines in National Policy 58-201 – *Corporate Governance Guidelines*, recommend that an issuer's nominating committee and compensation committee be composed entirely of "independent" directors, within the meaning of NI 58-101. The Declaration of Trust also requires that committees of the trustees, other than the Investment Committee, be composed of a majority of "Independent Trustees". As defined in the Declaration of Trust, an "Independent Trustee" is any trustee who is not or has not been an employee of Dundee Corporation or any affiliate of Dundee Corporation at any time or who is not directly employed by Dundee REIT or any of its affiliates.

The members of the Audit Committee are: Messrs. Bautz, Crossgrove and Goodall, with Mr. Crossgrove being the Chair. Each of these trustees is "independent" within the meaning of Multilateral Instrument 52-110 – *Audit Committees* ("MI 52-110")

and is an "Independent Trustee" for the purposes of the Declaration of Trust.

The members of the Compensation Committee are: Messrs. Crossgrove, Goodall and Ned Goodman, with Mr. Goodall being the Chair. Messrs. Crossgrove and Goodall are "independent" within the meaning of NI 58-101 and Independent Trustees for the purposes of the Declaration of Trust.

The members of the Governance and Environmental Committee are: Messrs. Bierbaum, Crossgrove, Jackman and Tweedy, with Mr. Crossgrove being the Chair. Each of these trustees is "independent" within the meaning of NI 58-101 and is an "Independent Trustee" for the purposes of the Declaration of Trust.

The members of the Investment Committee are: Messrs. Bierbaum, Cooper and Ned Goodman, with Mr. Ned Goodman being the Chair.

#### **Audit Committee**

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, including: (i) the integrity of the Trust's financial statements and financial reporting process, including the audit process and the Trust's internal accounting controls and procedures; (ii) compliance with related legal and regulatory requirements; (iii) the qualifications and independence of the external auditors; (iv) the work of the Trust's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Trust; and (v) the performance of the Trust's management and external auditors in these areas.

Each member of the Audit Committee is "financially literate" within the meaning of MI 52-110.

Additional information relating to the Audit Committee and a copy of the Audit Committee's charter is set out in the latest annual information form of Dundee REIT.

#### **Compensation Committee**

The Compensation Committee is responsible for annually reviewing and making recommendations to the Board with respect to the compensation of trustees, officers of the Trust not employed by the Trust's external asset manager (of which there currently are none) and such other employees of and consultants to the Trust and members of management as may be identified to the committee by the Board (collectively, "Management").

In 2007, the Compensation Committee was also responsible for reviewing and making recommendations to the Board or approving for the compensation of the officers of the Trust who are now employed by Dundee Realty Corporation following the Transaction, including additional

compensation provided in connection with the Transaction.

The committee has the authority to retain consultants to advise the committee and to assist in carrying out the committee's responsibilities, including determining the compensation of Management, if any, although the Committee did not exercise such authority in 2007.

The committee annually reviews and recommends to the Board the terms upon which trustees, the Chair of the Board and the committee chairs are compensated (including the level and nature of such compensation) to ensure that such compensation adequately reflects the responsibilities they are assuming.

The committee in the past would have also annually reviewed, assessed and approved the compensation package of, and contractual terms (if any) with, the Chief Executive Officer and each member of senior management. While the committee performed this function in 2007, with the externalization of the Trust's asset management function, the committee does not expect to be involved in this process in the future, except on an as-needed basis with respect to members of senior management not employed by Dundee Realty Corporation (of which there currently are none).

The committee will continue to review and make recommendations to the Board with respect to compensation policies and processes on an as-needed basis and will continue to assist in administering or making recommendations in respect of any incentive compensation and equity compensation plans of the Trust or changes to such plans. In particular, the committee will continue to administer the Trust's Deferred Unit Incentive Plan. The committee makes recommendations as to whom should receive grants of deferred units (including trustees, officers and consultants of the Trust, some of whom may be employed by the asset manager of the Trust), the terms of such grants, the overall level of outstanding deferred units and changes to the plan.

The committee will periodically review with the Chair of the Board and the Chief Executive Officer the succession plans relating to the position of the Chief Executive Officer of the Trust (including in respect of an unexpected incapacitation of the Chief Executive Office) and other senior positions and makes recommendations to the Board with respect to the selection of individuals to occupy these positions.

### ***Governance and Environmental Committee***

The Governance and Environmental Committee performs a number of functions: it assists the Board in developing the Trust's approach to governance, including overseeing and assessing the functioning of the Trust, the Board and the committees of the Board; it identifies qualified candidates for trustees (other than those trustees considered to be appointees of Dundee Corporation) and recommends those candidates to the Board for election at the next annual meeting of unitholders; and it reviews the environmental state of any real property owned by Dundee Properties LP and establishes formal policies and procedures to review and monitor environmental exposure of the Trust and its subsidiaries.

The Governance and Environmental Committee is responsible for identifying and recommending to the Board suitable trustee candidates. In undertaking this responsibility, the Committee: (i) reviews from time to time the size of the Board, with a view to facilitating effective decision making; (ii) develops and reviews periodically standards to be applied in making determinations as to the presence or absence of material relationships between a trustee and the Trust; (iii) considers what competencies and skills the Board, as a whole, should possess and reviews annually the competencies, skills and personal qualities required of a trustee in order to add value to the Trust, in light of: (A) the opportunities and risks facing the Trust and the Trust's proposed strategy; (B) the need to ensure that a majority of the Board is comprised of independent trustees; and (C) the Trust's governance guidelines and Board policies with respect to trustee tenure, retirement and succession and the number of boards on which a trustee may sit; (iv) reviews periodically the competencies, skills and personal qualities of each existing trustee, and the contributions made by the trustee to the effective operation of the Board as a group; and (v) reviews any significant change in the primary occupation of the trustee.

The committee is also responsible for, among other things: establishing, approving and periodically reviewing the Trust's code of conduct, granting any waivers from the application of the code and overseeing management's monitoring of compliance with the code; overseeing the Board and trustee evaluation process; monitoring and assessing the relationship between the Board and management; defining the limits of management's responsibilities; and making such recommendations as it may deem necessary with a view to ensuring that the Board is able to function independently of management.

### **Investment Committee**

The Investment Committee assists the Board in discharging the Board's oversight responsibilities relating to acquisitions and dispositions of investments, proposed transactions and financing arrangements.

Each member of the committee must have a minimum of three years of substantial experience in the real estate industry which may include, without limitation, having been a board member or senior officer of a real estate company.

The committee must approve or reject any financing (including the assumption or granting of any mortgage relating to such financing) proposed to be obtained by Dundee Properties LP where the dollar amount or value of the financing (net of assumed or pre-arranged debt which is non-recourse to Dundee Properties LP) is greater than \$35 million, other than a renewal of any existing mortgage by any of the Trust's subsidiary entities.

### **Assessment of Trustees**

The Governance and Environmental Committee evaluates, as considered necessary from time to time, the performance of: the Chair of the Board; the chair of each committee; the performance and contribution of individual trustees, having regard to the Board's mandate; the position description for the Chair of the Board and the Chief Executive Officer; the charter for each committee of the Board; the results of annual surveys of the trustees, if any; attendance at Board and committee meetings; and the overall contribution, competencies and skills each individual trustee is expected to bring to the Board.

The committee assesses, as considered necessary from time to time, the effectiveness of the Board as a whole and each committee of the Board, having regard for the mandate of the Board and the charter of each Board committee, and makes recommendations to the Board. The Governance and Environmental Committee may conduct annual surveys of trustees with respect to their views on the effectiveness of the Board, the Chair of the Board, each committee of the Board and its chair and the contribution of individual trustees.

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## **PART IV – COMPENSATION AND OTHER INFORMATION**

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### **COMPENSATION OF TRUSTEES AND OTHER INFORMATION**

The compensation of the trustees, other than trustees who are also employees, is \$20,000 per year plus a meeting fee of \$1,500 per day for each meeting of the board of trustees or a committee thereof attended in person or via telephone conference. The trustees of Dundee REIT are also reimbursed for their out-of-pocket expenses incurred in acting as a trustee. The Chairman of the board of trustees, if not an employee of Dundee REIT or one of its subsidiaries, receives an annual fee of \$100,000, but does not receive any other fees for board or committee meetings attended. The chair of each committee (other than the chair of the Investment Committee when it is a committee of the board as a whole), if not an employee of Dundee REIT or one of its subsidiaries, receives an additional annual fee of \$5,000. In addition, trustees are entitled to receive remuneration for services rendered to Dundee REIT in any other capacity, except in respect of their service as directors of any of Dundee REIT's subsidiaries. Trustees who are employees of and who receive salary from Dundee REIT are not entitled to receive any remuneration for their services in acting as trustees, but are entitled to reimbursement of their out-of-pocket expenses incurred in acting as trustees.

For the financial year ended December 31, 2007, non-management trustees were paid fees totalling

approximately \$600,000, including approximately \$167,500 relating to meetings of the special committee in connection with the Transaction. In addition, non-management trustees are entitled to receive Deferred Trust Units and Income Deferred Trust Units under the Trust's Deferred Unit Incentive Plan, which is described in this Management Information Circular under "Statement of Executive Compensation – Deferred Unit Incentive Plan".

The following table sets forth the number of Deferred Trust Units granted to non-management trustees in each year since 2003, the value of such Deferred Trust Units on the grant date and the number of Income Deferred Trust Units credited to non-management trustees in 2007 in respect of each grant of Deferred Trust Units.

<b>Grant Date</b>	<b>Grant</b>	<b>Grant Date Value<sup>(1)</sup></b>	<b>Income Deferred Units Credited in 2007</b>
March 26, 2007	1,000	\$40.34	31.94
November 9, 2006	13,000	\$ 36.37	610.81
November 10, 2005	13,000	\$ 25.67	658.89
September 16, 2004	13,000	\$ 24.25	727.40
September 22, 2003	28,000	\$ 21.35	1,608.52

(1) The Grant Date Value is the closing price of the Units on the TSX on the date on which the Deferred Trust Units were granted.

## STATEMENT OF EXECUTIVE COMPENSATION

The following table sets forth all annual and long term compensation for services in all capacities rendered to the Trust and the subsidiaries thereof for the financial years ended December 31, 2005, December 31, 2006 and December 31, 2007 in respect of individuals who were, during the financial year ended December 31, 2007, named executive officers within the meaning of applicable securities

legislation (collectively the “Named Executive Officers”). Compensation of the Named Executive Officers for periods from and after August 24, 2007 is paid by Dundee Realty Corporation, the Trust’s external asset manager. The Trust and its subsidiaries pay certain fees to Dundee Realty Corporation for asset management advisory services, but do not pay the compensation of the individual Named Executive Officers.

**Table 4 – Summary Compensation**

Name and Principal Position	Annual Compensation			Long Term Compensation			
	Year	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	No. of Deferred Trust Units Granted <sup>(3)</sup>	Grant Date Value	Dollar Value on Date of Grant	Income Deferred Trust Units Credited in 2007
Michael J. Cooper Vice Chairman and Chief Executive Officer	2007	\$500,000	\$666,666	65,000	\$37.00	\$2,405,000	1,305.54
	2006	\$500,000	\$700,000	35,000	\$36.37	\$1,272,950	1,988.12
	2005	\$500,000	\$500,000	20,000	\$25.67	\$513,400	1,225.52
J. Michael Knowlton <sup>(4) (5)</sup> President and Chief Operating Officer	2007	\$300,000	\$1,183,333	12,500	\$37.00	\$462,500	86.12
	2006	\$300,000	\$260,000	12,500	\$36.37	\$454,625	538.35
	2005	\$285,000	\$199,500	12,500	\$25.67	\$320,875	580.74
Mario Barrafato <sup>(6)</sup> Senior Vice President and Chief Financial Officer	2007	\$210,000	\$248,000	7,500	\$37.00	\$277,500	75.32
	2006	\$210,000	\$147,000	7,500	\$36.37	\$272,775	347.63
	2005	-	-	-	-	-	-

- (1) Represents annual salary. The aggregate value of perquisites and other personal benefits for each of the senior officers was less than the lesser of \$50,000 and 10% of total annual salary and bonus. The employment of Messrs Cooper, Knowlton and Barrafato was assumed by Dundee Realty Corporation effective August 24, 2007. The compensation data for each of Messrs Cooper, Knowlton and Barrafato after such date has been prorated to reflect the amount of compensation attributed to time spent on the activities of the Trust.
- (2) In recognition of the Transaction and creating significant value for unitholders, an additional bonus of \$333,333 was granted to Michael Cooper, \$140,000 was granted to Michael Knowlton and \$100,000 was granted to Mario Barrafato.
- (3) Dundee REIT has a deferred unit incentive plan, but does not have a unit option plan. See “— Deferred Unit Incentive Plan”.
- (4) Mr. Knowlton served as Chief Financial Officer until February 23, 2006, on which date he was appointed President and Chief Operating Officer.
- (5) Mr. Knowlton’s bonus amount includes \$833,333 that was paid in connection with the Transaction in partial payment of the special bonus previously awarded by the Board which was payable on June 30, 2008 if Mr. Knowlton were to remain an employee of the Trust continuously to such date or, among other circumstances, in the event that Dundee REIT underwent a change of control.
- (6) Mr. Barrafato was appointed Senior Vice President and Chief Financial Officer on February 23, 2006.

### Employment Agreements

The Trust currently has no employment agreements with members of senior management.

### Deferred Unit Incentive Plan

Eligible Individuals may participate in the Deferred Unit Incentive Plan. “Eligible Individuals” under the Deferred Unit Incentive Plan consist of (i) the trustees and officers of Dundee REIT, (ii) employees of Dundee REIT or any of its affiliates, and (iii) employees of certain service providers who spend a significant amount of time and attention on the affairs and business of one or more of Dundee REIT and its affiliates. The Deferred Unit Incentive Plan provides for the grant to Eligible Individuals of deferred trust units (“Deferred Trust Units”) and income deferred trust units (“Income Deferred Trust Units”). Income Deferred Trust Units are credited to

holders of Deferred Trust Units and Income Deferred Trust Units based on distributions paid by Dundee REIT on REIT Units.

Currently, up to a maximum of one million Deferred Trust Units and Income Deferred Trust Units are issuable under the Deferred Unit Incentive Plan. One million represents approximately 6% of the Trust’s outstanding REIT A Units and 5% of the outstanding Units. As of March 15, 2008, a total of 349,722 Deferred Trust Units and Income Deferred Trust Units had been granted (or credited, in the case of Income Deferred Trust Units) under the Deferred Unit Incentive Plan. This represents approximately 2% of the Trust’s outstanding REIT A Units and outstanding Units. As of the same date, a total of 88,704 REIT A Units had been issued on the vesting of Deferred Trust Units and Income Deferred Trust Units pursuant to the plan. This represents

approximately 0.5% of the Trust's outstanding REIT A Units and 0.4% of the outstanding Units.

Under the Deferred Unit Incentive Plan, Deferred Trust Units may be granted from time to time to Eligible Individuals at the discretion of the trustees. The number of Income Deferred Trust Units credited to a holder of Deferred Trust Units and/or Income Deferred Trust Units will be calculated by multiplying the aggregate number of Deferred Trust Units and Income Deferred Trust Units held on the relevant distribution record date by the amount of distributions paid by the Trust on each REIT A Unit, and dividing the result by the market value of the REIT A Units on the distribution payment date. Market value for this purpose is the weighted average closing price of the REIT A Units on the Toronto Stock Exchange for the five trading days immediately preceding the relevant distribution payment date.

Deferred Trust Units will vest on either a five year or a three year vesting schedule. Deferred Trust Units granted to an Eligible Individual who is an officer or trustee of Dundee REIT (a "Five Year Grantee"), will vest on a five year vesting schedule, pursuant to which one-fifth of the Deferred Trust Units granted to such individual will vest on each anniversary of the grant date for a period of five years. Deferred Trust Units granted to any other Eligible Individual will vest on a three year vesting schedule, pursuant to which one-third of the Deferred Trust Units granted to such individual will vest on each anniversary of the grant date for a period of three years. Income Deferred Trust Units credited to participants in the Deferred Unit Incentive Plan ("Plan Participants") vest on the same five or three year schedule as their corresponding Deferred Trust Units and are issued on the same date as the Deferred Trust Units or Income Deferred Trust Units in respect of which they were credited.

Upon the vesting of Deferred Trust Units and Income Deferred Trust Units, Dundee REIT will issue REIT A Units to Plan Participants on the basis of one Unit for each Deferred Trust Unit and Income Deferred Trust Unit that has vested. REIT A Units are issued by Dundee REIT at no cost to Plan Participants. Five Year Grantees have the ability to elect to defer the issuance of REIT A Units to them on the vesting of their Deferred Trust Units and Income Deferred Trust Units in respect of any vesting date. The issuance of REIT A Units to Five Year Grantees may be deferred indefinitely, unless the Five Year Grantee's employment or term of office is terminated, in which case REIT A Units will be issued on the relevant date of termination of employment or term of office.

Any unvested Deferred Trust Units or Income Deferred Trust Units held by an Eligible Individual will be forfeited if the employment or term of office of

the individual is terminated for any reason, whether voluntarily or involuntarily. However, pursuant to the Deferred Unit Incentive Plan, the trustees may, in their discretion if the circumstances warrant, accelerate the vesting of such units held by an individual whose employment or term of office is terminated. In these circumstances, any unvested Deferred Trust Units or Income Deferred Trust Units will vest effective upon the termination date of the individual, or on such later date or dates determined by the Compensation Committee of the trustees of Dundee REIT in its discretion. The Deferred Unit Incentive Plan was amended on March 2007 in order to (a) remove the discretion of the trustees to accelerate the vesting of, or make other arrangements with respect to, Deferred Trust Units and Income Deferred Trust Units if Dundee REIT undergoes a change of control (such that all Deferred Trust Units and Income Deferred Trust Units will be accelerated and will fully vest immediately prior to a change of control); (b) amend the definition of change of control in the plan to provide that a change of control will not have occurred if (i) Dundee Corporation and its affiliates continue to maintain their minimum ownership interest in the Trust such that Dundee Corporation continues to be entitled to appoint up to one less than a majority of the trustees, and (ii) the successor entity acquiring Dundee REIT or its assets continues to own all or substantially all of the real estate assets owned directly or indirectly by Dundee REIT as of the announcement of a change of control transaction and there is no material diminution in the position of the Chief Executive Officer and other executive officers of Dundee REIT (including status, compensation, benefits, offices, titles or reporting requirements), or their authorities, duties and responsibilities; (c) make certain housekeeping changes, including adding a provision to the effect that the aggregate of the Units: (i) issued to insiders of Dundee REIT, within any one year period; and (ii) issuable to insiders of Dundee REIT, at any time, under the plan, when combined with all of Dundee REIT's security based compensation arrangements, shall not exceed 10% of Dundee REIT's total issued and outstanding REIT Units. Unitholder approval of these amendments was not required under TSX rules.

The Deferred Unit Incentive Plan was further amended in May 2007 to increase in the size of the plan by 500,000 units (up to the current maximum of one million Deferred Trust Units and Income Deferred Trust Units) and to amend the general amendment provision of the Deferred Unit Incentive Plan to specify the types of amendments that will require unitholder approval. Unitholder approval for these amendments was required by the TSX and obtained by the Trust at the annual and special

meeting of unitholders of the Trust held on May 3, 2007.

Deferred Trust Units and Income Deferred Trust Units are non-transferable, except to a Plan Participant's estate, and the rights of Plan Participants under the Deferred Unit Incentive Plan are not assignable, except as required by law.

The Compensation Committee of the trustees of Dundee REIT may review and confirm the terms of the Deferred Unit Incentive Plan from time to time and may, subject to the TSX rules, amend or suspend the Deferred Unit Incentive Plan in whole or

in part as well as terminate the Deferred Unit Incentive Plan without prior notice as it deems appropriate. However, subject to the terms of the Deferred Unit Incentive Plan, no amendment may adversely affect the Deferred Trust Units or Income Deferred Trust Units previously granted under the Deferred Unit Incentive Plan without the consent of the affected Plan Participant.

The following table provides information regarding the Trust's Deferred Unit Incentive Plan, being the only equity compensation plan of the Trust. Information is provided as of December 31, 2007.

**Table 5 – Equity Compensation Plan Information**

Plan Category	Number of Units to be issued upon vesting of Deferred Trust Units and Income Deferred Trust Units	Weighted-average price of unvested Deferred Trust Units and Income Deferred Trust Units	Number of Deferred Trust Units and Income Deferred Trust Units remaining available for future grant under the Deferred Unit Incentive Plan <sup>(1)</sup>
Equity compensation plans approved by unitholders	261,018	N/A	650,277

(1) 1,000,000 Deferred Trust Units and Income Deferred Trust Units were authorized under the plan.

### Report on Executive Compensation

Prior to completion of the Transaction, the primary goal of the Compensation Committee was to ensure that the overall compensation provided to the executive officers of the Trust was determined with regard to the business strategies and objectives of the Trust, such that the financial interest of the executive officers of the Trust was consistent with the financial interest of the unitholders of the Trust. The principal components of the executive compensation program of the Trust were base salary and annual and long-term incentives.

#### Base Salary

For 2007, the Compensation Committee approved the base salaries for each of the executive officers of the Trust on an individual basis, taking into consideration the past, current and potential contribution to the success of the Trust, the position and responsibilities of the executive officers and competitive industry pay practices for other real estate investment trusts and corporations of comparable size.

#### Annual Incentives

For 2007, the executive officers were eligible to be paid an annual bonus in an amount to be determined by the Compensation Committee based on qualitative and quantitative performance standards established and approved at the beginning of each financial year. The maximum bonus payable to Mr. Cooper was 100% of his annual salary, while the maximum bonus payable to each of the other

executive officers was 70% of their respective salaries.

#### Compensation in Connection with the Transaction

In 2007, in connection with the Transaction, each of the officers of the Trust, being Messrs Cooper, Knowlton and Barrafato and Ms Gavan, received a special award of Deferred Trust Units under the Deferred Unit Incentive Plan as well as a special cash bonus.

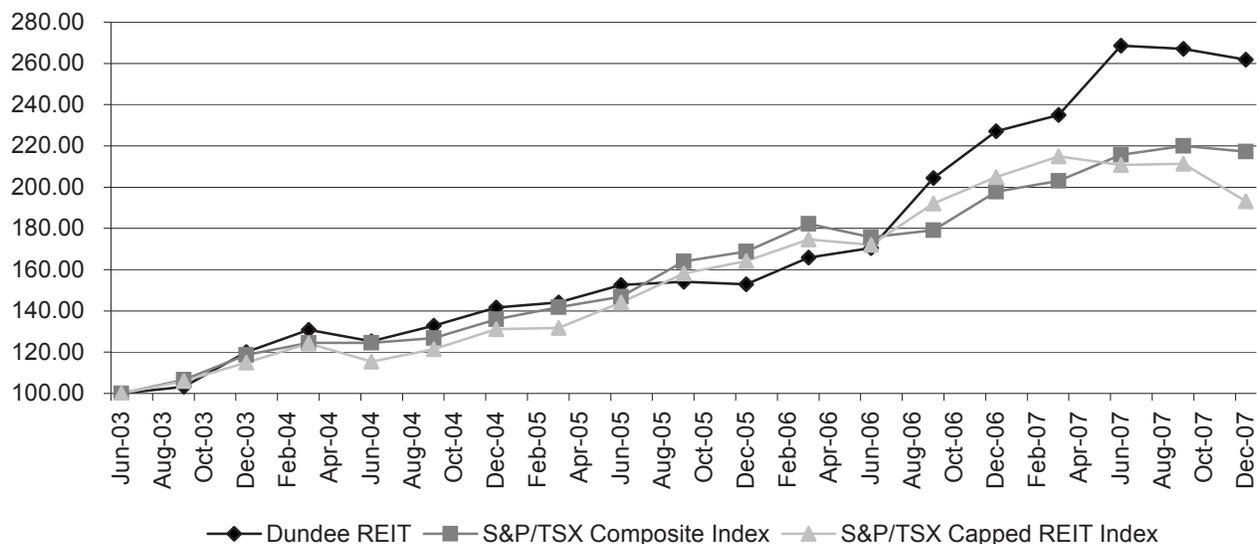
#### Long Term Incentives

The Deferred Unit Incentive Plan is designed to promote a greater alignment of interests between management, trustees and unitholders. See "Deferred Unit Incentive Plan" in this Management Information Circular. The trustees, acting on the recommendation of the Compensation Committee, may designate individuals eligible to receive grants of Deferred Units which vest over a period of time. In determining grants of Deferred Trust Units, an individual's performance and contributions to the Trust's success, relative position, tenure and past grants are taken into consideration.

The current members of the Compensation Committee have provided the foregoing report.

## PERFORMANCE GRAPH

The following graph shows the percentage change in the cumulative Unitholder return on the Units compared to the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index since July 2, 2003, assuming an investment of \$100 on July 2, 2003. The Units were listed on the Toronto Stock Exchange under the symbol "D.UN" on July 2, 2003.



	S&P/TSX Composite Index	S&P/TSX Capped REIT Index	Dundee REIT Units Total Return
June 30, 2003	100.00	100.00	100.00
September 20, 2003	106.70	106.03	103.23
December 31, 2003	118.74	115.01	120.09
March 31, 2004	124.51	124.24	130.87
June 30, 2004	124.48	115.44	125.23
September 30, 2004	126.82	121.37	132.82
December 31, 2004	135.93	131.11	141.64
March 31, 2005	141.85	131.77	144.13
June 30, 2005	146.93	144.04	152.61
September 30, 2005	164.02	158.16	154.07
December 31, 2005	168.72	164.22	152.89
March 31, 2006	182.18	174.62	165.88
June 30, 2006	175.80	171.99	170.53
September 30, 2006	179.17	192.01	204.50
December 31, 2006	197.85	204.82	227.14
March 31, 2007	202.99	214.92	234.98
June 30, 2007	215.75	210.81	268.55
September 30, 2007	220.04	211.34	266.97
December 31, 2007	217.30	193.24	261.76

The total return for Dundee REIT includes the impact of the Transaction.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

On March 12, 2007, the Trust completed a public offering of 3,700,000 REIT A Units at a price of \$40.75 per unit. The underwriters of this offering received total fees of \$6,031,000.

On January 14, 2008, the Trust completed a public offering of \$125,000,000 aggregate principal amount of Convertible Unsecured Subordinated Debentures due December 31, 2014 (the "Debentures") with a coupon rate of 6.0% per annum payable semi-annually on June 30 and December 31 commencing on June 30, 2008. The underwriters of this offering received total fees of \$4,687,500.

Dundee Securities Corporation, an indirect subsidiary of Dundee Corporation, was a member of the underwriting syndicates for these public offerings. Two trustees of the Trust, being Mr Ned Goodman and Ms Ferstman are officers of Dundee Corporation.

On August 24, 2007, the Trust completed the sale of its portfolio of real estate assets located primarily in Eastern Canada to GE Real Estate for a total purchase price of \$2.3 billion, including cash proceeds of \$1.5 billion. On August 27, 2007, the Trust completed the redemption and transfer of Units following completion of the Transaction.

In connection with the Transaction, each of the officers of the Trust, being Messrs Cooper, Knowlton, and Barrafato and Ms Gavan, received a special award of Deferred Trust Units under the Deferred Unit Incentive Plan. Mr. Cooper received an award of 65,000 Deferred Trust Units, Mr. Knowlton received an award of 12,500 Deferred Trust Units, Mr. Barrafato received an award of 7,500 Deferred Trust Units and Ms. Gavan received an award of 7,000 Deferred Trust Units.

In addition, the Transaction constituted a change of control for the purposes of the Deferred Unit Incentive Plan. As such, in accordance with its terms, all Deferred Trust Units and Income Deferred Trust Units outstanding under the Deferred Unit Incentive Plan (including the special awards of Deferred Trust Units in connection with the Transaction) vested immediately prior to the completion of the Transaction. The Trust entered into an agreement with each of its trustees and senior officers and with each employee of Dundee Realty Management Corp. who was employed by Dundee Realty Corporation following the Transaction, in each case, who held Deferred Trust Units and/or Income Deferred Trust Units. The agreement provided that, in consideration for the holder agreeing to defer the issuance of REIT A Units in respect of all of his or her Deferred Trust Units and Income Deferred Trust Units until after January 1, 2008, the Trust would purchase for cancellation at the effective time of the redemption and transfer of Units following completion of the Transaction, at the election of the holder, 25%, 50%, 58% or the Proportionate Percentage (as defined in the management information circular of the Trust dated July 13, 2007) of the holder's Deferred Trust Units and Income Deferred Trust Units for \$47.50 cash per Deferred Trust Unit or Income Deferred Trust Unit. The holder retained the balance of his or her Deferred Trust Units and Income Deferred Trust Units until at least January 1, 2008.

In connection with the Transaction, on June 3, 2007, Dundee Corporation, Dundee Realty Corporation, the Trust and GE Real Estate entered into a side letter, and the Trust, Dundee Corporation and Limited Intelligence (ESL) Inc. entered into a binding term sheet. Dundee Realty Corporation is an associate of Mr. Cooper and an indirect subsidiary of Dundee Corporation. Two trustees of the Trust, being Mr. Ned Goodman and Ms Ferstman, are officers of Dundee Corporation. Limited Intelligence (ESL) Inc. is an affiliate of Mr. Cooper. See the management information circular of the Trust dated July 13, 2007 under the headings "The Purchase Agreement and Related Agreements —Summary of Lock-Up Agreement and Side Letter" and "The Purchase Agreement and Related Agreements —Summary of Binding Term Sheet".

On Closing of the Transaction, Dundee Realty Corporation entered into the Asset Management Agreement with the Trust and an asset management agreement with GE Real Estate. Dundee Realty Corporation is an associate of Mr. Cooper and an indirect subsidiary of Dundee Corporation. Two trustees of the Trust, being Mr. Ned Goodman and Ms Ferstman, are officers of Dundee Corporation.

## **MANAGEMENT CONTRACTS**

Dundee Realty Corporation has entered into the Asset Management Agreement with the Trust and certain of its subsidiaries. Pursuant to the Asset Management Agreement, Dundee Realty Corporation performs asset management services on behalf of the Trust. The head office of Dundee Realty Corporation is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1. Dundee Realty Corporation is an associate of Mr. Cooper and an indirect Subsidiary of Dundee Corporation. The directors of Dundee Realty Corporation are Mr. Cooper and Mr. Ned Goodman and the executive officers of Dundee Realty Corporation are Messrs. Cooper, Knowlton, Barrafato, Jason Lester and Bruce Traversey, Ms Ferstman and Ms Gavan. For more information, a copy of the Asset Management Agreement is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**ADDITIONAL INFORMATION**

Additional information relating to Dundee REIT is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may request copies of Dundee REIT's financial statements and Management's Discussion and Analysis by sending a request in writing to:

Dundee Real Estate Investment Trust  
c/o Chief Financial Officer  
30 Adelaide Street East, Suite 1600  
Toronto, Ontario  
M5C 3H1

Financial information is provided in Dundee REIT's comparative financial statements and Management's Discussion and Analysis for its most recently completed financial year.

**APPROVAL**

The trustees of the Trust have approved the contents of this Management Information Circular and the sending thereof to the unitholders of the Trust.

By Order of The Board



Michael J. Cooper  
Vice Chairman and Chief Executive Officer

April 4, 2008

**APPENDIX A**  
**DUNDEE REAL ESTATE INVESTMENT TRUST**  
**(the “Trust”)**

**SPECIAL RESOLUTION OF UNITHOLDERS**

**RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The Trust’s amended and restated declaration of trust dated December 31, 2007 (the “**Declaration of Trust**”) be amended by deleting paragraphs (a) and (b) of Section 9.1 and replacing them with the following:

**“9.1 Distributions**

The Trust shall distribute:

(a) to the Unitholders of REIT Units, Series A, to the extent possible, and such Unitholders shall have a right to receive, on or about each Distribution Date, not less than one-twelfth of such percentage of the Distributable Series A Income and the Converted Distributable Series B Income, on an annualized basis, as the Trustees in their sole discretion determine would be in the best interests of the Trust to distribute, based on the estimated Distributable Series A Income and Converted Distributable Series B Income for the calendar year; and

(b) to the Unitholders of REIT Units, Series B, to the extent possible, and such Unitholders shall have a right to receive, on or about each Distribution Date, not less than one-twelfth of such percentage of the Unconverted Distributable Series B Income, on an annualized basis, as the Trustees in their sole discretion determine would be in the best interests of the Trust to distribute, based on the estimated Unconverted Distributable Series B Income for the calendar year.”

2. The trustees of the Trust (the “**Trustees**”) are hereby authorized to approve, execute or deliver such further documents, agreements, certificates and instruments and take any and all such further action in connection with the foregoing resolutions, as the Trustees consider necessary or desirable.
3. Any one Trustee or officer of the Trust is authorized and directed, for and on behalf of the REIT, to negotiate, finalize, execute or deliver all documents, agreements, certificates and instruments and take any and all such further action as such Trustee or officer, in his or her sole discretion, deems necessary or desirable in order to give effect to the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement, certificate or other instrument or the taking of any such further action.
4. Notwithstanding that this special resolution has been passed by the unitholders of the Trust, the Trustees are hereby authorized, in their discretion and without the further approval of the unitholders, to determine not to proceed with the amendments to the Declaration of Trust described in this special resolution and revoke this special resolution before it is acted upon.

## **APPENDIX B**

### **MANDATE FOR THE BOARD OF DIRECTORS**

Pursuant to the amended and restated Declaration of Trust of the Trust dated December 31, 2007, the Trust may have a board of trustees (the “**Board**”) consisting of between five and 12 trustees at any give time, although a majority of the trustees must be resident Canadians. Dundee Corporation is entitled to appoint up to one less than a majority of the trustees, provided that Dundee Corporation maintains a beneficial ownership interest in the Trust above a certain level. The remaining trustees are elected by the holders of REIT Units, Series A of the Trust, REIT Units, Series B of the Trust and Special Trust Units (collectively, the “**Unitholders**”). Although trustees may be appointed by Dundee Corporation or elected by the Unitholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Trust must be paramount at all times.

#### **DUTIES OF TRUSTEES**

The Board is responsible for the stewardship of the activities and affairs of the Trust. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Trust’s strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure enhance and preserve the business of the Trust and the underlying value of the Trust.

The Board discharges its responsibility for overseeing the management of the Trust’s activities and affairs by delegating to the Trust’s senior officers the responsibility for day-to-day activities of the Trust. The Board discharges its responsibilities both directly and through its committees, the Audit Committee, the Governance and Environmental Committee, the Investment Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. The Board’s primary roles are overseeing performance and providing quality, depth and continuity of management to meet the Trust’s strategic objectives. Other principal duties include, but are not limited to the following categories:

#### **Appointment of Management**

1. The Board is responsible for approving the appointment of the Chief Executive Officer and all other senior management, and approving their compensation, following a review of the recommendations of the Compensation Committee.
2. The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
3. The Board oversees that succession planning programs are in place, including programs to train and develop management.

#### **Board Organization**

4. The Board will respond to recommendations received from the Governance and Environmental Committee and the Compensation Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
5. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

#### **Strategic Planning**

6. The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the Trust and its objectives and goals.
7. The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Trust may reach those goals.

8. The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
9. The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for Unitholders.

#### **Monitoring of Financial Performance and Other Financial Reporting Matters**

10. The Board is responsible for enhancing congruence between Unitholder expectations, Trust plans and management performance.
11. The Board is responsible for:
  - a. adopting processes for monitoring the Trust's progress toward its strategic and other goals, and to revise and alter its direction to management in light of changing circumstances affecting the Trust; and
  - b. taking action when Trust performance falls short of its goals or other special circumstances warrant.
12. The Board is responsible for approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements.
13. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Trust's Declaration of Trust and other governing documents, including the payment of distributions, purchase and redemptions of securities, acquisitions and dispositions.

#### **Risk Management**

14. The Board is responsible for the identification of the principal risks of the Trust's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Trust and achieving a proper balance between the risks incurred and the potential return to the Trust's Unitholders.

#### **Policies and Procedures**

15. The Board is responsible for:
  - a. approving and monitoring compliance with all significant policies and procedures by which the Trust is operated; and
  - b. approving policies and procedures designed to ensure that the Trust operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.
16. The Board shall enforce its policy respecting confidential treatment of the Trust's proprietary information and the confidentiality of Board deliberations.

#### **Communications and Reporting**

17. The Board has approved and will revise from time to time as circumstances warrant a disclosure policy to address communications with Unitholders, employees, financial analysts, governments and regulatory authorities, the media and the Canadian and international communities.
18. The Board is responsible for:
  - a. overseeing the accurate reporting of the financial performance of the Trust to Unitholders, other securityholders and regulators on a timely and regular basis;
  - b. overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
  - c. taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Trust;
  - d. reporting annually to Unitholders on its stewardship for the preceding year; and
- e. overseeing the Trust's implementation of systems which accommodate feedback from Unitholders.