



DUNDEE REAL ESTATE INVESTMENT TRUST

Annual Information Form

March 30, 2012

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GLOSSARY OF TERMS

When used in this annual information form, the following terms have the meanings set forth below unless expressly indicated otherwise:

“5.5% Series H Debentures” means the 5.5% Series H Convertible Unsecured Subordinated Debentures of Whiterock due March 31, 2017 assumed by Dundee REIT;

“5.7% Debentures” means the Series 2005-1 5.7% convertible unsecured subordinated debentures of Dundee REIT due March 31, 2015;

“6.0% Debentures” means 6.0% convertible unsecured subordinated debentures of Dundee REIT due December 31, 2014;

“6.0% Series F Debentures” means the 6% Redeemable Subordinated Convertible Debentures, Series F of Whiterock due July 15, 2012 assumed by Dundee REIT;

“6.5% Debentures” means the 6.5% convertible unsecured subordinated debentures of Dundee REIT due June 30, 2014;

“7.0% Series G Debentures” means the 7% Series G. Convertible Unsecured Subordinated Debentures of Whiterock due December 31, 2014 assumed by Dundee REIT;

“Adjusted Unitholders’ Equity” means, at any time, the aggregate of: (i) the amount of unitholders’ equity; and (ii) the amount of accumulated depreciation and amortization recorded on the books and records of Dundee REIT and its subsidiaries in respect of their properties, in each case calculated in accordance with GAAP;

“Affiliate” means an affiliate within the meaning of National Instrument 45-106 - *Prospectus and Registration Exemptions*;

“AIF” means annual information form of Dundee REIT;

“Asset Management Agreement” means the amended and restated asset management agreement dated December 31, 2007 between Dundee REIT, Partnership A, Partnership B, Dundee Properties LP and the Asset Manager, as amended or amended and restated from time to time;

“Asset Manager” means Dundee Realty;

“Board” or **“Board of trustees”** means the board of trustees of Dundee REIT;

“Business Day” means any day other than a Saturday or a Sunday on which Schedule I Canadian chartered banks are open for business in Toronto, Ontario;

“CDS” means CDS Clearing and Depository Services Inc.;

“Change of Control” means the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction over 66 2/3% or more of the votes attaching, collectively, to (i) outstanding voting units of Dundee REIT; and (ii) voting units of Dundee REIT issuable upon the conversion or exercise in accordance with their terms of securities convertible into or carrying the right to acquire voting units of Dundee REIT (other than the LP B Units);

“Conversion Price” means, for the 6.5% Debentures, \$25.00 per REIT A Unit, reflecting a conversion ratio of 40 REIT A Units per \$1,000 principal amount, for the 5.7% Debentures, \$30.00 per REIT A Unit,

reflecting a conversion ratio of 33.33333 REIT A Units per \$1,000 principal amount and for the 6.0% Debentures, \$41.40 per REIT A Unit, reflecting a conversion ratio of 24.15459 REIT A Units per \$1,000 principal amount;

“Current Market Price” means the weighted average trading price of the REIT A Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event;

“Debentures” means, collectively, the 6.5% Debentures, the 5.7% Debentures and the 6.0% Debentures;

“Debenture Trustee” means Computershare Trust Company of Canada;

“Declaration of Trust” means the amended and restated declaration of trust of Dundee REIT dated March 31, 2011, as amended or amended and restated from time to time;

“Deferred Unit Incentive Plan” means the deferred unit incentive plan of Dundee REIT;

“Definitive Debentures” means Debentures in registered and definitive form;

“Department” means the Department of Finance (Canada);

“Depository” means CDS or its successor;

“Distributable Income” means, for any period, the net income of Dundee REIT and its applicable consolidated subsidiaries for such period set out in its consolidated financial statements prepared as if Dundee REIT’s only assets are units and notes of Partnership A and all amounts on deposit in the bank account maintained for the REIT A Units, as determined in accordance with GAAP, adjusted as follows: (i) depreciation and amortization (except for amortization of deferred financing costs and non-recoverable deferred maintenance, all as incurred after the formation of Dundee REIT on June 30, 2003) and amortization of fair value debt adjustments shall be excluded; (ii) costs incurred with respect to distribution reinvestment plans, unit purchase plans, unit option plans, deferred unit plans or any other unit compensation incentive plan or similar plan shall be added back; (iii) any gains or losses on the disposition of any real property, any future income tax expenses or benefits and non-cash rental revenues recognized on a straight line basis or recognized as a result of the amortization of above or below market in-place leases recorded on an acquisition of a rental property shall be excluded, and (iv) to reflect any other adjustments determined to be appropriate by a majority of the trustees in their discretion;

“Distributable Series B Income” means, for any period, the net income of Dundee REIT and its applicable consolidated subsidiaries for such period set out in its consolidated financial statements prepared as if Dundee REIT’s only assets are units and notes of Partnership B and all amounts on deposit in the bank account maintained for the REIT B Units, as determined in accordance with GAAP, adjusted as follows: (i) depreciation and amortization (except for amortization of deferred financing costs and non-recoverable deferred maintenance, all as incurred after the formation of Dundee REIT on June 30, 2003) and amortization of fair value debt adjustments shall be excluded; (ii) costs incurred with respect to distribution reinvestment plans, unit purchase plans, unit option plans, deferred unit plans or any other unit compensation incentive plan or similar plan shall be added back; (iii) any gains or losses on the disposition of any real property, any future income tax expenses or benefits and non-cash rental revenues recognized on a straight line basis or recognized as a result of the amortization of above or below market in-place leases recorded on an acquisition of a rental property shall be excluded, and (iv) to reflect any other adjustments determined to be appropriate by a majority of the trustees in their discretion;

“Distribution Date” means with respect to a distribution of Distributable Income or Distributable Series B Income by us, a Business Day determined by our trustees for any calendar month to be on or about the 15th day of the following month or such other date as may be determined from time to time by our trustees or otherwise in accordance with our Declaration of Trust with respect to all distributions;

“Distribution Record Date” means, until otherwise determined by our trustees, the last Business Day of each month of each year, except for the month of December where the Distribution Record Date shall be December 31;

“DRIP” means our distribution reinvestment and unit purchase plan pursuant to which holders of REIT A Units and REIT B Units are entitled to elect to have cash distributions in respect of such units automatically reinvested in additional REIT A Units and to make optional cash purchases of additional REIT A Units;

“Dundee Consolidated Properties Master Asset Transfer Agreement” means the agreement dated June 30, 2003 between Dundee Consolidated Properties (a limited partnership wholly-owned by Dundee Realty) and Dundee Properties LP setting out the terms and conditions pursuant to which Dundee Consolidated Properties transferred or caused to be transferred to Dundee Properties LP all of the Properties held directly or indirectly by Dundee Consolidated Properties;

“Dundee Management LP” means Dundee Management Limited Partnership, a limited partnership formed under the laws of the Province of Ontario of which Dundee Management (GP) Inc. (a corporation owned by Dundee Properties LP) is the sole general partner and Dundee Properties LP is the sole limited partner;

“Dundee Properties LP” means Dundee Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario of which Properties General Partner is the general partner and Partnership A, Partnership B and certain subsidiaries of Dundee Corporation are the sole limited partners;

“Dundee Realty” means Dundee Realty Corporation, a corporation governed by the laws of Ontario and a subsidiary of Dundee Corporation;

“Dundee Realty Administrative Services Agreement” means the administrative services agreement dated May 12, 2006 between Dundee Realty and Dundee Management LP;

“Dundee Realty Management” means Dundee Realty Management Corp., a wholly-owned subsidiary of Dundee Management LP existing under the laws of the Province of Ontario;

“Dundee Realty Master Asset Transfer Agreement” means the agreement dated June 30, 2003 between Dundee Realty and Dundee Properties LP pursuant to which all of the Properties held directly or indirectly by Dundee Realty were transferred to Dundee Properties LP;

“Dundee Realty Non-Competition Agreement” means the agreement dated June 30, 2003 between Dundee Realty, Dundee Properties LP and Dundee REIT pursuant to which Dundee Realty agreed to certain non-competition arrangements with Dundee REIT and Dundee Properties LP;

“Dundee REIT” means Dundee Real Estate Investment Trust, an open-ended real estate investment trust formed under the laws of the Province of Ontario;

“Dundee REIT Administrative Services Agreement” means the amended and restated administrative services agreement dated December 31, 2007 between Dundee REIT, Dundee Properties LP, Partnership A, Partnership B and Dundee Management LP;

“Eastern Portfolio” means Dundee REIT’s portfolio of real estate assets located primarily in Eastern Canada that was sold to GE Real Estate on August 24, 2007;

“Event of Default” has the meaning given to it in the Indenture, and includes the occurrence and continuation of any one or more of the following events with respect to the Debentures: (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the

Debentures, whether at the Maturity Date, upon redemption, by declaration of acceleration or otherwise; (iii) an unremedied breach of any material covenant or condition of the Indenture by Dundee REIT after a 30 day cure period following notice of such breach; or (iv) certain events of bankruptcy, insolvency or reorganization of Dundee REIT under bankruptcy or insolvency laws;

“Exchange and Support Agreement” means the amended and restated exchange and support agreement dated December 31, 2007 between Dundee REIT, Partnership A, Partnership B, Dundee Properties LP and holders of exchangeable units of Dundee Properties LP, as it may be amended or amended and restated from time to time;

“Existing Income Trust” means an income trust the units of which were publicly-traded before November 1, 2006;

“GAAP” means Canadian generally accepted accounting principles;

“GE Real Estate” means General Electric Capital Canada or its affiliates or divisions of its affiliates, as the context requires;

“Global Debentures” means Debentures issued in the form of fully-registered global Debentures;

“Governance Agreement” means the amended and restated governance agreement dated December 31, 2007 between Dundee REIT, Properties General Partner and Dundee Corporation, as amended or amended and restated from time to time;

“GP A Co.” means Dundee Properties OTA (GP) Inc., a corporation governed by the laws of Ontario that is a wholly-owned subsidiary of Dundee REIT;

“GP B Co.” means Dundee Properties OTB (GP) Inc., a corporation governed by the laws of Ontario that is a wholly-owned subsidiary of Dundee REIT;

“Gross Book Value” means, at any time, the book value of the assets of Dundee REIT and its subsidiaries, as reflected on its then most recent publicly-issued consolidated balance sheet, plus the amount of accumulated depreciation and amortization reflected thereon;

“Indenture” means the trust indenture dated June 21, 2004, as supplemented by a first supplemental indenture dated April 1, 2005, a second supplemental indenture made effective as of June 21, 2004 and a third supplemental indenture dated January 14, 2008, in each case between Dundee REIT and the Debenture Trustee;

“Independent Trustee” means an independent trustee for the purposes of the Declaration of Trust, being any trustee who is not or has not been within the last four years an employee of Dundee Corporation or any affiliate of Dundee Corporation or who is not directly employed by Dundee REIT or any of its affiliates;

“Individual Non-Competition Agreements” means the agreements dated June 30, 2003, in the case of individuals other than Ms. Ferstman, Mr. Jackman and Mr. Tweedy, dated September 11, 2003, in the case of Messrs. Jackman and Tweedy, and dated May 14, 2010, in the case of Ms. Ferstman, between Dundee REIT, Dundee Properties LP and each of our trustees and officers pursuant to which such trustees and officers have agreed to certain non-competition arrangements with Dundee REIT and Dundee Properties LP;

“Interest Payment Date” means, for the 6.5% Debentures, June 30 and December 31 in each year, for the 5.7% Debentures, March 31 and September 30 in each year and for the 6.0% Debentures, June 30 and December 31 in each year;

“LP Class A Units” means the LP Class A limited partnership units of Dundee Properties LP;

“LP B Units” or **“LP Class B Units, Series 1”** means the LP Class B, Series 1 limited partnership units of Dundee Properties LP;

“LP Class B Units, Series 2” means the LP Class B, Series 2 limited partnership units of Dundee Properties LP;

“Master Asset Transfer Agreements” means the Dundee Consolidated Properties Master Asset Transfer Agreement and the Dundee Realty Master Asset Transfer Agreement and any other agreement entered into between affiliates of Dundee Realty and Dundee Properties LP for the purposes of transferring the Properties to Dundee Properties LP in connection with the Reorganization;

“Master Property Management Agreement” means the property management agreement dated June 30, 2003 between Dundee REIT, Dundee Management LP, Dundee Properties LP and Dundee Realty;

“Maturity Date” means, for the 6.5% Debentures, June 30, 2014; for the 5.7% Debentures, March 31, 2015; and for the 6.0% Debentures, December 31, 2014;

“Minister” means the Minister of Finance (Canada);

“MI 52-110” means Multilateral Instrument 52-110 – *Audit Committees*;

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“Non-Resident” means a non-resident of Canada within the meaning of the Tax Act;

“Normal Growth Guidelines” means the Guidance Provided on “Normal Growth” for Income Trusts and other Flow-Through Entities issued in a press release by the Department on December 15, 2006, which guidelines are incorporated by reference into the SIFT Rules;

“OBCA” means the *Business Corporations Act* (Ontario), as amended;

“Partnership A” means Dundee Properties OTA Limited Partnership, a limited partnership formed under the laws of the Province of Ontario of which GP A Co. is the general partner and Dundee REIT is the sole limited partner;

“Partnership B” means Dundee Properties OTB Limited Partnership, a limited partnership formed under the laws of the Province of Ontario of which GP B Co. is the general partner and Dundee REIT is the sole limited partner;

“Plans” means trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans under the Tax Act;

“Properties” means the commercial revenue producing properties listed under “Real Estate Portfolio” held indirectly by Dundee REIT through Dundee Properties LP;

“Properties General Partner” means Dundee Properties (GP) Inc., a corporation incorporated under the laws of the Province of Ontario that is wholly-owned by Dundee REIT and is the general partner of Dundee Properties LP;

“Properties Limited Partnership Agreement” means the amended and restated limited partnership agreement of Dundee Properties LP dated December 31, 2007, as it may be amended or amended and restated from time to time;

“Put Date” means the date which is 30 days following the giving of notice to holders of Debentures of a Change of Control;

“Put Price” means the price equal to 101% of the principal amount of the 5.7% Debentures, the 6.5% Debentures or the 6.0% Debentures, as the case may be;

“Record Date” means the record date for the payment of interest on the Debentures, being, for the 6.5% Debentures, June 15 and December 15 in each year, for the 5.7% Debentures, March 15 and September 15 in each year and for the 6.0% Debentures, June 15 and December 15 in each year;

“REIT A Units” means the REIT Units, Series A of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT derived from Dundee REIT’s investment in securities of Partnership A;

“REIT B Units” means the REIT Units, Series B of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT derived from Dundee REIT’s investment in securities of Partnership B;

“REIT Exception” means the exception under the SIFT Rules applicable to certain real estate investment trusts that satisfy certain specified conditions relating to the nature of their income and investments;

“REIT Units” means, collectively, the REIT A Units, the REIT B Units and the Special Trust Units, but **“REIT units”**, when units is used in lower case type, means, collectively, the REIT A Units and the REIT B Units;

“Related Party” means, with respect to any person, a person who is a “related party”, as that term is defined in Multilateral Instrument 61-101 – *Take-Over Bids and Special Transactions*, as such rule may be amended from time to time (and including any successor rule or policy thereto);

“Reorganization” means the reorganization of the business of Dundee Realty on June 30, 2003 pursuant to which substantially all of the commercial real estate division of Dundee Realty was transferred to Dundee REIT;

“RESPs” means trusts governed by registered education savings plans under the Tax Act;

“Sale of the Eastern Portfolio” means the sale of the Eastern Portfolio and related assets to GE Real Estate that was completed on August 24, 2007;

“SIFT” means a specified investment flow-through trust or partnership for purposes of the Tax Act;

“SIFT Rules” means the amendments to the Tax Act enacted on June 22, 2007 which modify the tax treatment of certain publicly traded trusts and partnerships that are SIFTs and their beneficiaries and partners;

“Special Trust Units” means the Special Trust Units of Dundee REIT issued to the holders of LP B Units providing rights to vote (and only a nominal economic interest) as a unitholder of Dundee REIT, all of which are currently held indirectly by Dundee Corporation;

“Subsidiary” means, with respect to any person (other than an individual), any other person that is controlled, directly or indirectly, by the person and, in addition to the foregoing, with respect to Dundee REIT shall include GP A Co., GP B Co., Partnership A, Partnership B, Properties General Partner, Dundee Properties LP, Dundee Management (GP) Inc. and Dundee Management LP;

“Subsidiary Security” means securities of a subsidiary of Dundee REIT;

“Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“Tax Proposals” means the specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister prior to the date of this AIF;

“Total Put Price” means the Put Price plus accrued and unpaid interest up to but excluding the Put Date;

“Transition Fund Unit” means a unit of interest in Dundee REIT designated as a “Transition Fund Unit” and includes a fraction of a Transition Fund Unit;

“TSX” means the Toronto Stock Exchange;

“Unit Interest Payment Option” means the right of Dundee REIT to elect to issue and deliver freely-tradeable REIT A Units to the Debenture Trustee in order to raise funds to satisfy all or any part of its obligations to pay interest on the Debentures in accordance with the Indenture;

“Unit Payment Option” means the right of Dundee REIT to elect to satisfy its obligation to repay, in whole or in part, the principal amount of the Debentures which are to be redeemed or which have matured by issuing freely-tradeable REIT A Units, in whole or in part, to the holders of the Debentures;

GENERAL

We are a provider of high quality, affordable business premises in Canada. As at December 31, 2011, our portfolio consisted of approximately 18.9 million square feet of gross leasable area across Canada. Through Dundee Management LP, we currently provide property management services to our tenants and other businesses.

Dundee REIT is an unincorporated, open-ended real estate investment trust governed by the laws of Ontario. Dundee REIT is a “mutual fund trust” as defined in the *Income Tax Act* (Canada), but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. Our head office is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1.

Dundee REIT’s investment and operating activities are limited, because our operating business is carried out by Dundee Properties LP, one of our subsidiary entities. For simplicity, we use terms in this AIF to refer to our business and operations as a whole. Accordingly, in this AIF, unless the context otherwise requires, when we use terms such as “we”, “us” and “our”, we are referring to Dundee REIT and its subsidiary entities, including partnerships in which Dundee REIT owns directly or indirectly more than a 50% equity interest. When we use expressions such as “our business”, we are referring to the activities of Dundee REIT and these subsidiary entities as a whole. When we use expressions such as “our properties”, “our portfolio”, “we own” or “we invest in” in relation to the Properties, we are referring to Dundee REIT’s ownership of and investment in the Properties indirectly through Dundee Properties LP. When we use expressions such as “we operate” in relation to the operations of Dundee REIT, we are referring to Dundee REIT’s operation through its indirect interest in Dundee Properties LP.

When we use the expression “our trustees” in this AIF, we are referring to the trustees of Dundee REIT.

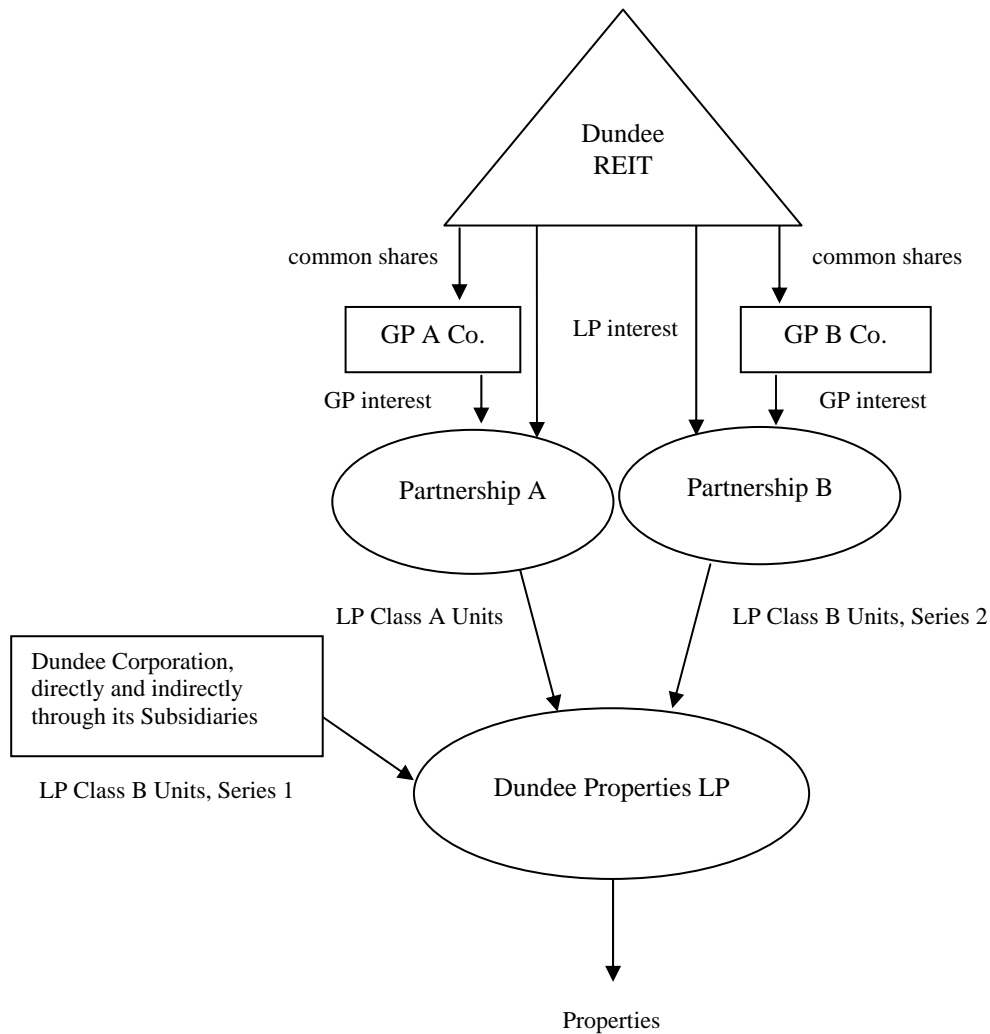
All information in this AIF set out with respect to occupancy rates, expiry dates, average contract rent and premium of market rent over contract rent of our Properties does not give effect to the rent supplement described in this AIF. Where we refer to the term “market rent”, we have estimated market rent through reference to recent leasing activity in the market, leasing interest in the Properties and publicly available market research.

Certain market information has been obtained from CB Richard Ellis MarketView, Fourth Quarter 2011, a publication prepared by a commercial firm that provides information relating to the real estate industry. Although we believe this information is reliable, the accuracy and completeness of this information is not guaranteed. We have not independently verified this information and make no representation as to its accuracy.

Unless otherwise specified, all information in this AIF is presented as at December 31, 2011.

OUR STRUCTURE

The following chart is a simplified illustration of our organizational structure as at December 31, 2011:



Notes:

- (1) Dundee Corporation, through its subsidiaries, beneficially holds non-voting limited partnership units of Dundee Properties LP, which represent an equity interest in Dundee Properties LP of approximately 5% as at December 31, 2011. Dundee Corporation, through its subsidiaries, beneficially holds a corresponding voting interest in Dundee REIT by virtue of its holding of Special Trust Units. One of the senior officers of Dundee REIT holds an approximate 30% equity interest in Dundee Realty, a subsidiary of Dundee Corporation.
- (2) Partnership A and Partnership B own all of the voting limited partnership units of Dundee Properties LP, which collectively represent an equity interest in Dundee Properties LP of approximately 95% as at December 31, 2011. The general partner of Dundee Properties LP is wholly-owned by Dundee REIT.
- (3) Properties may be held by Dundee Properties LP indirectly.

Our principal subsidiary entities are described below:

Dundee Properties OTA Limited Partnership (“Partnership A”) - a limited partnership governed by the laws of Ontario. Partnership A is one of two holding entities for our interest in Dundee Properties LP. All of the limited partnership interests in Partnership A are held by Dundee REIT. The general partner of Partnership A is Dundee Properties OTA (GP) Inc., a corporation governed by the laws of Ontario that is a wholly-owned subsidiary of Dundee REIT.

Dundee Properties OTB Limited Partnership (“Partnership B”) - a limited partnership governed by the laws of Ontario. Partnership B is one of two holding entities for our interest in Dundee Properties LP. All of the limited partnership interests in Partnership B are held by Dundee REIT. The general partner of Partnership B is Dundee Properties OTB (GP) Inc., a corporation governed by the laws of Ontario that is a wholly-owned subsidiary of Dundee REIT.

Dundee Properties Limited Partnership (“Dundee Properties LP”) - a limited partnership governed by the laws of Ontario. Dundee Properties LP holds direct and indirect interests in our commercial revenue producing properties. Dundee Properties LP is also the vehicle through which Dundee Corporation, one of our principal investors, holds the majority of its economic interest in our business. Dundee REIT indirectly owns all of the voting limited partnership units of Dundee Properties LP, while Dundee Corporation, through its subsidiaries, beneficially holds all of the non-voting limited partnership units of Dundee Properties LP.

Dundee Management Limited Partnership (“Dundee Management LP”) - a limited partnership governed by the laws of Ontario. Dundee Management LP holds all of the issued and outstanding shares of Dundee Realty Management. Dundee Management LP manages substantially all of our properties and provides certain services to us, with the assistance of its wholly-owned subsidiary, Dundee Realty Management. Dundee REIT indirectly holds all of the voting units of Dundee Management LP. The general partner of Dundee Management LP is Dundee Management (GP) Inc., a corporation incorporated under the laws of Ontario. Dundee Properties LP holds all of the limited partnership units of Dundee Management LP, and all of the issued and outstanding shares of its general partner. Through these interests, Dundee Properties LP is entitled to 100% of the distributions of income from Dundee Management LP.

Dundee Realty Management Corp. (“Dundee Realty Management”) - a corporation governed by the laws of Ontario. Dundee Realty Management assists Dundee Management LP in managing substantially all of our properties. All of the issued and outstanding shares of Dundee Realty Management are held by Dundee Management LP.

In addition, the following table sets forth the name, percentage interest held directly or indirectly and jurisdiction of incorporation of certain of the principal subsidiary entities of Dundee Properties LP (not including subsidiary entities that act solely as registered nominees of our properties):

Name of Subsidiary Entity	Percentage Interest Held Directly or Indirectly	Jurisdiction of Incorporation/Formation
30 Adelaide Street East Limited Partnership	50%	Ontario
Dundeal Canada (West) Limited Partnership	100%	Ontario
Dundeal Canada Limited Partnership	100%	Ontario
Dundeal Canada 700 Montreal Limited Partnership	100%	Ontario
Dundeal Holdings Limited Partnership	100%	Ontario
Dundeal Summer 2011 Collection Limited Partnership	100%	Ontario
Dundee Canadian Properties Holdings Limited Partnership	100%	Ontario
Dundee Canadian Properties Limited Partnership	100%	Ontario
Dundee Flex Properties Limited Partnership	100%	Ontario
Dundee Properties 720 Bay Limited Partnership	100%	Ontario
Dundee Properties Simmonds Limited Partnership	100%	Ontario
Dundee Realex Holdings Limited Partnership	100%	Ontario
LAC Properties	100%	Ontario
LCH Properties	100%	Ontario
LCH Properties 2	100%	Ontario
TT Portfolio Limited Partnership	50%	Alberta
Dundee Leduc Industrial Limited Partnership	100%	Alberta

GENERAL DEVELOPMENT OF THE BUSINESS

Acquisitions and Dispositions

Acquisitions

The table below highlights strategic acquisitions completed since January 1, 2009, with a purchase price of more than \$20 million.

Property Name	Property Type	Interest Acquired	Acquired GLA ⁽¹⁾ (sq.ft.)	Occupancy at date of Acquisition	Purchase Price ⁽³⁾ (\$000's)	Date Acquired
720 Bay Street, Toronto, Ontario	office	50%	124,000	100%	25,948	September 1, 2009
6655-6725 Airport Road, Mississauga	office	100%	330,000	100%	50,637	December 18, 2009
Adelaide Place, Toronto	office	100%	655,000	97%	217,708	January 18, 2010
Aviva Corporate Centre, Toronto	office	100%	438,000	99%	45,660	February 10, 2010
10130-103 Street, Edmonton	office	100%	265,625	95%	90,007	April 16, 2010
30 Eglinton Avenue West, Mississauga	office	100%	164,987	90%	38,543	May 31, 2010
625 Cochrane Drive, Markham	office	100%	161,997	100%	29,917	June 18, 2010
Valleywood Corporate Centre, Markham	office	100%	154,116	98%	31,645	June 18, 2010
275 Wellington Street East, Aurora	industrial	100%	317,000	100%	25,438	July 30, 2010
2075 Kennedy Road, Toronto	office	100%	201,730	96%	31,750	August 12, 2010
1421 rue Ampère, Boucherville	industrial	100%	457,875	100%	29,381	September 2, 2010
150 Metcalfe Street, Ottawa	office	100%	109,374	91%	34,540	September 16, 2010
2200 & 2204 Walkley Road, Ottawa	office	100%	156,551	100%	23,653	November 2, 2010
4259-4299 Canada Way, Burnaby	office	100%	118,536	96%	26,280	December 15, 2010
2665 Renfrew Street, Vancouver	office	100%	81,662	100%	34,649	December 21, 2010
AFIAA Portfolio, Toronto, Mississauga and Calgary	office	100%	198,392	95%	45,348	December 21, 2010
10250-101 Street, Edmonton	office	100%	296,961	79%	84,619	December 22, 2010
100 Gough Road, Toronto	office	100%	111,840	100%	30,475	December 30, 2010
Saskatoon Square, Saskatoon	office	100%	209,593	100%	51,349	January 4, 2011
400 Cumberland Street, Ottawa	office	100%	174,921	100%	39,179	January 17, 2011
Realex Portfolio	office and industrial	100%	1,837,277	96%	363,697 ⁽²⁾	February 8, 2011
700 de la Gauchetière, Montréal	office	100%	987,706	94%	287,766	July 11, 2011
13888 Wireless Way, Richmond	office	100%	116,530	100%	32,447	July 12, 2011
Blackstone Portfolio, Ontario and Alberta	office	100%	2,661,914	94%	703,365	August 15, 2011
Richmond Place (8100 Granville Avenue), Richmond	office	100%	94,646	100%	24,867	November 22, 2011
5001 Yonge Street, Toronto	office	100%	310,600	100%	107,775 ⁽⁴⁾	January 19, 2012
Whiterock portfolio ⁽⁵⁾	office, industrial, retail	100%	7,364,970	97.6%	1,419,889 ⁽⁴⁾	March 2, 2012

⁽¹⁾ Gross leaseable area ("GLA")

⁽²⁾ Includes \$20.8 million of equity accounted investments

⁽³⁾ Includes transaction costs

⁽⁴⁾ Excludes transaction costs

⁽⁵⁾ A detailed listing of properties acquired as part of the Whiterock portfolio can be found in Schedule B

Under applicable Canadian securities laws, the acquisition of each of the Realex portfolio, the Blackstone portfolio and the Whiterock portfolio referred to in the table above was considered a "significant acquisition". We filed a business acquisition report in respect of each of those acquisitions.

Dispositions

Since January 1, 2009, we have sold the following properties below:

- 18403-104th Avenue and 14604-14680-134th Avenue in Edmonton, Alberta;
- our remaining 50% interest in Greenbriar Mall, Atlanta, Georgia;
- our 50% interest in 110 Sheppard Avenue East in Toronto, Ontario; and
- our interest in ARAM Building in Calgary, Alberta.

Current Discussions Regarding Acquisitions and Dispositions

Consistent with our past practices and in the normal course of business, we are engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in our portfolio. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition or disposition would be. We expect to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

Development Properties

We are nearing completion of the construction of an office building in Yellowknife (the Gallery Building) that is fully leased to the Government of Canada for a ten-year term. Construction costs are estimated to be \$20.0 million (excluding financing costs) and will be funded by cash on hand and our credit facility. Total expenditures as at December 31, 2011, were \$19.4 million.

Amendments to Declaration of Trust

At our annual meeting of unitholders held on May 7, 2008, unitholders approved a special resolution authorizing and approving certain amendments to the distribution payment provisions in our declaration of trust. These amendments, which were implemented forthwith after the meeting of unitholders, were reflected in an amended and restated declaration of trust of Dundee REIT dated September 1, 2009.

At our annual meeting of unitholders held on May 11, 2009, unitholders approved a special resolution authorizing and approving certain matters, including certain amendments to our declaration of trust, in connection with a proposed change in the way we hold our indirect interest in Telus Tower in Calgary, Alberta. Accordingly, we amended and restated our Declaration of Trust and implemented the proposed change on December 31, 2009. In addition, in preparation for our transition to International Financial Reporting Standards, we concurrently amended the termination provisions of our declaration of trust to provide that Dundee REIT will continue in full force and effect so long as any of our property is held by our trustees, unless Dundee REIT is earlier terminated in accordance with the Declaration of Trust.

Effective March 31, 2011, we amended and restated our declaration of trust to provide that an Independent Trustee is any trustee of Dundee REIT who is not or has not been within the last four years an employee of Dundee Corporation or any affiliate of Dundee Corporation, or who is not directly employed by Dundee REIT or any of its affiliates.

Debt and Equity Offerings

On September 9, 2009, we completed a public offering of 3,350,000 REIT A Units at a price of \$18.35 per unit. On September 29, 2009, we issued an additional 502,500 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The net proceeds of this offering were approximately \$67.1 million (after deducting the underwriters' fees and

expenses of the offering), and were used for general purposes, including for funding acquisitions and repayment of debt incurred in connection with those acquisitions.

On January 7, 2010, we completed a public offering of 5,520,000 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$18.75 per unit. The net proceeds of this offering were approximately \$98.6 million (after deducting the underwriters' fees and expenses of the offering), and were used for funding acquisitions identified in our short form prospectus dated December 30, 2009 under "Recent Developments – Current Discussions and Agreements Regarding Proposed Acquisitions and Dispositions" and for general trust purposes.

On March 16, 2010, we completed a public offering of 3,965,000 REIT A Units at a price of \$25.25 per unit. On March 26, 2010, we issued an additional 594,750 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The net proceeds of this offering were approximately \$110.0 million (after deducting the underwriters' fees and expenses of the offering), and were used for funding acquisitions which were been identified, as well as for future acquisitions and general trust purposes.

On June 2, 2010, we completed a public offering of 4,100,000 REIT A Units at a price of \$24.40 per unit. On June 17, 2010, we issued an additional 615,000 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The net proceeds of this offering were approximately \$109.9 million (after deducting the underwriters' fees and expenses of the offering), and were used for funding acquisitions which were identified, as well as for future acquisitions and general trust purposes.

On September 2, 2010, we completed a public offering of 5,669,500 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$25.40 per unit. The net proceeds of this offering were approximately \$137.7 million (after deducting the underwriters' fees and expenses of the offering), and were used to fund future acquisitions and for general trust purposes.

On December 21, 2010, we completed a public offering of 3,864,000 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$29.85 per unit. The net proceeds of this offering were approximately \$110.2 million (after deducting the underwriters' fees and expenses of the offering), and will be used to fund committed and future acquisitions and for general trust purposes.

On February 4, 2011, we completed a public offering of 4,749,500 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$30.30 per unit. The net proceeds of this offering were approximately \$138.1 million (after deducting the underwriters' fees and expenses of the offering), and were used to partially fund the acquisition of Realex Properties Corp., to fund potential future acquisitions and for general trust purposes.

On June 14, 2011, we completed a public offering of 4,660,000 REIT A Units at a price of \$33.30 per Unit. On June 29, 2011, we issued an additional 699,000 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The net proceeds of this offering were approximately \$171.3 million (after deducting the underwriters' fees and expenses of the offering), and were used to fund future acquisitions and for general trust purposes.

On August 15, 2011, we completed a public offering of 5,037,000 REIT A Units at a price of \$32.40 per unit. The offering included 407,000 Units purchased by Dundee Corporation at the offering price pursuant to the exercise of its pre-emptive right under Dundee REIT's declaration of trust. The net proceeds of this

offering were approximately \$156.6 million (after deducting the underwriters' fees and expenses of the offering), and were used to fund the acquisition of the Blackstone Portfolio.

On December 20, 2011, we completed a public offering of 4,393,000 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$32.75 per unit. The net proceeds of this offering were approximately \$137.5 million (after deducting the underwriters' fees and expenses of the offering), and were used to fund future acquisitions and for general trust purposes.

Normal Course Issuer Bid

Effective September 26, 2009, we renewed our normal course issuer bid. Under the bid, we had the ability to purchase for cancellation up to a maximum of 1,648,026 REIT A Units (representing 10% of the public float of 16,480,260 REIT A Units on September 17, 2009) through the facilities of the TSX. No units were purchased under this bid.

Effective November 3, 2010, we renewed our normal course issuer bid. Under the new bid, we have the ability to purchase for cancellation up to a maximum of 4,010,675 REIT A Units (representing 10% of the REIT's public float of 40,106,751 REIT A Units at the time of renewal through the facilities of the TSX). As of December 31, 2010, no units were purchased under this bid.

Effective December 2, 2011, we renewed our normal course issuer bid. Under the new bid, we have the ability to purchase for cancellation up to a maximum of 5,910,181 REIT A Units (representing 10% of the REIT's public float of 59,101,809 REIT A Units at the time of renewal through the facilities of the TSX). As of December 31, 2011, no units were purchased under this bid.

RECENT DEVELOPMENTS

Completion of Whiterock Acquisition

On March 2, 2012, we completed the acquisition of all of the outstanding units of Whiterock Real Estate Investment Trust (“**Whiterock**”). Whiterock unitholders were able to elect to receive either cash or REIT A Units for their units of Whiterock, in each case subject to limits on the maximum total cash amount payable by Dundee REIT and maximum total number of REIT A Units issuable by Dundee REIT as consideration. In total, Dundee REIT has issued 12,580,347 REIT A Units in connection with the acquisition of Whiterock. Whiterock is now wholly-owned by Dundee REIT. With the completion of the Whiterock acquisition on March 2, 2012 and the completion of our public offering of REIT A Units on March 28, 2012 (referred to below under “—Public Offering of Units”), Dundee REIT is now the fourth largest REIT in Canada measured by market capitalization. The Whiterock acquisition further solidifies our position as the largest provider of office space in the Canadian REIT market.

In order to fund the cash portion of the purchase price and related transaction costs, we borrowed \$220.0 million under our pre-existing bridge loan credit facilities provided by a syndicate of lenders in connection with the Whiterock acquisition. Subsequent to completing the Whiterock acquisition, we had undrawn credit facilities of approximately \$100.0 million.

In connection with the Whiterock acquisition, we assumed the principal amount outstanding under each of Whiterock's debentures which includes convertible and non-convertible debentures. The conversion prices under the convertible debentures have been adjusted in accordance with their terms. The 6.0% Series F Debentures are now convertible at an exercise price of approximately \$27.96, the 7.0% Series G Debentures are now convertible at an exercise price of approximately \$18.37 and the 5.5% Series H Debentures are now convertible at an exercise price of approximately \$36.69. As at the close of business on March 1, 2012, there was outstanding \$6,625,000 aggregate principal amount of 6.0% Series F Debentures, \$2,112,000 aggregate principal amount of 7.0% Series G Debentures and \$51,190,000

aggregate principal amount of 5.5% Series H Debentures. As of March 1, 2012, there was outstanding \$35,000,000 aggregate principal amount of 5.95% Senior Unsecured Debentures, Series K and \$10,000,000 aggregate principal amount of 5.95% Senior Unsecured Debentures, Series L.

On March 5, 2012, we made an offer to purchase all of the outstanding convertible and non-convertible debentures that we assumed in connection with the Whiterock acquisition for a purchase price of 101% of the principal amount thereof, payable in cash. Our offer expired at 5:00 p.m. (Toronto time) on March 29, 2012. A total of \$62,000 aggregate principal amount of 5.5% Series H Debentures were tendered to our offer.

Under applicable Canadian securities laws, the acquisition of Whiterock was considered a “significant acquisition”. We filed a business acquisition report in respect of the Whiterock acquisition.

Overview of the Whiterock Portfolio

We believe that the Whiterock portfolio is an excellent strategic fit with Dundee REIT’s existing portfolio. Whiterock provides high-quality office, retail, and industrial properties in Canada and, to a lesser extent, in the United States. As at December 31, 2011, Whiterock REIT’s portfolio totalled approximately 7.1 million square feet of gross leasable area across Canada and in the United States (including Whiterock’s share of co-owned and long-term leased properties) and had a 96.7% occupancy rate. The office real estate properties included 45 properties totalling approximately 4.6 million square feet, located in British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia. The industrial real estate properties included 20 properties totalling approximately 1.4 million square feet, located in Saskatchewan, Alberta, Ontario, Québec and New Brunswick. The retail real estate properties included ten properties totalling approximately 0.4 million square feet, located in British Columbia, Alberta, Saskatchewan, Ontario, Prince Edward Island and Nova Scotia. The portfolio also included one office and one industrial property totalling 0.9 million square feet in the United States.

In January 2012, Whiterock completed two previously announced acquisitions. It acquired a 40% interest (with Whiterock’s usual co-owner acquiring the remaining 60% interest) in 9 office properties located in Edmonton, Alberta consisting of 0.2 million square feet of gross leasable area and the freehold interest in Airway Centre 2-4, Mississauga, Ontario (an office property in which Whiterock had the leasehold interest as at December 31, 2011).

The geographic profile of the Whiterock portfolio strengthens our position in our existing markets and also provides us with presence in new markets. We believe that the lease maturity profile of the Whiterock portfolio is balanced and provides us with additional opportunities to capitalize on gaps between in-place and market rents. Similar to our tenant profile before the acquisition of Whiterock, almost 30% of the gross rent from the Whiterock portfolio comes from government entities and other stable, credit-worthy tenants.

Comparing the indebtedness we assumed in connection with the Whiterock acquisition to our other indebtedness, the term to maturity of the Whiterock indebtedness is generally shorter and the average interest rate is generally higher, which provides an opportunity to capitalize on more favourable interest rates as the Whiterock indebtedness matures, provided that the current interest rate environment continues. This has the potential to allow us to reduce our interest rate costs on the Whiterock indebtedness more quickly than with our other indebtedness. We believe there are other potential cost savings that could be achieved through our integration of the Whiterock portfolio, such as through operational and leasing synergies and additional revenue from the internalization of property management for certain of the Whiterock assets that are currently managed by third parties.

If we use the net proceeds of our recent public offering of REIT A Units to repay indebtedness, we anticipate that our debt-to-gross book value will be approximately 51%.

5001 Yonge Street, Toronto, Ontario

On January 19, 2012, we completed the acquisition of 5001 Yonge Street, a 20-storey, 310,600 square foot Class A office building in North York, Ontario, for approximately \$107.8 million (excluding transaction costs). At the time of acquisition, the property was 100% leased and had an average lease term of 5.2 years.

67 Richmond Street, Toronto, Ontario

On January 30, 2012, we completed the acquisition of 67 Richmond Street, a 7-storey, 50,100 square foot office building in downtown Toronto, Ontario, for approximately \$13.5 million (excluding transaction costs). At the time of acquisition, the property was 100% leased and had an average lease term of 3.9 years.

234 1st Avenue South, 120 20th Street East and 263-271 2nd Avenue South, Saskatoon, Saskatchewan

On March 12, 2012, we completed the acquisition of 234 1st Avenue South, 120 20th Street East and 263-271 2nd Avenue South in Saskatoon, Saskatchewan for \$18.0 million (excluding transaction costs). These properties include a 4-storey parking structure with commercial units at ground level, and two surface parking lots. All are in close proximity to properties already owned by Dundee REIT in Saskatoon.

7236 – 10th Street NE, Calgary, Alberta

On February 2, 2012, we completed the sale of the ARAM Building (7236 – 10th Street NE), a 36,400 square foot office building in Calgary, Alberta, for approximately \$7.7 million (excluding transaction costs).

Public Offering of Units

On March 28, 2012, we completed a public offering of 6,555,000 REIT A Units at a price of \$35.35 per unit. The net proceeds of this offering were approximately \$223.0 million (after deducting the underwriters' fees of the offering), and were used to fund future acquisitions and for general trust purposes.

Surrender of Dundee Corporation Board Appointment Rights

In December 2011, one of our unitholders, Dundee Corporation irrevocably agreed to permanently give up its right to appoint up to one less than a majority of our trustees (although this will not impact the current term of any of Dundee Corporation's appointees to our board). This right existed since Dundee REIT became a publicly-traded entity in 2003. In lieu thereof, Dundee Corporation is entitled to nominate (but not appoint) up to one less than a majority of our trustees provided that Dundee Corporation and its affiliates continue to beneficially own, in the aggregate, at least 2,000,000 REIT Units or an aggregate number of REIT Units that, upon surrender or exchange of its LP B Units, would equal at least 2,000,000 REIT Units or an equivalent number resulting from any consolidation, subdivision, or division of REIT Units. This nomination right is different than Dundee Corporation's former board appointment right in that all voting unitholders of Dundee REIT will be entitled to vote on any nominees proposed by Dundee Corporation. Dundee Corporation has also agreed to take any and all action as may be reasonably required by Dundee REIT in order to implement the foregoing, including voting in favour of a resolution to amend the Declaration of Trust, if required.

DESCRIPTION OF THE BUSINESS

Objectives

We are committed to:

- managing our investments to provide growing cash flow and stable and sustainable returns through adapting our strategy and tactics to changes in the real estate industry and the economy;
- building and maintaining a diversified, growth-oriented portfolio of office and industrial properties in Canada, based on an established platform;
- providing predictable and sustainable cash distributions to unitholders and prudently managing distributions over time; and
- maintaining a REIT that satisfies the REIT Exception under the SIFT Rules in order to provide certainty to unitholders with respect to taxation of distributions.

Strategy

Our core strategy is investing in the office and industrial sectors in key markets across Canada and providing a solid platform for stable and growing cash flows. The majority of our portfolio currently comprises central business district office properties concentrated in nine of Canada's top ten office markets. The execution of our strategy is continuously reviewed including acquisitions and dispositions, our capital structure and our analysis of current economic conditions. Our executive team is seasoned, knowledgeable and highly motivated to continue to increase the value of our portfolio and provide stable, reliable and growing returns for our unitholders. In addition, we are steadfast in maintaining Dundee REIT's status as a real estate investment trust under the SIFT Rules.

Dundee REIT's methodology to meet its strategy and objectives includes:

Investing in high-quality office and industrial properties

Dundee REIT has an established presence in key urban markets across the country. Our portfolio comprises high-quality properties that are well-located, attractively priced and produce consistent cash flow. When considering acquisition opportunities, we look for quality tenancies, strong occupancy, the appeal of the property to future tenants, how it complements our existing portfolio and how we can create additional value.

Optimizing the performance, value and cash flow of our portfolio

We manage our properties to optimize long-term cash flow and value. With fully internalized property management, we offer a strong team of highly experienced real estate professionals who are focused on achieving more from our assets. Occupancy rates across our portfolio have remained steady and strong for a number of years. We view this as strong evidence of the appeal of our properties and our ability to meet and exceed tenant expectations. We have a proven ability to identify and execute value-add opportunities.

Diversifying our portfolio to mitigate risk

Over the past two years, we have carefully repositioned our portfolio through an impressive number of accretive acquisitions. In addition to expanding and diversifying our geographic footprint across the country, the acquisitions have served to enhance the stability of our business: diversifying and strengthening the quality of our revenue stream and increasing cash flow. We will continue to pursue opportunities for growth but only when they enhance our overall portfolio, further improve the

sustainability of distributions, strengthen our tenant profile and mitigate risk. We have experience in each of Canada's key markets and have the flexibility to pursue acquisitions in whichever markets offer compelling investment opportunities.

Maintaining and strengthening our conservative financial profile

We have always operated our business in a disciplined manner, with a keen eye on financial analysis and balance sheet management to ensure that we maintain a prudent capital structure. We continue to generate cash flows sufficient to fund our distributions while maintaining a conservative debt ratio and staggered debt maturities.

Competitive Conditions

A description of the competitive conditions relevant to our business is set out on pages 13 to 19 of our 2011 Management's Discussion and Analysis. The disclosure on those pages is incorporated by reference into this AIF.

REAL ESTATE PORTFOLIO

Overview of Our Properties

As at December 31, 2011, we owned a diversified portfolio of 172 office and industrial properties offering approximately 19 million square feet of gross leasable area. The properties in our portfolio consist of central business district and suburban office buildings as well as industrial and prestige industrial buildings.

Additional data and information regarding the geographic distribution of our rental properties and the distribution of our rental properties between our core office and industrial businesses are set out on page 8 of our 2011 Management's Discussion and Analysis, which disclosure is incorporated by reference into this AIF.

Office Properties

At December 31, 2011, our ownership interests consisted of 118 office properties (134 buildings) comprising approximately 15.3 million square feet located in Halifax, Montréal, Ottawa, Kitchener-Waterloo, Toronto, Saskatoon, Regina, Calgary, Edmonton, Vancouver and Yellowknife. These office buildings can generally be categorized as high-quality, affordable, central business district and suburban buildings. At December 31, 2011, the average occupancy rate across our office portfolio was 95.4%. The national industry average occupancy rate was 91.9% (CB Richard Ellis, Canadian Office MarketView, Fourth Quarter 2011). Our occupancy rates include lease commitments for space that is currently being readied for occupancy but for which rent is not yet being recognized.

The table below sets forth information concerning the office properties in our portfolio and the name of the significant tenants occupying each property (as determined by whether those tenants occupy over 20,000 square feet of gross leasable area on a 100% basis or, if there are no such tenants, the largest tenant measured by gross leasable area occupied). The name of each tenant referred to below may not be the name of the legal entity which is a party to the relevant lease. All references to "square foot" or "square feet" refer to square foot or square feet of gross leasable area.

Office Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Year Acquired	Occupied/ Committed as at December 31, 2011	Significant Tenants
HSBC Bank Place, Edmonton	100%	300,124	1981	2010	92.7%	The City of Edmonton
Enbridge Place, Edmonton	100%	262,952	1981	2010	99.7%	Enbridge Pipelines
Saskatoon Square, Saskatoon	100%	228,373	1980	2011	100.0%	Sask Tel
Station Tower, Surrey	100%	219,472	1994	1998	98.8%	South Coast BC Transportation
1900 Sherwood Place, Regina	100%	185,103	1992/2003	2006	100.0%	Co-Operators Life Insurance Company
Milner Building, Edmonton	100%	177,612	1957	2011	99.9%	ATCO I-Tek
Baker Centre, Edmonton	100%	144,358	1958	2011	89.2%	Alberta Infrastructure
Victoria Tower, Regina	100%	144,165	1976	2006	100.0%	Saskatchewan Property Mgmt-SPM
Princeton Tower, Saskatoon	100%	131,847	1988	2006	96.7%	Government of Canada
4259-4299 Canada Way, Burnaby	100%	118,165	1973/1998	2010	95.3%	WEBTECH WIRELESS Inc., Government of Canada
HSBC Building, Edmonton	100%	118,293	1974	2011	98.0%	Capital Health
13888 Wireless Way, Richmond	100%	116,530	2008	2011	100.0%	Sage Software Canada, Eclipsys Canada
Highfield Place, Edmonton	100%	103,134	1978	2011	97.4%	Jacobs Canada Inc.
Scotia Centre, Yellowknife	100%	101,342	1991	2006	93.6%	Comm. of NWT
Richmond Place, Richmond	100%	94,646	1986	2011	100.0%	Vancouver Coastal Authority
West Chambers, Edmonton	100%	92,560	1978	2011	92.2%	McLennan Ross
4400 Dominion Street, Burnaby	100%	92,308	1977/2000/ 2006	2007	85.7%	Keystone Environment Ltd.
Precambrian Building, Yellowknife	100%	90,250	1976	2006	91.2%	BHP Billiton Canada Inc.
Northwest Tower, Yellowknife	100%	87,145	1991	2006	92.9%	Municipal and Community Affair
625 Agnes Street, New Westminster	100%	85,632	1981	2007	97.6%	ICBC
2665 Renfrew Street, Vancouver	100%	81,662	2009	2010	100.0%	The Art Institute of Vancouver
Financial Building, Regina	100%	65,764	1958/1992	2010	100.0%	Government of Canada
4370 Dominion Street, Burnaby	100%	63,852	1983/1999	2008	90.3%	Stantec Consulting Ltd.
Preston Centre, Saskatoon	100%	61,810	1988/2003	1998	98.0%	AECOM Canada Ltd.
10199 - 101st Street NW, Edmonton	50%	121,357	1985	2011	54.0%	Bank of Montreal
960 Quayside Drive, New Westminster	100%	60,828	1988	2007	98.3%	Westminster Savings Credit Union
Morgex Building, Edmonton	100%	53,000	1982/1995	2011	100.0%	Morgex
Bellanca Building, Yellowknife	100%	52,285	1973/1996	2006	100.0%	Public Works & Government Services
St. Albert Trail Centre, Edmonton	50%	96,804	2004/2005	2011	100.0%	Sobeys Capital
10216 - 124th Street, Edmonton	25%	152,559	1983	2011	88.1%	Capital Health Region
Capital Centre, Edmonton	25%	64,114	1978	2011	97.4%	Norquest College
Western Canada Office		3,768,046			96.0%	
Telus Tower, Calgary	50%	708,600	1983	2003	100.0%	Telus Communications
840-7th Avenue SW, Calgary	100%	269,940	1979/2001	2006	98.9%	Hatch Ltd., Jacobs Canada Inc.
444 Seventh Building, Calgary	100%	251,931	1963/1998	2011	100.0%	National Energy Board, Penn West Energy, Husky

Office Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Year Acquired	Occupied/ Committed as at December 31, 2011	Significant Tenants
McFarlane Tower, Calgary	100%	242,014	1979/2003	2006	96.7%	Alberta Infrastructure, Saxon Energy Services Inc.
Life Plaza, Calgary	100%	236,799	1980/1992	2007	91.7%	Standard Land Company Inc.
Rocky Mountain Plaza, Calgary	100%	196,423	1972	2011	87.3%	Bow Valley College
Airport Corporate Centre, Calgary	100%	148,478	2000	2007	88.7%	Canada Revenue Agency (HMTQ)
Franklin Atrium, Calgary	100%	148,995	1981	2006	99.5%	Care Factor Computer Services
Northland Building, Calgary	100%	146,477	1982	2011	91.9%	Immigrant Services Calgary
606 Fourth Building & Barclay Parkade, Calgary	100%	134,093	1969/1998	2011	100.0%	Wentworth Resources Ltd.
Roslyn Building, Calgary	100%	130,916	1966/2003	2001	89.0%	Ensign Drilling Inc.
IBM Corporate Park, Calgary	33%	356,448	2002	2008	100.0%	IBM Canada Ltd.
Atrium I, Calgary	100%	109,894	1978	2007	93.6%	Gemini Corporation
Atrium II, Calgary	100%	109,412	1979	2007	100.0%	Hatch Ltd.
510 5th Street SW, Calgary	100%	109,233	1981	2011	95.2%	IMV Projects
Joffre Place, Calgary	100%	107,368	1980	2005	90.1%	Wawanesa Mutual Insurance
Dominion Centre, Calgary	100%	99,014	1979	2007	100.0%	AMEC Americas Ltd Energy & Min
435 4th Avenue SW, Calgary	100%	88,736	1978	2007	93.8%	Profound Energy Inc., Renegade Petroleum Ltd.
2891 Sunridge Way, Calgary	100%	87,348	2001	2006	64.6%	Yellow Pages Group Co.
Kensington House, Calgary	100%	77,590	1982/2002/ 2003	1998	98.4%	IBI Leaseholds Limited
1035 - 7th Ave SW, Calgary	100%	75,763	1979	2006	100.0%	Precision Drilling Corp., SNC Lavalin ATP Inc., SNC Lavalin Inc.
3115 12th Street NE, Calgary	100%	74,202	1981	2011	90.6%	Genesis Land Development Corp.
3510 29th Street NE, Calgary	100%	65,009	1998	2005	100.0%	Extreme Engineering
Mount Royal Place, Calgary	100%	58,688	1979/2004	2006	88.8%	ADL Oilfield Consulting Ltd.
2175 29th Street NE, Calgary	100%	58,156	2000	2004	100.0%	Mentor Engineering Inc.,
2256 29th Street NE, Calgary	100%	58,015	1998	2004	100.0%	P&H Minepro Services Canada Lt
2121 29th Street NE, Calgary	100%	56,648	2000	2004	63.1%	2090141 Ontario Inc.
Braithwaite Boyle Centre, Calgary	100%	53,222	1982	2011	100.0%	Calgary Housing Company
Franklin Building, Calgary	100%	50,577	1978/2001	2006	100.0%	Alberta Health Services
2886 Sunridge Way NE, Calgary	100%	44,230	2001	2004	100.0%	Weatherford Canada Partnership
ARAM Building, Calgary	100%	36,428	2000	2004	100.0%	ARAM Systems Corporation
BISMA Centre, Calgary	100%	27,496	2003	2010	93.0%	Canadian Food Inspection
3250 Sunridge Way NE, Calgary	100%	27,180	2000	2004	100.0%	The City of Calgary
3030 Sunridge Way NE, Calgary	100%	27,016	2000	2004	100.0%	Coffey Geotechnics Inc.
Riverbend Atrium, Calgary	25%	88,249	1981/2001	2011	86.1%	EBA Engineering Consultants

Office Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Year Acquired	Occupied/ Committed as at December 31, 2011	Significant Tenants
Centre 70, Calgary	15%	132,329	1977	2011	92.5%	CGI
Stockman Centre, Calgary	25%	62,241	1979	2011	71.3%	Alcatel-Lucent Canada Inc.
Calgary Office		4,755,158			94.8%	
Adelaide Place, Toronto	100%	653,730	1982/2001	2010	96.7%	Medcan Health Management Inc., DBRS
2200-2206 Eglinton Avenue East, Toronto	100%	352,425	1987	2010	100.0%	Aviva Canada Inc.
6655-6725 Airport Road, Mississauga	100%	329,728	1983	2009	100.0%	Winners
AIR MILES Tower, Toronto	100%	322,557	1992	2008	97.5%	Loyalty Management Group Inc.
720 Bay Street, Toronto	100%	247,743	1989	2004	100.0%	HMTQ Ministry of Government Services
Market Square, Kitchener	100%	240,242	1975/1986	2011	93.7%	Stantec Consulting, The Record
100 Frederick Street, Kitchener	100%	237,548	1981/2005	2011	96.9%	MCAP, Rogers AT&T Wireless
18 King Street East, Toronto	100%	230,943	1967/2008/2009	2011	98.2%	CBRE Management
36 Toronto Street, Toronto	100%	214,601	1875/1914/2008/2009	2011	97.9%	BDO Dunwoody
State Street Financial Centre, Toronto	50%	413,933	1958/2001	1999	50.0%	State Street Trust Company, IFDS
2075 Kennedy Road, Toronto	100%	202,148	1991	2010	95.9%	Carswell
50 Queen Street North, Kitchener	100%	169,769	1978/2004	2011	95.0%	Public Works and Government Services, Gowling Canada Inc.
30 Eglinton Avenue West, Mississauga	100%	164,987	1989	2010	79.9%	Royal LePage Kingsbury Realty
625 Cochrane Drive, Markham	100%	162,547	1989	2010	96.3%	Delcan Corporation
330 Bay Street, Toronto	100%	161,472	1926/1982	2011	94.6%	Inmet Mining
Valleywood Corporate Centre, Markham	100%	154,116	1990	2010	98.5%	Family Guidance Group Inc., BDO Dunwoody
8 King Street East, Toronto	100%	145,945	1914/2006/2008	2011	91.0%	Watts, Grifis & McOuat
2645 Skymark Ave., Mississauga	100%	142,487	1984	2009	100.0%	WorleyParsons Canada Ltd., Fashion Distributors
55 King Street West, Kitchener	100%	124,493	1992	2011	69.0%	WSIB
250 Dundas Street West, Toronto	100%	121,552	1983	2010	98.8%	Toronto Central Community Care, Government of Ontario
100 Gough Road, Markham	100%	111,840	1980	2010	100.0%	IBM Canada Limited
Victory Building, Toronto	100%	100,146	1925/2007/2008	2011	96.4%	Nuinsco
235 King Street East, Kitchener	100%	100,798	1977	2011	78.9%	Arvato Services, Region of Waterloo
22 Frederick Street, Kitchener	100%	95,130	1973/1999	2011	85.7%	Sun Life
Accelerator Building, Waterloo	100%	92,762	2006	2011	100.0%	Miltom Leasing (Kitchener) Ltd., The Regional Municipality
425 Bloor Street East, Toronto	100%	83,022	1986	2011	80.7%	Arcturus Realty Corporation, TCLHIN
586 Argus Road, Oakville	100%	74,570	1992/2011	2011	94.6%	Maple Leaf Foods (Rubbermaid Canada)
357 Bay Street, Toronto	100%	63,279	1921/2008	2011	80.5%	St. Stephen Centre

Office Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Year Acquired	Occupied/ Committed as at December 31, 2011	Significant Tenants
885 Don Mills Road, Toronto	100%	59,569	1968	2011	64.8%	Ontario Electronic Stewardship
6509 Airport Road, Mississauga	100%	60,000	1981/2010	2010	100.0%	Lafarge Canada Inc.
10 King Street East, Toronto	100%	57,052	1965/2010	2011	98.7%	Lakeshore Gold Corp.
360 Bay Street, Toronto	100%	56,936	1955/2007/ 2009	2011	96.8%	The Capital Markets Company
350 Bay Street, Toronto	100%	52,782	1928/1987	2011	84.5%	Instorage LP
2550 Argentia Road, Mississauga	100%	51,639	1987	2010	86.8%	Bridges GP Inc.
366 Bay Street, Toronto	100%	36,227	1959/2006/ 2009	2011	96.2%	Standard Land Company
56 Temperance Street, Toronto	100%	32,210	1984/2008	2011	100.0%	CDC Software Corporation
3035 Orlando Drive, Mississauga	100%	16,754	1991	2010	86.3%	The North West Company
70 King Street East, Kitchener	100%	9,485	1977/2009	2011	100.0%	Obsidian
Greater Toronto Area Office¹		5,947,167			94.9%	
700 De la Gauchetière Street West, Montréal	100%	953,996	1983/2003/ 2010	2011	95.2%	Bell Canada, Hydro Quebec
400 Cumberland Road, Ottawa	100%	174,322	1972	2011	100.0%	PWGSC (DND)
2200-2204 Walkley Road, Ottawa	100%	157,145	1985	2010	100.0%	PWGSC (DND)
130 Slater Street, Ottawa	100%	122,717	1968	2011	100.0%	Knowledge Circle
Gateway Business Park, Ottawa	100%	120,367	1987	2009	98.4%	Academie De Formation Linguist, Eion Inc., Cryptocard Corporation
1125 Innovation Drive, Ottawa	100%	117,469	2000	2009	100.0%	Cae Professional Services Inc., Edgewater Computer Systems Inc.
150 Metcalfe Street, Ottawa	100%	109,439	1991	2010	98.1%	PWGSC
22 Varennes Street, Gatineau	100%	107,783	2001	2011	100.0%	PWGSC
360 Laurier Avenue West, Ottawa	100%	107,298	1966/2010	2011	100.0%	PWGSC
236 Brownlow Avenue, Dartmouth	100%	60,739	1987	2010	94.9%	PWGSC
2625 Queensview Drive, Ottawa	100%	46,156	1983	2010	100.0%	Ottawa Centre for Research and Innovation
700 De la Gauchetière Street West, Montréal	79%	33,710	1983/2003/ 2010	2011	68.2%	447969 Canada Inc.
Eastern Canada Office		2,111,141			97.1%	
Total Office		16,581,512			95.4%	

A description of our top ten office properties, as at March 30, 2012, which collectively produce approximately 24% of our net operating income (“NOI”), is set out below.

700 de la Gauchetière Street West, Montréal – 700 de la Gauchetière is a 28-storey, 954,000 square foot Class A office building located in downtown Montréal. The building is part of a complex comprising two office towers, 700 de la Gauchetière and the adjacent National Bank Tower, owned by the National Bank.

Both towers rest on a six-level podium housing a shopping concourse, parking and storage levels, which is operated jointly by Dundee and The National Bank.

Adelaide Place, Toronto – we own 100% of this two tower Class A office complex located at 181 University Avenue and 150 York Street in downtown Toronto. The property, which encompasses 654,000 square feet of primarily office space as well as some retail space and a bank branch at grade level, was built in 1982 and extensively retrofitted in 2001. The complex is located in the financial core of Toronto, on the north side of Adelaide Street West between York Street and University Avenue and is connected to Toronto's PATH underground walkway system. Medcan Health Management Inc., CIBC and DBRS are the largest tenants in this property.

444 Seventh Avenue, Calgary – we own 100% of this 10-storey, Class A office building located in downtown Calgary. The property was built in 1963, was renovated in 1998 and encompasses 252,000 square feet of office space and multi-level retail space. The largest tenants in this property are the National Energy Board, Penn West Energy and Husky Oil.

Telus Tower, Calgary – we own a 50% interest in this 28-storey, 709,000 square foot office building in downtown Calgary. The building was constructed in 1983 and is located on the edge of the financial core. Telus Communications leases the majority of the space with the balance being leased to such tenants as Bantrel and SNC Lavalin. H&R Real Estate Investment Trust owns the other 50% of this property and H&R Property Management Ltd. is the property manager.

5001 Yonge Street, Toronto – we own 100% of this Class A office building. The property encompasses 311,000 square feet of office space with retail at grade level. It is located on the east side of Yonge Street, just north of Sheppard Avenue in North York, a sub-market in the north-end of Toronto. The largest tenants in this property are PWGSC and Gilliland Gold Young.

Enbridge Place, Edmonton (10130-103 Street) – we own 100% of this 22-storey, 263,000 square foot office building in downtown Edmonton. The property was constructed in 1981 and Enbridge Pipelines Inc. and the Bell Canada are the largest tenants.

AIR MILES Tower, Toronto – we own 100% of this 20-storey, 323,000 square foot Class A office building located at the southwest corner of Dundas Street West and University Avenue in downtown Toronto. The building was constructed in 1992 and features an underground connection to St. Patrick subway station. The building is leased to a variety of tenants, the largest being Loyalty Management Group, Smart & Biggar Management Ltd., and Dutton Brock LLP.

655 Bay Street, Toronto – We own 100% of this 17-storey, 296,000 square foot office building located on the northeast corner of Bay Street and Elm Street in downtown Toronto. The property was acquired in March 2012, in connection with the purchase of the Whiterock portfolio. Federal and Ontario Provincial government agencies lease approximately 72% of space in this building.

840-7th Avenue, Calgary – we own 100% of this 20-storey, 270,000 square foot office building located within Calgary's West core. The building, which was constructed in 1979 and renovated in 2001, is connected to Calgary's Plus 15 walkway system and is leased to a variety of tenants, with Hatch Ltd. and Jacobs Canada Inc. being the largest tenants.

HSBC Bank Place, Edmonton (10250-101 Street) – we own 100% of this 19-storey, 300,000 square foot office building in downtown Edmonton. The property was constructed in 1981 and is located in central business district. Aviva Canada Inc., the City of Edmonton and HSBC Bank Canada are the largest tenants in this building.

Industrial Properties

At December 31, 2011, our industrial portfolio consisted of 54 prime suburban industrial properties (57 buildings) comprising approximately 3.7 million square feet, in Calgary, Edmonton, London, Toronto, Ottawa, Montréal and Halifax. We wholly-own 53 of these properties. At December 31, 2011, the average occupancy rate across our industrial portfolio was 96.6%, ahead of the national industry average of 93.4% (CB Richard Ellis, Canadian Industrial MarketView, Fourth Quarter 2011). Our occupancy rates include lease commitments for space that is currently being readied for occupancy but for which rent is not yet being recognized.

The table below sets forth information concerning the industrial properties in our portfolio and the name of the significant tenants occupying each property (as determined by whether those tenants occupy over 20,000 square feet of gross leasable area or, if there are no such tenants, the largest tenant measured by gross leasable area occupied). The name of each tenant referred to below may not be the name of the legal entity, which is a party to the relevant lease. All references to “square foot” or “square feet” refer to square foot or square feet of gross leasable area.

Industrial Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Year Acquired	Occupied/ Committed as at December 31, 2011	Significant Tenants
15303-128th Avenue, Edmonton	100%	178,143	1977/2004	1998	100.0%	McLeod Mercantile Ltd., Highland Moving & Storage Ltd.
Alberta Park, Edmonton	100%	130,162	1981	1998	98.9%	Gregg Distributors Limited Partnership, North American Construction
Southwood Centre, Edmonton	100%	75,172	1998	2011	65.7%	Alberta Beverage Container Recycling Corp.
Park 19, Edmonton	100%	48,365	1975/1987	2006	100.0%	Boden Fabricating
Parkland County, Edmonton	100%	34,904	2005	2011	100.0%	Peak Energy Services
Wood Group ESP, Edmonton	100%	30,353	2006	2005	100.0%	GE Oil & Gas ESP (Canada) Ltd.
15301-100 St., Grande Prairie	100%	27,058	2005	2011	100.0%	Peak Energy Services
6715-85 Ave., Fort St. John	100%	17,405	2006	2011	100.0%	Peak Energy Services
2240 Premier Way, Edmonton	50%	26,381	2003	2011	100.0%	GE Canada
Western Canada Industrial		567,943			95.1%	
7102-7220 Barlow Trail SE, Calgary	100%	222,590	1979	1998	100.0%	Ice River Springs Water Co. In
7004-7042 30th Street SE, Calgary	100%	94,013	1976	1998	100.0%	Control Chemical(1989) Corp.
4710-4760 14th Street NE, Calgary	100%	72,816	1976	1998	87.6%	Automated Entrances, Business Cards Tomorrow, Roto-Rooter Canada Ltd., Exova Canada Inc. VIP Tech Inc.
2777 23rd Avenue NE, Calgary	100%	67,250	2001	2004	100.0%	Cabinet Solutions Ltd., Sleep Country Canada LP, Western Sleep Products Ltd.
2150 29th Street NE, Calgary	100%	59,865	1999	2004	100.0%	Kilowatts Design Company Inc., ROE Logistics Inc.
1139-1165 40th Avenue NE, Calgary	100%	57,344	1974	1998	100.0%	Instabox Alberta Inc.
2151 32nd Street NE, Calgary	100%	57,198	1999	2004	100.0%	Coast Wholesale Appliances Inc

Industrial Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Year Acquired	Occupied/ Committed as at December 31, 2011	Significant Tenants
501-529 36th Avenue SE, Calgary	100%	57,152	1974	1998	100.0%	Icon Stone and Tile Inc., East West Plastic and Electric
4504-4576 14th Street NE, Calgary	100%	57,085	1976	1998	89.2%	Alberta Damproofing and Waterp
2928 Sunridge Way NE, Calgary	100%	56,904	2003	2004	75.6%	AM/PM Systems Ltd., Sinclair Dental Co. Ltd., MS Healthcare Inc.
4402-4434 10th Street NE, Calgary	100%	54,015	1974	1998	100.0%	Budrich Industries, Scholastic Books Fairs Canada
2985 23rd Avenue NE, Calgary	100%	53,265	2000	2004	100.0%	Sembiosys Genetics Inc.
535-561 36th Avenue SE, Calgary	100%	41,440	1974	1998	100.0%	The Flower Market
2876 Sunridge Way NE, Calgary	100%	30,000	2000	2004	100.0%	Ametek (Canada) Inc.
6804-6818 30th Street SE, Calgary	100%	29,998	1976	1998	100.0%	Entreprise Robert Thibert Inc.
6023-6039 Centre Street South, Calgary	100%	28,792	1973	1998	75.0%	Tom Harris Cellular Ltd.
4502-4516 10th Street NE, Calgary	100%	28,665	1974	1998	75.3%	Chateau Exteriors Ltd.
6043-6055 Centre Street South, Calgary	100%	25,200	1973	1998	100.0%	Wolseley Canada Inc.
530-544 38A Avenue SE, Calgary	100%	24,000	1974	1998	87.5%	Rising Edge Engineering Ltd., Ian Heggie o/a Lawncare
1135-1149 45th Avenue NE, Calgary	100%	21,552	1974	1998	87.7%	International Furniture Wholesale
4620-4640 11th Street NE, Calgary	100%	21,111	1971	1998	90.9%	Core Corporate Relocations, Interfast Inc., North West Wholesales Florist
102-114 61st Avenue SW, Calgary	100%	18,900	1973	1998	100.0%	Beauty Depot Enterprises, Fair's Fair (For Book Lovers)
4001-4019 23rd Street NE, Calgary	100%	15,787	1976	1998	100.0%	Anwalt International Ltd., Mobile Augers & Research Ltd.
2915-2925 58th Avenue SE, Calgary	100%	15,573	1976	1998	100.0%	Crazy Red's Transport, Koch Tractor Services
4515-4519 1st Street SE, Calgary	100%	14,340	1969	1998	100.0%	Mars Blinds & Shutters Ltd
120 Pond E., Brooks	100%	14,305	2006	2011	100.0%	Wellco Energy Services
3503-3521 62nd Avenue SE, Calgary	100%	13,343	1975	1998	90.7%	Clean Harbours Industrial Services
4501-4509 1st Street SE, Calgary	100%	13,200	1970	1998	100.0%	Tunedub Automotive Inc.
4523-4529 1st Street SE, Calgary	100%	11,400	1969	1998	100.0%	Audio Video Interiors Ltd.
7128-7132 Barlow Trail SE, Calgary	100%	5,440	1979	1998	100.0%	Practically Wood Inc., It's a Work Inc., Stormtec AB Filtration Inc.
7122-7126 Barlow Trail SE, Calgary	100%	5,400	1979	1998	100.0%	Thermo Design Insulation Ltd., Sunset Fireworks
Calgary Industrial		1,287,943			96.0%	
275 Wellington Street East, Aurora	100%	317,000	1986	2010	100.0%	QuadGraphics Inc
970 Fraser Drive, Burlington	100%	95,444	1999	2010	100.0%	Sound Design Technologies Ltd.

Industrial Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Year Acquired	Occupied/ Committed as at December 31, 2011	Significant Tenants
1020 Birchmount Road, Toronto	100%	87,161	1952	2010	63.1%	Beaches Trading Company Inc.
Greater Toronto Area Industrial		499,605			93.6%	
1421 Rue Ampère, Boucherville	100%	457,875	1998/2002	2010	100.0%	Spectra/Premium Industries Inc
8000 Av Blaise- Pascal, Montréal	100%	206,345	1993	2010	100.0%	QuadGraphics Inc
1313 Autoroute Chomedey, Laval	100%	184,493	1999	2010	100.0%	Spectra/Premium Industries Inc
2340 St. Laurent Blvd., Ottawa	100%	114,724	1989	2010	100.0%	The Dollco Corporation
580 Industrial Road, London	100%	113,595	1972/2002	2010	100.0%	Colabor Limited Partnership
170 Joseph Zatzman Drive, Dartmouth	100%	65,624	1981	2011	94.8%	Cleve's Sporting Goods Ltd.
105 Akerley Boulevard, Dartmouth	100%	57,436	1983	2010	100.0%	Domtar Inc., Goodall Snowden Rubber, H & H Industries Ltd.
81 Wright Avenue, Dartmouth	100%	44,131	1986	2011	100.0%	Princess Auto
30 Simmonds Drive, Dartmouth	100%	37,240	1982	2010	77.3%	Safety-Kleen Canada Inc., Prosol Distribution Inc.
29 Varennes Street, Gatineau	100%	23,959	2006	2011	100.0%	PWGSC
38 Valcourt Street, Gatineau	100%	16,456	1985	2011	100.0%	Multivesco
Eastern Canada Industrial		1,321,878			99.1%	
Total Industrial		3,677,369			96.6%	

ENVIRONMENTAL SITE ASSESSMENTS

Environmental legislation and policies have become increasingly stringent over the years. Such environmental laws provide a range of potential liabilities, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous or toxic substances released on, to, in or from our properties or disposed of in any other location. The presence of such substances, if any, may also adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral, and could potentially also result in civil claims by private plaintiffs.

Phase I environmental site assessments (also known as environmental audits) of each of the Properties have previously been performed by independent environmental consultants from time to time as necessary. For instance, such assessments may have been performed in connection with financing activities with respect to the Properties or the purchase of properties that are currently in our portfolio. Phase I environmental site assessments were conducted to identify actual and potential site contamination and non-compliance with environmental laws and regulations based on a review of available historical and current records, interviews with available site personnel and a visual inspection of the relevant property. A Phase I environmental site assessment is a limited review and evaluation of the environmental condition of a property, which does not involve soil sampling or groundwater analysis, unless required by the consultant. When a Phase I environmental site assessment identifies any substantial potential issues, including noncompliance with material environmental laws or regulations, further assessment is carried out, including, in some cases, Phase II site assessments which involve intrusive investigations, such as soil or water sampling and analyses.

Phase II environmental site assessments were also conducted on certain of the Properties. The relatively few issues identified through this site assessment process, including the need to remediate or otherwise address contamination at some of the Properties, are being carefully managed, with the involvement of professional consultants where appropriate.

We believe that the current estimated cost of remediation or capital expenditures with respect to actual or potential environmental conditions would not have a material adverse effect on our results of operations, business, prospects and financial condition.

We have policies and procedures in place to review and monitor environmental matters relating to our properties, and the Governance and Environmental Committee of our Board has oversight over these matters. Our operating policies require us to conduct a Phase I environmental audit of real properties proposed to be acquired by us, subject to certain limited exceptions. We will continue to make appropriate capital and operating expenditures to ensure compliance with environmental laws and regulations.

INDEBTEDNESS

For the year ended December 31, 2011, our interest coverage ratio was 2.6 times. This ratio is calculated by dividing (i) net operating income from continuing operations plus interest and fee income less general and administrative expenses by (ii) interest expense from continuing operations. As at the same date, our floating rate indebtedness was approximately 1.3% of total debt.

Mortgage Financing

Our properties currently serve as security for mortgage loan facilities from a number of lenders. In some cases, a group of properties may serve as security for mortgage loans from a single lender. In some cases, there is recourse to the assets of Dundee Properties LP. However, none of the lenders with respect to any of our facilities have recourse to the direct assets of Dundee REIT.

The following table summarizes certain of the principal features of the existing mortgages in place on the properties in our portfolio as at December 31, 2011. All dollar amounts are expressed in thousands of dollars.

Year Ending December 31	Debt Maturities	Scheduled Principal Repayments On Non-matured Debt	Total	%	Weighted Average Interest Rate on Balance Due at Maturity (%)	Weighted Average face rate on balance due at maturity (%)
2012.....	\$ 116,087	\$ 53,869	\$ 169,956	7.5	5.31	5.46
2013.....	118,562	49,548	168,110	7.5	5.06	5.56
2014.....	207,715	48,369	256,084	11.3	6.53	5.91
2015.....	338,308	40,665	378,973	16.8	4.44	4.97
2016	423,293	33,107	456,400	20.2	4.52	4.31
2017 and thereafter	738,436	91,207	829,643	36.7	4.97	4.93
Total.....	\$ 1,942,401	\$ 316,765	\$ 2,259,166	100.0		4.98
Weighted average term to maturity	5.2 years					

Credit Facilities

A demand revolving credit facility is available up to a formula-based maximum not to exceed \$40.0 million, generally bearing interest at the bank prime rate (3% as at December 31, 2011) plus 1.5%, or bankers' acceptance rates, plus 3.0%. As at December 31, 2011, the formula-based amount available was \$36.1 million. The facility is secured by a first-ranking collateral mortgage on two properties and a second-ranking collateral mortgage on one property. As at March December 31, 2011, \$2.4 million is being utilized in the form of overdraft and \$1.5 million is being utilized in the form of letters of guarantee. Funds available under the facility are \$32.1 million.

In connection with our acquisition of the Realex portfolio in 2011, we assumed a revolving credit facility authorized to a formula-based maximum of \$22.0 million. In the third quarter of 2011, we negotiated an increase in the authorized amount of the facility to \$35.0 million. At December 31, 2011, no amount was drawn from the facility. The facility is secured by a second-ranking mortgage on three properties and bears interest based on the bank's prime rate (3% as at December 31, 2011) plus 0.85%.

We also have a \$188.0 million term loan facility outstanding, drawn to finance the acquisition of the Blackstone portfolio in the third quarter of 2011. The facility expires on August 15, 2016, and bears interest monthly at bankers' acceptances plus 1.85%. In order to manage the interest rate fluctuations, we have entered into two interest rate swap agreements (the "swaps") to fix the interest rate. We have applied hedge accounting to the swaps.

Convertible Debentures

As at December 31, 2011, we had three series of convertible debentures outstanding. See "Description of Debentures".

Additional Financing

We may seek additional financing with one or more financial institutions from time to time. Such financing will be used for general trust purposes, which may include the funding of our operations or future property acquisitions.

TRUSTEES AND OFFICERS

Pursuant to the Declaration of Trust, Dundee REIT may have between five and 12 trustees at any given time and a majority of our trustees must be resident Canadians. Dundee REIT currently has 10 trustees.

Each of our trustees is required to exercise the powers and discharge the duties of his or her office honestly and in good faith with a view to the best interests of Dundee REIT and its unitholders and, in connection with doing so, exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The following table sets forth, as at March 30, 2012, the name, municipality of residence, position with Dundee REIT and principal occupation for each of our trustees.

Name and Municipality of Residence	Positions Held	Principal Occupation
Detlef Bierbaum ⁽²⁾⁽⁴⁾⁽⁵⁾ Köln, Germany	Trustee since June 30, 2003	Member of the Supervisory Board, Sal. Oppenheim KAG, a fund management company
Donald K. Charter ⁽⁵⁾ Toronto, Ontario, Canada	Trustee since June 30, 2003	President and Chief Executive Officer, Corsa Coal Corp., a Canadian public mining company
Michael J. Cooper ⁽²⁾ Toronto, Ontario, Canada	Trustee since June 30, 2003 and Officer of the Trust	President and Chief Executive Officer, Dundee Realty, a real estate company, and Vice Chairman and Chief Executive Officer of Dundee REIT
Peter A. Crossgrove ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario, Canada	Trustee since May 9, 2003	Executive Chairman, Excellon Resources, a mineral resource company
Joanne Ferstman ⁽⁶⁾ Toronto, Ontario, Canada	Trustee since March 26, 2007	President and Chief Executive Officer, Dundee Capital Markets Inc.
Robert G. Goodall ⁽¹⁾⁽³⁾⁽⁵⁾ Mississauga, Ontario, Canada	Trustee since June 30, 2003	President, Canadian Mortgage Capital Corporation, a mortgage brokerage company
David J. Goodman ⁽⁶⁾ Toronto, Ontario, Canada	Trustee since June 30, 2003	President and Chief Executive Officer, DundeeWealth Inc., an investment management company
Ned Goodman ⁽²⁾⁽⁶⁾⁽⁷⁾ Innisfil, Ontario, Canada	Trustee and Chairman since June 30, 2003	President and Chief Executive Officer, Dundee Corporation, an asset management company dedicated resources, real estate and infrastructure, Chief Investment Strategist, Ned Goodman Investment Counsel Limited, a portfolio manager
Duncan Jackman ⁽¹⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario, Canada	Trustee since September 11, 2003	Chairman, President and Chief Executive Officer, E-L Financial Corporation Limited, an insurance holding company
Robert Tweedy ⁽⁴⁾⁽⁵⁾ Toronto, Ontario, Canada	Trustee since September 11, 2003	Chairman, Useppa Holdings Limited, a diversified management company

- (1) Member of the Audit Committee.
- (2) Member of the Investment Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Governance and Environmental Committee.
- (5) Independent Trustee.
- (6) Dundee Corporation Nominee
- (7) Chairman of the Board.

Each of the foregoing has held his or her present principal occupation for the past five years except for:

- Peter Crossgrove who, for the past five years has also been a corporate director of various public companies;

- Detlef Bierbaum who, prior to March 2010 was a Member of the Supervisory Board at Bankhaus Sal. Oppenheim jr. & Cie, KGaA, a private investment bank and prior to April 2008, was a Partner at Bankhaus Sal. Oppenheim jr. & Cie, KGaA, and currently also holds the position of Chairman of Dundee International Real Estate Investment Trust, a real estate investment trust;
- Michael Cooper who currently also holds the position of Vice Chairman of Dundee International Real Estate Investment Trust. Mr. Cooper also held the position of President and Chief Executive Officer of Dundee REIT prior to becoming Vice Chairman and Chief Executive Officer of Dundee REIT in 2006;
- Donald Charter who, prior to August 2010, was Corporate Director and President of 3C's Corporation, a private company, and prior to December 2005, was Chairman, President and Chief Executive Officer of Dundee Securities Corporation and Dundee Private Investors, and Executive Vice-President of Dundee Corporation and DundeeWealth Management Inc.;
- Joanne Ferstman who, prior to February 1, 2011, was Vice-Chair and Head of Capital Markets, DundeeWealth Inc., an investment management company, and prior to March 2009, was Executive Vice President and Chief Financial Officer and Corporate Secretary of Dundee Corporation and Executive Vice President and Chief Financial Officer of DundeeWealth Inc.;
- David Goodman who, prior to June 2007, was President and Chief Executive Officer of Goodman & Company Investment Counsel Ltd. Mr. Goodman remains Chief Executive Officer of Goodman & Company Investment Counsel Ltd.

As at December 31, 2011, our trustees and executive officers beneficially owned, directly or indirectly, as a group, 1,063,362 REIT A Units, which represent approximately 1.6% of the outstanding REIT A Units and which do not include the REIT A Units and the LP B Units and the corresponding Special Trust Units beneficially owned by Dundee Corporation, a corporation controlled by one of our trustees, and may not include REIT A Units issued pursuant to our DRIP. As at December 31, 2011, Dundee Corporation, through its subsidiaries, held 3,506,107 LP B Units and the same number of Special Trust Units issued on a one-for-one basis with the LP B Units. The Special Trust Units controlled by Dundee Corporation constitute 100% of the outstanding Special Trust Units. In addition, Dundee Corporation, through its subsidiaries, held 1,776,158 REIT A Units.

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 National Policy 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"). Our 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 and has not been within the last four years an employee of Dundee Corporation or any affiliate of Dundee and who is not directly employed by Dundee REIT or any of its affiliates. Our Declaration of Trust requires that a majority of the trustees on each of these committees be resident Canadians. Each member of a committee shall serve on such committee until such member resigns from such committee or otherwise ceases to be a trustee.

Audit Committee

MI 52-110 and the Declaration of Trust require the Board of trustees to have an Audit Committee consisting of at least three trustees. MI 52-110 requires that, subject to limited exceptions, every member of the Audit Committee be "independent" for purposes of MI 52-110 and the Declaration of Trust requires that the Chair of the Audit Committee be selected from the group of Independent Trustees who

are resident Canadians appointed to serve on the Audit Committee. The Board of trustees has adopted a charter, a copy of which is attached as Schedule A to this AIF.

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.

The Audit Committee currently consists of four trustees, being Messrs. Bierbaum, Crossgrove, Goodall and Jackman, with Mr. Crossgrove being the Chair. Each of these individuals is an Independent Trustee for the purposes of our Declaration of Trust and is "independent" and "financially literate" within the meaning of MI 52-110. Each member of the Audit Committee possesses considerable education and experience relevant to the performance of his responsibilities as an Audit Committee member.

Relevant Education and Experience

Detlef Bierbaum is a Member of the Supervisory Board with Sal. Oppenheim KAG, a fund management company in Köln, Germany. Prior to March 2010, Mr. Bierbaum was a Member of the Supervisory Board with Bankhaus Sal. Oppenheim jr. & Cie and from 1991 to 2008, Mr. Bierbaum held the position of Managing Partner with responsibility for asset management. In addition, from 2002 to 2008, he was also responsible for investment banking of Bankhaus Sal Oppenheim jr. & Cie. Prior to 1991, he was the Chief Financial Officer of the Nordstern Insurance Companies based in Cologne. He is a member of the Board of Directors of a number of companies in the asset management and banking sectors based in Germany, England, Ireland, Luxemburg, the U.S and Hong Kong. Mr. Bierbaum is a graduate of the Universities of Cologne and Munich where he studied commercial banking and business administration.

Peter Crossgrove is chairman and interim chief executive officer of Excellon Resources, a mineral resource company. He is also a former chairman and a founder of Masonite International Inc., a door manufacturing company. Mr. Crossgrove sits on various boards of directors including Barrick Gold, Detour Gold, Excellon Resources, Pelangio Exploration, Quadra Logic Technologies and Lake Shore Gold. His charitable work includes serving as a honorary board member of the University Health Network and a director of the Canadian Partnership Against Cancer. He holds a Bachelor of Commerce degree from Concordia University, a Masters in Business Administration from the University of Western Ontario and is a Sloan Fellow of the Doctoral Program at Harvard Business School. Mr. Crossgrove is also a recipient of the Queen's Jubilee Medal and a Member of the Order of Canada and was awarded the Order of Ontario in early 2010.

Robert Goodall is the President, and a founder, of Canadian Mortgage Capital Corporation ("CMCC"), a mortgage brokerage company based in Toronto which arranges in excess of \$500 million of commercial and multi-residential mortgages. In addition, the company arranges and funds private mortgages, construction financing and equity loans to real estate developers. Prior to founding CMCC, Mr. Goodall was the National Managing Partner of Royal Trust's Real Estate Finance Group. Mr. Goodall is a director of BILD (The Building Industry and Land Development Association). He holds a Masters in Business Administration in Finance from York University and an Honours Bachelor of Arts degree in Business from the University of Western Ontario.

Duncan Jackman is Chairman, President and Chief Executive Officer of E-L Financial Corporation Limited, an investment and insurance holding company with assets of approximately \$14 billion. He has been a director of E-L Financial since 1997. He is Chairman of the Boards and sits on the Audit Committees of E-L Financial's operating subsidiaries, The Empire Life Insurance Company and The Dominion of Canada General Insurance Company. Mr. Jackman is Chairman of Algoma Central

Corporation and sits on its Audit Committee; and Chairman and President of Economic Investment Trust Limited and United Corporations Limited, two closed-end investment companies. E-L Financial, Algoma, Economic and United are all publicly traded corporations listed on the TSX. In addition, Mr. Jackman sits on the boards of First National Financial Corporation and Labrador Iron Ore Royalty Corporation. He is currently a member of the Audit Committee of Labrador Iron Ore and served on the Audit Committee of First National from June 2006 to December 2008. He holds an Honours Bachelor of Arts degree from McGill University.

Pre-Approval Policies and Procedures

The Audit Committee Charter requires that all non-audit services to be provided to Dundee REIT or any of its subsidiaries by the external auditors or any of its affiliates are subject to pre-approval by the Audit Committee; however, the Audit Committee may delegate such responsibility to one or more of its members.

Auditors' Fees

The aggregate fees billed by PricewaterhouseCoopers LLP, Dundee REIT's external auditor, or fees accrued by Dundee REIT in 2011 and 2010 for professional services are presented below:

	Year ended December 31, 2011	Year ended December 31, 2010
Audit Fees		
Audit fees	\$ 430,100	\$ 301,100
Review of interim financial statements and MD&A	130,400	115,800
Audit-related fees ⁽¹⁾		
IFRS-related fees	129,000	72,000
Acquisition and disposition-related fees	977,000	325,500
Prospectus-related fees	548,100	975,600
Tax Fees		
Tax Fees (advisory and compliance)	96,400	89,500
All other fees ⁽²⁾	-	-
Total	\$ 2,311,000	\$ 1,879,500

(1) Audit-related fees are aggregate fees billed by our external auditor in 2011 and 2010 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees" in the table above.

(2) All other fees fees are aggregate fees billed in 2011 and 2010 for products and services provided by our external auditor, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" in the table above.

Compensation Committee

The Declaration of Trust requires the board of trustees to have a Compensation Committee consisting of at least three trustees. The Chair of the Compensation Committee must be selected from the group of Independent Trustees who are resident Canadians appointed to serve on the Compensation Committee.

In addition to having responsibility for our human resources and compensation policies, the Compensation Committee has primary responsibility for: (i) administering our unit incentive plans; (ii) reviewing and recommending 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; and (iii) reviewing and making recommendations to the board of trustees concerning the level and nature of the compensation payable to the trustees, officers of Dundee REIT not employed by the Asset Manager (of which there

currently are none) and such other employees of and consultants to Dundee REIT and members of management as may be identified to the Compensation Committee by the Board.

The Compensation Committee currently consists of Messrs. Crossgrove and Goodall, with Mr. Goodall being the Chair. Messrs. Crossgrove and Goodall are “independent” within the meaning of NI 58-101, and are also Independent Trustees for the purposes of our Declaration of Trust.

Governance and Environmental Committee

The Declaration of Trust requires the Board of trustees to have a Governance and Environmental Committee consisting of at least three trustees. The Chair of the Governance and Environmental Committee must be selected from the group of Independent Trustees who are resident Canadians appointed to serve on the Governance and Environmental Committee.

The Governance and Environmental Committee performs a number of functions: it assists the Board in developing our approach to governance, including overseeing and assessing the functioning of Dundee REIT, 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; it raises any issues related to the performance of the Asset Manager in meeting its obligations under the Asset Management Agreement; 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 Dundee REIT and its subsidiaries.

The committee is also responsible for, among other things: establishing, approving and periodically reviewing our 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.

The Governance and Environmental Committee currently consists of all Independent Trustees, being Messrs. Bierbaum, Crossgrove, Jackman and Tweedy, with Mr. Crossgrove being the Chair. Each of these individuals is “independent” within the meaning of NI 58-101.

Investment Committee

The Declaration of Trust requires the Board of trustees to have an Investment Committee consisting of at least three trustees. 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 Dundee REIT’s subsidiary entities. The investment committee may delegate investment decisions to our senior management (including those acting on our behalf pursuant to the Asset Management Agreement). The Investment Committee currently consists of Messrs. Bierbaum, Cooper and Ned Goodman, with Mr. Cooper being the Chair.

Term of Office

Our trustees will be elected at each annual meeting of our unitholders for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and will be eligible for re-election. 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 of our unitholders or until his or her successor is elected or appointed and will be eligible for election or re-election.

Our Declaration of Trust provides that a trustee may resign upon written notice to us and a trustee (other than a nominee of Dundee Corporation) may be removed with or without cause by a majority of the votes cast at a meeting of unitholders called for that purpose or with cause by two-thirds of the remaining trustees.

A vacancy occurring among our trustees may be filled by resolution of the remaining trustees, so long as they constitute a quorum, or by the unitholders at a meeting of the unitholders.

Nomination of Trustees

Dundee Corporation is entitled to nominate up to one less than a majority of the trustees, subject to certain conditions. See “Recent Developments–Surrender of Dundee Corporation Board Appointment Rights.

Independent Trustee Matters

In addition to requiring the approval of a majority of our trustees, the following matters require the approval of at least a majority of our Independent Trustees (within the meaning of our Declaration of Trust) who have no interest in the matter to become effective:

- permitting Dundee Properties LP to make a material change to the Master Property Management Agreement, the Dundee REIT Administrative Services Agreement, the limited partnership agreement of Dundee Management LP or the Governance Agreement, change the fees payable thereunder, if any, renew the Master Property Management Agreement or the Dundee REIT Administrative Services Agreement at the end of their respective terms or appoint a substitute for the property manager after the end of the term of the Master Property Management Agreement, and any change to the provisions of such agreements relating to Independent Trustee approval shall be deemed to be such a material change;
- entering into any agreement or transaction in which any Related Party has a material interest or making a material change to any such agreement or transaction;
- any matter relating to a claim by or against any Related Party;
- any matter relating to a claim in which the interests of a Related Party differ from the interests of Dundee REIT;
- permitting Dundee Properties LP to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party;
- granting REIT Units under any unit incentive or unit compensation plan approved by the trustees or awarding any right to acquire or other right or interest in REIT Units or securities convertible into or exchangeable for REIT Units under any plan approved by the trustees;
- approving or enforcing any agreement entered into by us with a trustee who is not an Independent Trustee or an associate thereof, with a Related Party, or with the property manager under the Master Property Management Agreement;

- recommending to the holders of REIT Units to increase the number of trustees serving on the Board of trustees or authorizing the trustees to change the number of trustees from time to time; and
- changing the compensation of any of the officers or employees of Dundee REIT not employed by the Asset Manager.

Management of Dundee REIT

The following table sets forth the name, municipality of residence and title of each executive officer of Dundee REIT:

Name, Municipality of Residence and Title

Executive Officers of Dundee REIT

MICHAEL J. COOPER.....	Vice Chairman and Chief Executive Officer Toronto, Ontario
MARIO BARRAFATO	Senior Vice President and Chief Financial Officer Burlington, Ontario

Michael J. Cooper was previously the President and Chief Executive Officer of Dundee REIT. Prior to his appointment as Senior Vice President and Chief Financial Officer of Dundee REIT, Mario Barrafato was Senior Vice President and Controller of Dundee Realty Management Corporation.

The services of additional personnel are provided by Dundee Management LP, with the assistance of its wholly-owned subsidiary, Dundee Realty Management, to support the executive officers of Dundee REIT in fulfilling their duties. In addition, the Asset Manager provides advisory, asset management, and administrative services to Dundee REIT pursuant to the Asset Management Agreement. See “Real Estate Management and Advisory Services – Asset Management Agreement” below.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions similar to those applicable to corporations under section 132 of the OBCA which serve to protect unitholders without creating undue limitations on us. Given that our trustees and officers are engaged in a wide range of real estate and other business activities, our Declaration of Trust requires each of our trustees or officers to disclose to us if he or she is a party to a material contract or transaction or proposed material contract or transaction with us or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with us. Such disclosure is required to be made by a trustee (i) at the first meeting of the trustees or the Investment Committee, as the case may be, at which a proposed contract or transaction is considered, (ii) if the trustee was not then interested in a proposed contract or transaction, at the first such meeting after a trustee becomes so interested, (iii) if the trustee becomes interested after a contract is made or a transaction is entered into, at the first such meeting after the trustee becomes so interested, or (iv) at the first meeting after an interested party becomes a trustee. Disclosure is required to be made by an officer as soon as the officer becomes aware that a contract or transaction or proposed contract or transaction is to be, or has been, considered by the trustees, as soon as the officer becomes aware of his or her interest in a contract or transaction or, if not currently one of our officers, as soon as such person becomes one of our officers. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by our trustees or unitholders, that trustee or officer is required to disclose in writing to the trustees or request to have entered into the minutes of the meeting of the trustees the nature and extent of his or her interest forthwith after the trustee or officer becomes aware of the contract or transaction or proposed contract or transaction. In any case, a trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her

remuneration for serving as our trustee, officer, employee or agent or one for indemnity under the indemnity provisions of our Declaration of Trust or the purchase of liability insurance.

Our Declaration of Trust contains provisions to address potential conflicts of interest arising between us and any Related Party. In particular, our trustees are required to obtain a valuation in respect of any real property that Dundee Properties LP intends to purchase from or sell to a Related Party prepared by a valuator engaged by, and prepared under the supervision of, a committee of two or more Independent Trustees who have no interest in such transaction. In addition, Dundee REIT will not permit Dundee Properties LP to effect a transaction with a Related Party unless the transaction is determined to be on commercially reasonable terms by, and is approved by, a majority of our Independent Trustees who have no interest in such transaction.

Individual Non-Competition Agreements

The Declaration of Trust requires each of our trustees to enter into a non-competition agreement with us. The Individual Non-Competition Agreements provide that each of our trustees and officers and any personal holding company thereof will be prohibited from directly or indirectly acquiring an ownership interest in any real property which meets the investment criteria of Dundee Properties LP, unless such investment opportunity has first been offered to Dundee Properties LP in accordance with the terms of the Individual Non-Competition Agreement. The investment criteria of Dundee Properties LP are set out in its investment guidelines. See “Investment Guidelines and Operating Policies — Investment Guidelines of Dundee Properties LP”.

The above investment restriction will only apply to real properties located in Canada and will not apply to investments in vacant land, residential housing, multi-residential housing units, residential condominium units, nursing homes or retirement homes. This investment restriction will not apply to any of our trustees or officers, or any personal holding company thereof, with respect to any real property investment made in connection with or as a condition of their securing a property, facilities or leasing management assignment with respect to such investment; provided that if the investment (i) equals or exceeds \$25 million; or (ii) equals or exceeds \$10 million and results in the trustee or officer, or a personal holding company thereof, acquiring a 10% or greater interest in the property, Dundee Properties LP will be offered the right to co-invest with the trustee or officer, or the personal holding company thereof, on an equal basis. Further, this investment restriction will not apply to (i) passive real estate investments made by the trustee or officer, or a personal holding company thereof, which are each less than \$10 million and represent less than a 25% interest in the real property, (ii) investments in properties that do not meet the investment criteria of Dundee Properties LP, as set out in the Properties Limited Partnership Agreement, (iii) investments in any property that will be used personally for office space, (iv) investments in any property that will be used by the trustee or officer as his or her personal residence, (v) investments that were owned by the trustee or officer, or a personal holding company or an affiliate of a personal holding company thereof, on the date of the applicable Individual Non-Competition Agreement, (vi) investments made on behalf of fiduciary, managed or client accounts, (vii) investments that result from the realization of a loan secured by the property, and (viii) investments made by any personal holding company, or any of such company’s affiliates, which are public companies or any subsidiaries or affiliates of such public companies (other than Dundee Realty and its direct subsidiaries).

The Individual Non-Competition Agreements provide that our trustees or officers will no longer be bound by their terms when such trustee or officer, as applicable, ceases to be one of our trustees or officers.

Governance of Dundee REIT

Dundee REIT’s investment and operating activities are limited because our operating business is carried on by Dundee Properties LP, one of our subsidiary entities. Dundee Properties LP holds direct and indirect interests in our commercial revenue producing properties, and carries out all of our property investment activities, as well as operating activities such as the leasing, developing and mortgaging of our

properties. Properties General Partner is the general partner of Dundee Properties LP and, as such, directs the activities of Dundee Properties LP.

In order to govern certain aspects of the relationship between Dundee REIT and Dundee Properties LP, Dundee REIT entered into the Governance Agreement with Properties General Partner and Dundee Corporation. This agreement contains provisions governing, among other things, the election of the directors of Properties General Partner. In particular, pursuant to the Governance Agreement, Dundee REIT will:

- appoint the board of directors of Properties General Partner and ensure that at all times up to one less than a majority of the directors of Properties General Partner shall be appointed in accordance with the recommendations of the Governance and Environmental Committee of the Board;
- ensure that at all times a majority of the directors of Properties General Partner are not trustees of Dundee REIT; and
- ensure that, for as long as Dundee Corporation continues to beneficially own REIT Units, one of the directors of Properties General Partner shall be appointed in accordance with the recommendation of Dundee Corporation.

In addition, Properties General Partner will not, without the approval of our trustees or any committee of our trustees, authorize the issuance of any units of Dundee Properties LP to any person, other than to Partnership A or Partnership B or to a holder of its LP B Units pursuant to the distribution reinvestment feature of the Properties Limited Partnership Agreement.

The Governance Agreement requires Properties General Partner to obtain the approval of our trustees in order to make any change to the distribution policy of Dundee Properties LP.

Pursuant to the Governance Agreement, Dundee REIT will not transfer any of the shares of Properties General Partner without the approval of at least 66 2/3% of the votes cast at a meeting of unitholders of Dundee REIT called for such purpose.

REAL ESTATE MANAGEMENT AND ADVISORY SERVICES

Asset Management Agreement

The Asset Manager of Dundee REIT is Dundee Realty. Pursuant to the Asset Management Agreement, the Asset Manager has agreed to provide the following asset management services to Dundee REIT, Partnership A, Partnership B and Dundee Properties LP (collectively, the “Client”), subject to the overriding supervision and direction of our trustees and Properties General Partner, as applicable:

- (a) at the request of the Client, to review and provide the Client with recommendations regarding the asset business plan prepared by the Client for each Property (as defined in the Asset Management Agreement) (the “Asset Business Plans”);
- (b) to take all steps reasonably required to assist the Client in the implementation of each Asset Business Plan, subject to the terms and provisions of the Asset Management Agreement;
- (c) to advise the Client with respect to each capital project for development or redevelopment of any property with direct construction costs in excess of \$1 million and which has been approved by the Client prior to the commencement thereof, but specifically excluding any work done on behalf of tenants or any maintenance capital expenditures (each, a “Capital Project”) that are required or recommended to be implemented with respect to any of the Properties;

- (d) at the request of the Client, to review the insurance placed or proposed to be placed respecting each Property and to make recommendations with regard thereto to the Client;
- (e) to permit the Client and the Client's representatives, advisors and agents upon reasonable written notice, to examine all books of account, records, reports and other papers of the Asset Manager relating to the Properties and the services performed for the Client by the Asset Manager under the Asset Management Agreement, to make copies thereof or extracts therefrom or to have the same audited by an auditor appointed by the Client and at the expense of the Client; and the Asset Manager shall cooperate to enable such persons to carry out their duties to the Client;
- (f) to provide and operate the Client's head office, including providing the office space, equipment, support services and administrative, clerical and secretarial personnel incidental thereto;
- (g) to manage day-to-day operations of the Client;
- (h) to prepare or oversee the preparation of annual budgets and the Asset Business Plans for presentation to our trustees for approval and to monitor the Client's financial performance;
- (i) to maintain the books and financial records of the Client and preparing reports and other disclosure documents for our trustees and unitholders;
- (j) to advise our trustees on strategic matters relating to the Properties, potential acquisitions, dispositions and development and REIT A Unit value maximization;
- (k) to identify, structure and negotiate acquisition, disposition, financing and other transactions and to manage due diligence in connection therewith;
- (l) to provide advice and assistance in connection with the Client's borrowings, raising of capital and issuance of securities, including representing the Client in its dealings with banks and other lenders, investment dealers, institutions and investors;
- (m) to conduct day-to-day relations on behalf of the Client with third parties, including property managers, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;
- (n) to prepare designations, allocations, elections and determinations to be made in connection with the income and capital gains of the Client for tax and accounting purposes;
- (o) to manage the Client's investor relations activities;
- (p) to manage the Client's regulatory compliance, including making all required filings;
- (q) to prepare all reports reasonably requested by the Client, including operational reporting such as cash flow by property and by asset types; executive summaries by asset type outlining asset issues along with various other matters and development reporting costs; and
- (r) in respect of each Capital Project:
 - (i) to determine the quality and completeness of the design and construction documents;
 - (ii) to confirm the reasonableness of the project schedule;
 - (iii) to verify the completeness and adequacy of the construction budget;
 - (iv) to confirm the existence and appropriateness of project control procedures;
 - (v) to review and comment on all engineering test data, soils reports, zoning approvals;

- (vi) to advise the Client of any recommended changes to the construction documents; and
- (s) any additional services as may from time to time be agreed to in writing by the Client and the Asset Manager and for which the Asset Manager shall be compensated on terms to be agreed upon between the Asset Manager and the Client prior to the provision of such services. The Client may, in respect of any Asset Business Plan, identify target areas or regions or target Properties to be disposed of and the recommendations provided by the Asset Manager shall take such target areas or regions or target Properties into consideration.

The Asset Manager is entitled to the following fees for its asset management services:

- Base annual management fee calculated and payable on a monthly basis, equal to 0.25% of the gross asset value of properties, which the Asset Manager and Dundee REIT agreed in the Asset Management Agreement was approximately \$1.5 billion as at August 24, 2007 (the date of the Sale of the Eastern Portfolio), and the purchase price of properties acquired subsequent to that date, adjusted for any properties sold.
- Incentive fee equal to 15% of our 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 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 million of properties in each fiscal year; (ii) 0.75% of the purchase price of a property on the next \$100 million of properties acquired in each fiscal year, and (iii) 0.50% of the purchase price on properties in excess of \$200 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 the Asset Manager in supplying services relating to financing transactions.

In addition, we will reimburse the Asset Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Asset Manager in connection with the performance of the services described in the Asset Management Agreement or such other services which we and the Asset Manager agree in writing are to be provided from time to time by the Asset Manager.

The Asset Management Agreement is for a term of five years (the “Initial Term”) and is renewable for further five year terms (the “Renewal Terms”, and together with the Initial Term, the “Term”), unless and until the Asset Management Agreement terminates in accordance with the provisions thereof. Subject only to the termination provisions in the Asset Management Agreement, the Asset Manager will automatically be rehired at the expiration of each Term. The Asset Manager has the right, at any time, but upon 60 days’ notice, to terminate our Asset Management Agreement for any reason. Our Asset Management Agreement may also be terminated in other circumstances, such as in the event of default or insolvency of the Asset Manager within the meaning of the Asset Management Agreement.

Property Management

As of the date of this AIF, all but 45 of the Properties are managed by Dundee Management LP, a wholly-owned subsidiary of DPLP, with the assistance of its wholly-owned subsidiary, Dundee Realty Management. Fifty of the Properties are co-owned.

The terms under which Dundee Management LP manages the non co-owned Properties are governed by the Master Property Management Agreement. The Master Property Management Agreement provides that Dundee Management LP, with the prior approval of Dundee Properties LP, may delegate specific aspects of its obligations under the Master Property Management Agreement, provided that such delegation will not relieve Dundee Management LP of its obligations under the Master Property Management Agreement. Dundee Management LP has entered into a sub-management agreement with Dundee Realty Management pursuant to which Dundee Realty Management has agreed to assist Dundee Management LP in carrying out the services required to be provided under the Master Property Management Agreement.

In addition to providing property management services to Dundee Properties LP, Dundee Management LP also provides general administrative services to Dundee REIT, Partnership A, Partnership B and Dundee Properties LP pursuant to the Dundee REIT Administrative Services Agreement and to Dundee Realty and its affiliates pursuant to the Dundee Realty Administrative Services Agreement. Dundee Management LP has entered into sub-administrative services agreements with Dundee Realty Management pursuant to which Dundee Realty Management has agreed to assist Dundee Management LP in carrying out the services required to be provided under these administrative services agreements.

Dundee Realty Non-Competition Agreement

The Dundee Realty Non-Competition Agreement prohibits Dundee Realty and its affiliates (excluding affiliates which are public companies as described below) from directly or indirectly acquiring an ownership interest in any real property which meets the investment criteria of Dundee Properties LP, unless such investment opportunity has first been offered to Dundee Properties LP in accordance with the terms of the Dundee Realty Non-Competition Agreement. See “Investment Guidelines and Operating Policies — Investment Guidelines of Dundee Properties LP”.

The above investment restriction will only apply to real properties located in Canada and will not apply to investments in vacant land, residential housing, multi-residential housing units, residential condominium units, nursing homes or retirement homes. This investment restriction will not apply to Dundee Realty or its affiliates with respect to any real property investment made in connection with or as a condition of their securing a property, facilities or leasing management assignment with respect to such investment; provided that if the investment (i) equals or exceeds \$25 million; or (ii) equals or exceeds \$10 million and results in Dundee Realty or its affiliate acquiring a 10% or greater interest in the property, Dundee Properties LP will be offered the right to co-invest with Dundee Realty or its affiliate, as the case may be, on an equal basis. Further, this investment restriction will not apply to (i) passive real estate investments made by Dundee Realty or any affiliate which are each less than \$10 million and represent less than a 25% interest in the real property, (ii) investments in properties that do not meet the investment criteria of Dundee Properties LP, as set out in the Properties Limited Partnership Agreement, (iii) investments in any property that will be used as office space by Dundee Realty or any affiliate, (iv) investments that were owned by Dundee Realty or any affiliate on June 30, 2003, (v) investments made on behalf of fiduciary, managed or client accounts, (vi) investments that result from the realization of a loan secured by the property, and (vii) investments made by any affiliate of Dundee Realty that is a public company or any subsidiaries or affiliates of such public companies (other than Dundee Realty and its direct subsidiaries).

The Dundee Realty Non-Competition Agreement provides that Dundee Realty and its affiliates will no longer be bound by the terms of the Dundee Realty Non-Competition Agreement when Dundee Realty and all of its affiliates no longer own any interest in Dundee REIT or in Dundee Properties LP or, in the case of an affiliate of Dundee Realty, when such person is no longer an affiliate of Dundee Realty.

Employees

As at December 31, 2011, Dundee REIT and its subsidiaries had approximately 363 full-time and 27 part-time employees.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Dundee REIT's investment and operating activities are limited because our operating business is carried out by Dundee Properties LP. The investment guidelines governing our investments in real estate and other assets and the operating policies governing our business exist at the Dundee Properties LP level and are set out below under the headings "Investment Guidelines and Operating Policies – Investment Guidelines of Dundee Properties LP" and "Investment Guidelines and Operating Policies – Operating Policies of Dundee Properties LP".

Investment Guidelines of Dundee REIT

Pursuant to the Declaration of Trust, Dundee REIT's assets may be invested only in accordance with the following investment guidelines:

- (a) Dundee REIT will only invest in units and notes of Partnership A and Partnership B and shares of each of Properties General Partner and the general partners of Partnership A and Partnership B, amounts receivable in respect of such units, notes and shares, cash and similar deposits in a Canadian chartered bank or trust company and, subject to certain limitations summarized in (b) below, such other investments as the trustees of Dundee REIT deem advisable from time to time; and
- (b) Dundee REIT will not make or permit a subsidiary to make any investment that would result in:
 - (i) the REIT units being disqualified for investment by Plans or RESPs;
 - (ii) Dundee REIT being liable under the Tax Act to pay a tax imposed under either paragraph 122(1)(b) or Part XII.2 of the Tax Act; or
 - (iii) Dundee REIT ceasing to qualify as a "mutual fund trust", "real estate investment trust" or a "registered investment" for purposes of the Tax Act.

Pursuant to the Declaration of Trust, the investment guidelines set forth above may only be amended with the approval of at least 66 2/3% of the votes cast at a meeting of unitholders of Dundee REIT called for that purpose except for certain amendments that may be undertaken by a majority of the trustees of Dundee REIT including a majority of the Independent Trustees pursuant to the Declaration of Trust.

Investment Guidelines of Dundee Properties LP

The Properties Limited Partnership Agreement provides for certain restrictions on investments which may be made by or on behalf of Dundee Properties LP. These investment guidelines are set out below.

- (a) Notwithstanding any other provision set out below, Dundee Properties LP shall not make any investment that would result in:
 - (i) REIT Units being disqualified for investment by Plans or RESPs;
 - (ii) Dundee REIT, Partnership A or Partnership B being liable under the Tax Act to pay a tax imposed under paragraph 122(1)(b) of the Tax Act; or

- (iii) Dundee REIT ceasing to qualify as a “mutual fund trust”, a “registered investment” or a “real estate investment trust” for purposes of the Tax Act;
- (b) Dundee Properties LP shall not invest in or acquire securities of a Canadian real estate investment trust unless:
 - (i) the activities of the real estate investment trust are focused on acquiring, holding, maintaining, improving, leasing or managing primarily office and industrial revenue producing properties; and
 - (ii) in the case of any proposed investment or acquisition which would result in Dundee Properties LP owning beneficially more than 10% of the outstanding units of such real estate investment trust (the “acquired trust”), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of Dundee Properties LP and the acquired trust or for otherwise ensuring that Dundee Properties LP will control the business and operations of the acquired trust;
- (c) Dundee Properties LP shall not invest in raw land (except for the acquisition of properties adjacent to existing properties of Dundee Properties LP for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 5% of the Adjusted Unitholders’ Equity of Dundee REIT);
- (d) Dundee Properties LP may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by Dundee REIT and secured by a mortgage on such property) up to 25% of the Adjusted Unitholders’ Equity of Dundee REIT in investments or transactions which do not comply with the investment guidelines of Dundee Properties LP, so long as the investment does not contravene (a) above;
- (e) Subject to the qualifications in (d) above, Dundee Properties LP shall only invest in office and industrial revenue producing properties located within Canada; and
- (f) Dundee Properties LP shall not invest in hotels or buildings with unsold residential condominium units except in cases where Dundee Properties LP is buying the entire condominium building.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a subsidiary wholly owned by Dundee Properties LP will be deemed to be those of Dundee Properties LP on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Pursuant to the Properties Limited Partnership Agreement, no amendment to the investment guidelines set forth above or operating policies set forth below under “– Operating Policies of Dundee Properties LP” or any other material change to such agreement may be made without the approval of 66 2/3% of the votes cast by the limited partners entitled to vote at a meeting called for such purpose or the written approval of holders holding more than 66 2/3% of the outstanding limited partnership units entitled to vote. The Declaration of Trust provides that Dundee REIT will not agree to or approve any material change to the Properties Limited Partnership Agreement without the approval of at least 66 2/3% of the votes cast at a meeting of unitholders of Dundee REIT called for such purpose.

Operating Policies of Dundee REIT

The Declaration of Trust provides that our operations and affairs must be conducted in accordance with the following operating policies and that we will not permit any subsidiary to conduct its operations and affairs other than in accordance with the following operating policies:

- (a) (i) any written instrument creating an obligation which is or includes the granting by Dundee REIT of a mortgage; or
- (ii) to the extent our trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of the unitholders, any written instrument which in the judgment of our trustees is a material obligation;

must, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from the private property of any of the trustees, unitholders, annuitants or beneficiaries under a plan of which a unitholder acts as a trustee or carrier or officers, employees or agents of Dundee REIT, but that only property of Dundee REIT or a specific portion thereof will be bound;

- (b) Dundee REIT will not underwrite, sell or market, or participate in the underwriting, selling or marketing of securities other than REIT Units and other securities of Dundee REIT; and
- (c) Dundee REIT will only guarantee the obligations of its wholly-owned subsidiaries (other than Properties General Partner or any other wholly-owned subsidiaries of Dundee REIT that are general partners in partnerships that are not wholly-owned by Dundee REIT), provided that Dundee REIT may guarantee the obligations of Dundee Properties LP or Properties General Partner, and any other wholly-owned subsidiaries of Dundee REIT that are general partners in partnerships that are not wholly-owned by Dundee REIT if Dundee REIT has received an unqualified legal opinion that Dundee REIT's guarantee of the obligations of Dundee Properties LP or Properties General Partner and any other wholly-owned subsidiaries of Dundee REIT that are general partners in partnerships that are not wholly-owned by Dundee REIT, as the case may be, will not cause Dundee REIT to cease to qualify as a "mutual fund trust" for the purposes of the Tax Act.

Pursuant to the Declaration of Trust, the operating policies set forth above may only be amended with the approval of a majority of the votes cast at a meeting of unitholders of Dundee REIT called for that purpose.

Operating Policies of Dundee Properties LP

The Properties Limited Partnership Agreement provides that the operations and affairs of Dundee Properties LP must be conducted in accordance with the following operating policies and that Dundee Properties LP will not permit any subsidiary to conduct its operations and affairs other than in accordance with the following operating policies:

- (a) Dundee Properties LP will not lease or sublease to any person any real property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market rental in excess of 15% of the Adjusted Unitholders' Equity of Dundee REIT; provided, however, that this limitation will not apply to the renewal of a lease or sublease existing on the effective date of the Reorganization;
- (b) Dundee Properties LP shall not enter into any transaction involving the purchase of lands or land and improvements thereon and the leasing thereof back to the vendor where the fair market value net of encumbrances of the property being leased to the vendor together with all other property being leased by Dundee Properties LP to the vendor and its affiliates is in excess of 15% of the Adjusted Unitholders' Equity of Dundee REIT;
- (c) the limitations referred to in paragraphs (a) and (b) will not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:

- (i) the Government of Canada, the Government of the United States, the Government of any province or territory of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency or crown corporation thereof;
 - (ii) any corporation which has securities outstanding that have received and continue to hold an investment grade rating from a recognized credit rating agency at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements (as determined by Properties General Partner in its discretion) were entered into that is not less than A low or its equivalent; or
 - (iii) a Canadian chartered bank or a trust company or insurance company registered or licensed federally or under the laws of a province of Canada;
- (d) Dundee Properties LP may engage in construction or development of real property provided such real property is not a brownfield site and otherwise meets the investment guidelines and operating policies of Dundee Properties LP;
- (e) title to each real property shall be held by and registered in the name of Dundee Properties LP, Properties General Partner or a corporation or other entity wholly-owned, directly or indirectly, by Dundee Properties LP or jointly-owned, directly or indirectly, by Dundee Properties LP with joint venturers; provided that where land tenure will not provide fee simple title, Dundee Properties LP, Properties General Partner or a corporation or other entity wholly-owned, directly or indirectly, by Dundee Properties LP or jointly-owned, directly or indirectly, by Dundee Properties LP with joint venturers shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (f) Dundee Properties LP shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except guarantees of indebtedness existing on the effective date of the Reorganization and guarantees of indebtedness assumed or incurred by a partnership, limited partnership, co-ownership or other joint venture in which Dundee Properties LP or a subsidiary of Dundee Properties LP is a party and the other party or parties thereto is or are required to give up its or their respective interest in the property of such partnership, limited partnership, co-ownership or other joint venture as a result of such party's failure to honor its proportionate share of the indebtedness assumed or incurred by the partnership, limited partnership, co-ownership or other joint venture. In addition, Dundee Properties LP will not directly or indirectly guarantee any indebtedness or liabilities of any person if doing so would contravene paragraph (a) of the investment guidelines of Dundee Properties LP as set forth above under "Investment Guidelines and Operating Policies — Investment Guidelines of Dundee Properties LP";
- (g) except for assets acquired pursuant to the Master Asset Transfer Agreements, Dundee Properties LP will have conducted an engineering survey of each real property it intends to acquire with respect to the physical condition thereof, including required capital replacement programs;
- (h) except for assets acquired pursuant to the Master Asset Transfer Agreements, Dundee Properties LP will obtain and maintain at all times insurance coverage in respect of potential liabilities of Dundee Properties LP and the accidental loss of value of the assets of Dundee Properties LP from risks, in amounts, with such insurers, and on such terms as Properties General Partner considers appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
- (i) except for assets acquired pursuant to the Master Asset Transfer Agreements, Dundee Properties LP shall have conducted a Phase I environmental audit of each real property to be acquired by it, excluding properties where there is no requirement to obtain a Phase I environmental audit in order to obtain Canada Mortgage and Housing Corporation financing for the real property, and, if the Phase I environmental audit report recommends that further environmental audits be

conducted, Dundee Properties LP shall have conducted such further environmental audits, in each case by an independent and experienced environmental consultant; such audit as a condition to any acquisition shall be satisfactory to Properties General Partner; and

- (j) Dundee Properties LP will maintain a ratio of net income before non-controlling interest, interest expense, gain/(loss) on disposal of rental property, provision for impairment of rental property, depreciation, amortization and income taxes of Dundee Properties LP to interest expense under all indebtedness of Dundee Properties LP of no less than 1.4 times.

For the purpose of the foregoing policies, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which Dundee Properties LP has an interest will be deemed to be those of Dundee Properties LP on a proportionate consolidated basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement.

Pursuant to the Properties Limited Partnership Agreement, no amendment to the investment guidelines or operating policies set forth above or any other material change to such agreement may be made without the approval of 66 2/3% of the votes cast by the limited partners entitled to vote at a meeting called for such purpose or the written approval of holders holding more than 66 2/3% of the outstanding limited partnership units entitled to vote. The Declaration of Trust provides that Dundee REIT will not agree to or approve any material change to the Properties Limited Partnership Agreement without the approval of at least 66 2/3% of the votes cast at a meeting of unitholders of Dundee REIT called for such purpose.

DISTRIBUTION POLICY

The following outlines the distribution policy of Dundee REIT as contained in the Declaration of Trust, but is not intended to be a complete description. You should refer to the Declaration of Trust for the full text of our distribution policy. Our distribution policy may be amended only with the approval of a majority of the votes cast at a meeting of unitholders of Dundee REIT.

General

Investors in our units receive distributions in one of three ways, depending on the nature of their investment in our business. Holders of REIT A Units receive cash distributions from Dundee REIT derived from Dundee REIT's investment in Partnership A. Holders of REIT B Units receive cash distributions from Dundee REIT derived from Dundee REIT's investment in Partnership B. Dundee Realty and Dundee Corporation hold part of their equity investment in our business in the form of LP B Units and receive cash distributions from Dundee Properties LP derived from the distributable income of Dundee Properties LP. See "Description of Dundee Properties LP — Distributions".

We make monthly cash distributions to holders of REIT A Units and holders of REIT B Units. The amount of each distribution is equal to one-twelfth of such percentage of Distributable Income and Distributable Series B Income on an annual basis as the trustees of Dundee REIT in their sole discretion determine would be in the best interests of Dundee REIT to distribute. See the definitions of "Distributable Income" and "Distributable Series B Income" in the Glossary of Terms in this AIF. Distributions in respect of a month are paid on or about each Distribution Date to unitholders of record as at the close of business on the corresponding Distribution Record Date. This means that the distribution for any month is generally paid to unitholders of record at the close of business on the last day of the month on or about the 15th day of the following month. To date, Dundee REIT has declared distributions of \$0.183 per REIT A Unit in each month since July 2003 and \$0.183 per REIT B Unit in each month since August 2007.

Holders of LP B Units are entitled to receive distributions from Dundee Properties LP *pro rata* with distributions made by us on REIT A Units and REIT B Units. If our trustees determine that it would be in our best interests, they may reduce for any period the percentage of such Distributable Income and

Distributable Series B Income to be distributed to the applicable unitholders, which will result in corresponding reduction in distributions on LP B Units. To date, Dundee Properties LP has declared distributions of \$0.183 per LP B Unit in each month since July 2003.

In addition, on December 31 of each year, we will make payable to such unitholders, and such unitholders will have an enforceable right to payment on such date of, a distribution of sufficient net realized capital gains, net income, and net recapture income for the taxation year ending on that date, net of any capital losses or non capital losses recognized on or before the end of such year such that we will not be liable for ordinary income taxes for such year, net of tax refunds. The payment of such amounts shall be made on or before the following January 15th. Our trustees are required to take all necessary steps to ensure that the amount and timing of distributions on each REIT A Unit and REIT B Unit are the same. We also pay distributions on the Special Trust Units, although they are nominal.

Where our trustees determine that we do not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable on the due date for such payment, the payment may, at the option of our trustees, include the issuance of additional REIT A Units and REIT B Units, as the case may be, or fractions of such REIT A Units and REIT B Units, as the case may be, if necessary, having a fair market value as determined by our trustees equal to the difference between the amount of such distribution and the amount of cash which has been determined by our trustees to be available for the payment of such distribution in the case of REIT A Units and REIT B Units, respectively. Notwithstanding the foregoing, distributions on the Special Trust Units will only be made in cash.

Unless our trustees determine otherwise, immediately after any *pro rata* distribution of additional units to holders of REIT A Units and REIT B Units, the number of the outstanding REIT A Units and REIT B Units, respectively, will automatically be consolidated such that each of such holders will hold after the consolidation the same number of REIT A Units and REIT B Units, respectively, as such holder held before the distribution of additional units. Each unit certificate representing the number of units prior to the distribution of additional units will be deemed to represent the same number of units after the non-cash distribution of additional units and the consolidation. In no case will REIT A Units be consolidated with REIT B Units or *vice versa*.

Notwithstanding the foregoing, where tax is required to be withheld from a unitholder's share of the distribution, the consolidation will result in such unitholder holding that number of units equal to (i) the number of units held by such unitholder prior to the distribution plus the number of units received by such unitholder in connection with the distribution (net of the number of whole and part units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of units outstanding prior to the distribution by the aggregate number of units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any unitholder. Such unitholder will be required to surrender the unit certificates, if any, representing such unitholder's original units, in exchange for a unit certificate representing such unitholder's post-consolidation units.

DRIP

We have a distribution reinvestment and unit purchase plan entitling holders of REIT A Units and REIT B Units to reinvest all cash distributions made by us in additional REIT A Units. The price at which REIT A Units are acquired for DRIP participants is determined by Dundee REIT but is generally a price per REIT A Unit calculated by reference to a five day weighted average closing price of the REIT A Units on the TSX preceding the relevant Distribution Date. Participants electing to reinvest cash distributions in REIT A Units pursuant to our DRIP receive a further "bonus" distribution equal to 4% of the amount of each cash distribution that they reinvest, which further distribution is also reinvested in REIT A Units. Participants may also make optional cash purchases of additional REIT A Units pursuant to our DRIP in a maximum amount of \$250,000 per year. Participants in our DRIP do not receive a bonus distribution of

REIT A Units in connection with any such optional cash purchases. Our principal investor, Dundee Corporation, has the ability to reinvest distributions payable on the limited partnership units of Dundee Properties LP that it indirectly holds on the same economic terms as participants in our DRIP. We may amend, suspend or terminate the DRIP at any time.

Participation in our DRIP is open to holders of REIT A Units and REIT B Units, other than those who are resident or present in the United States. If a participant in our DRIP is not resident in Canada, participation in our DRIP is subject to applicable withholding tax. In those circumstances, cash that would otherwise be distributed to such participants by us on any given Distribution Date is reduced by the amount of applicable withholding tax, and then applied towards the purchase of additional REIT A Units pursuant to our DRIP. No brokerage commission is payable in connection with the purchase of REIT A Units under the DRIP and all administrative costs are borne by Dundee REIT. We use the proceeds received upon the issuance of additional REIT A Units under the DRIP for future property acquisitions, capital improvements and working capital.

DECLARATION OF TRUST AND DESCRIPTION OF REIT UNITS

Dundee REIT has been established under the Declaration of Trust and, unless earlier terminated in accordance with the Declaration of Trust, it shall continue in full force and effect so long as any property of Dundee REIT is held by our trustees. The following is a summary, which does not purport to be complete, of certain terms of the Declaration of Trust and the REIT Units. You should refer to the Declaration of Trust for the full text of its provisions and a complete description of the REIT Units.

The Declaration of Trust authorizes the issuance of an unlimited number of three classes of units: REIT units, Special Trust Units and Transition Fund Units. The REIT units are initially divided into and issuable in two series: REIT A Units and REIT B Units. The Special Trust Units may only be issued to holders of and will not be transferable separately from LP B Units to which they relate, and will be used to provide voting rights with respect to Dundee REIT to persons holding LP B Units. The Special Trust Units may only be transferred to permitted transferees of LP B Units. The Transition Fund Units were created, issued and redeemed exclusively in connection with the implementation of the change in the way we hold our indirect interest in Telus Tower in Calgary, Alberta and there are currently no Transition Fund Units outstanding. Dundee REIT does not intend to issue any additional Transition Fund Units and, accordingly, we have not described the terms of such units in this AIF.

On December 16, 2004, the *Trust Beneficiaries' Liabilities Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario), and (ii) the trust is governed by the laws of Ontario. Dundee REIT is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

REIT A Units and REIT B Units

Each REIT A Unit and REIT B Unit represents an undivided beneficial interest in Dundee REIT and in distributions made by Dundee REIT, whether of net income, net realized capital gains or other amounts and, in the event of our termination or winding up, in our net assets remaining after the satisfaction of all our liabilities. No REIT A Unit or REIT B Unit will have preference or priority over any other. The distribution entitlement of the REIT A Units and the REIT B Units is derived from different sources. In the case of the REIT A Units, the distribution entitlement is derived from the securities of Partnership A held by Dundee REIT and, in the case of the REIT B Units, the distribution entitlement is derived from the securities of Partnership B held by Dundee REIT. Notwithstanding the foregoing, our trustees will take all necessary steps to ensure that the timing, amount and nature of the distributions on the REIT A Units and the REIT B Units will be the same.

Each REIT A Unit and REIT B Unit entitles the holder thereof to one vote for each whole REIT A Unit or REIT B Unit, as the case may be, held at all meetings of unitholders of Dundee REIT. Each REIT B Unit is convertible at any time at the option of the holder into one fully-paid and non-assessable REIT A Unit.

Issued and outstanding REIT Units may be subdivided or consolidated from time to time by our trustees with the approval of a majority of our unitholders. Unitholder approval will not be required for an automatic consolidation as described under “Distribution Policy”.

No certificates will be issued for fractional REIT Units and fractional REIT Units will not entitle the holders thereof to vote, except to the extent such fractional REIT Units represent in the aggregate one or more whole REIT Units. The REIT Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of such act or any other legislation. Furthermore, Dundee REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on nor intend to carry on the business of a trust company.

Special Trust Units

The Special Trust Units are not transferable separately from the LP B Units to which they relate. The Special Trust Units will automatically be transferred upon a transfer of the corresponding LP B Units. In addition, as LP B Units are surrendered for REIT B Units or otherwise exchanged by the holder, the corresponding Special Trust Units will be automatically redeemed by Dundee REIT for a nominal amount and will be immediately cancelled. Each Special Trust Unit entitles the holder thereof to the number of votes at any meeting of unitholders which is equal to the number of REIT B Units which may be obtained upon the surrender of the LP B Unit to which the Special Trust Unit relates. Accordingly, holders of Special Trust Units are currently entitled to one vote for each Special Trust Unit held at all meetings of unitholders of Dundee REIT. The Special Trust Units entitle the holders thereof to receive nominal amounts as distributions and upon the liquidation, dissolution or winding-up of Dundee REIT, although the Special Trust Units rank equally and rateably without discrimination, preference or priority, with the REIT A Units and REIT B Units in respect of distributions and on the liquidation, dissolution or winding-up of Dundee REIT. Holders of Special Trust Units are not entitled to receive a certificate evidencing ownership of such units.

Issuance of REIT Units

We may allot and issue new REIT Units from time to time as our trustees determine, including for cash, through public offerings, through rights offerings to existing unitholders (i.e., in which unitholders receive rights to subscribe for new REIT Units in proportion to their existing holdings of REIT Units, which rights may be exercised or sold to other investors) or through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing unitholders). In certain instances, we may issue new REIT Units as consideration for, or in connection with, the acquisition of new properties or assets. The price or the value of the consideration for which new REIT Units may be issued will be determined by our trustees in their sole discretion, generally in consultation with investment dealers or brokers who may act as underwriters or agents in connection with offerings of REIT Units. We may issue new REIT B Units only pursuant to the terms of the Exchange and Support Agreement. See “Description of Dundee Properties LP — Partnership Units”. We may issue Special Trust Units only in tandem with LP B Units. Other than the pre-emptive rights granted to Dundee Corporation and GE Real Estate pursuant to our Declaration of Trust, unitholders do not have any pre-emptive rights whereby additional REIT Units we propose to issue are first offered to existing unitholders.

The Declaration of Trust provides each of Dundee Corporation and GE Real Estate with a pre-emptive right pursuant to which our trustees will not issue, or agree to issue, any REIT Units, or any securities which are convertible or exchangeable for or into REIT Units, to any person unless our trustees first make an offer to each of Dundee Corporation and GE Real Estate to issue that number of REIT Units or securities, at a price per REIT Unit determined by our trustees, necessary to maintain the percentage of

the outstanding voting interest in Dundee REIT held by each of Dundee Corporation and its affiliates and GE Real Estate, respectively, at the date of the offer. This pre-emptive right, however, will not apply to any issuances of REIT Units by us pursuant to the DRIP referred to under “Distribution Policy — DRIP”, the Deferred Unit Incentive Plan or under the Exchange and Support Agreement. Dundee Corporation will have the option to specify whether it will acquire its proportionate share by way of REIT Units or the comparable number of LP B Units and accompanying Special Trust Units. Each of Dundee Corporation and GE Real Estate also has the option to purchase more than its proportionate share and, in such event, any excess portion of the REIT Units subscribed for by Dundee Corporation and/or GE Real Estate will be issued to Dundee Corporation on the same terms and conditions as issued to any other person. Any REIT Units not taken up by Dundee Corporation or GE Real Estate may be issued to any person within three months of the date of such offer at not less than the price offered to Dundee Corporation and GE Real Estate.

Purchase of REIT Units

We may from time to time purchase for cancellation REIT A Units and REIT B Units at a price per REIT A Unit or REIT B Unit, as applicable, and on a basis determined by our trustees in accordance with applicable securities legislation and the rules and policies of any applicable stock exchange.

REIT Unit Redemption Right

REIT units are redeemable at any time on demand by the holders thereof by sending a notice to us at our head office in a form approved by our trustees and completed and executed in a manner satisfactory to our trustees, who may require supporting documentation as to identity, capacity or authority. A unitholder not otherwise holding a fully registered REIT Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice from his or her investment dealer or other intermediary who will be required to deliver the completed redemption form to us. Upon receipt by us of a written redemption notice and other documents that may be required, all in a manner satisfactory to our trustees, a holder of REIT units shall cease to have any rights with respect to the tendered REIT units, including any right to receive any distributions thereon which are declared payable after receipt of the redemption notice by us and the holder thereof shall be entitled to receive a price per REIT unit (the “**Redemption Price**”) of a series equal to the lesser of:

- (a) 90% of the “market price” of the REIT units of such series on the principal market on which the REIT units of such series are quoted for trading on the trading day prior to the day on which the REIT units of such series were surrendered to us for redemption (the “**Redemption Date**”); and
- (b) 100% of the “closing market price” of the REIT units of such series on the principal market on which the REIT units of such series are quoted for trading on the Redemption Date.

For the purposes of this calculation, the “market price” in respect of REIT units of a series shall be an amount equal to the 20-day weighted average of the closing price of the REIT units of such series for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the REIT units of such series traded on a particular day, the “market price” shall be an amount equal to the average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 20 trading days, the “market price” shall be the weighted average of the following prices established for each of the 20 trading days: (i) the weighted average of the last bid and last asking prices of the REIT units of such series for each day on which there was no trading; (ii) the closing price of the REIT units of such series for each day on which there was trading if the exchange or market provides a closing price; and (iii) the weighted average of the highest and lowest prices of the REIT units of such series for each day that there was trading if the exchange or market does not provide a closing price but provides only the highest and lowest prices of the REIT units of such series traded on a particular day.

If a unitholder is not entitled to receive cash upon redemption of REIT units as a result of the limitations in (b) or (c) below, the Redemption Price will be equal to the fair market value of the REIT units as determined by our trustees.

The “closing market price” in respect of REIT units of a series shall be (i) an amount equal to the closing price of the REIT units of such series if there was a trade on the date and the exchange or market provides a closing price; (ii) an amount equal to the weighted average of the highest and lowest prices of the REIT units of such series if there was trading and the exchange or other market does not provide a closing price but provides only the highest and lowest trading prices of the REIT units of such series traded on a particular day; or (iii) the weighted average of the last bid and last asking prices of the REIT units of such series if there was no trading on that date.

For the purposes of determining the Redemption Price for any REIT B Units tendered for redemption where the REIT B Units are not listed for trading on any stock exchange or market, the foregoing rules for determining the Redemption Price for the REIT units will be modified and, in particular, the Redemption Price for the REIT B Units will be based upon the relevant price (the market price or closing market price, as the case may be) of the REIT A Units.

The aggregate Redemption Price payable by us in respect of any REIT units tendered for redemption during any calendar month will be satisfied by way of a cheque drawn on a Canadian chartered bank or a trust company in Canadian funds, payable no later than the last day of the calendar month following the month in which the REIT units were tendered for redemption, provided that the entitlement of unitholders to receive cash upon the redemption of their REIT units is subject to the limitations that:

- (a) the total amount payable by us in respect of such REIT units and all other REIT units tendered for redemption in the same calendar month shall not exceed \$50,000, provided that our trustees may, in their sole discretion, waive such limitation in respect of all REIT units tendered for redemption in any particular calendar month;
- (b) at the time such REIT units are tendered for redemption, the outstanding REIT units of the applicable series (or, in the case of REIT B Units where that series is not listed, the REIT A Units) shall be listed for trading or quoted on a stock exchange or market which our trustees consider, in their sole discretion, provides representative fair market value prices for the REIT units of such series; and
- (c) the normal trading of outstanding REIT units of the applicable series (or, in the case of REIT B Units where that series is not listed, the REIT A Units) is not suspended or halted on any stock exchange on which the REIT units of such series are listed (or, if not listed on a stock exchange, on any market on which the REIT units of such series are quoted for trading) on the Redemption Date for the REIT units of such series or for more than five trading days during the ten day trading period commencing immediately after the Redemption Date for the REIT units of such series.

The payment of the Redemption Price in cash in respect of REIT A Units and REIT B Units will be derived from different sources. In the case of REIT A Units, the payment of the Redemption Price in cash will be satisfied solely from the bank account maintained for the benefit of holders of REIT A Units. The payment of the Redemption Price for REIT B Units will be satisfied solely from the bank account maintained for the benefit of holders of REIT B Units.

If a unitholder is not entitled to receive cash upon the redemption of REIT units as a result of the foregoing limitations in (b) and (c) above, then each REIT unit tendered for redemption shall, subject to obtaining all applicable regulatory approvals, be redeemed by way of a distribution *in specie* of Subsidiary Securities. The fair market value of such Subsidiary Securities would be equal to the product of the Redemption Price per unit payable by us and the number of REIT A Units tendered. However, no

Subsidiary Securities with a fair market value of less than \$100 will be distributed and, where the fair market value of Subsidiary Securities to be received by the former holder of REIT A Units upon redemption *in specie* would otherwise include a Subsidiary Security with a fair market value of less than a multiple of \$100, such amount will be rounded down to the next lowest multiple of \$100 and the excess will be paid in cash.

If a unitholder is not entitled to receive cash upon the redemption of REIT units as a result of the limitation in (a) above, the holder will receive a combination of cash and, subject to obtaining all applicable regulatory approvals, Subsidiary Securities, determined in accordance with our Declaration of Trust.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of REIT units to dispose of their REIT units. Subsidiary Securities which may be distributed to unitholders *in specie* in connection with a redemption will not be listed on any stock exchange, no market is expected to develop and such securities may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. The Subsidiary Securities so distributed may not be qualified investments for Plans or RESPs, depending upon the circumstances at the time.

Special Trust Units are redeemable for a nominal amount in the event of the surrender, exchange or sale to Dundee REIT of the related LP B Units.

Meetings of Unitholders

Our Declaration of Trust provides that meetings of unitholders must be called and held for the election or removal of trustees, the appointment or removal of our auditors, the approval of amendments to our Declaration of Trust (except as described below under “Declaration of Trust and Description of REIT Units — Amendments to the Declaration of Trust and Other Documents”), the sale of our assets as an entirety or substantially as an entirety (other than as part of an internal reorganization of our assets as approved by our trustees) and our termination. Meetings of unitholders will be called and held annually within 180 days after the end of the fiscal year for the election of our trustees and appointment of the auditors of Dundee REIT, Partnership A, Partnership B and Dundee Properties LP.

Our trustees have the power at any time to call special meetings of unitholders at such time and place in Canada as our trustees determine. Unitholders holding in the aggregate not less than 5% of the votes attaching to all outstanding REIT Units (on a fully diluted basis) may requisition our trustees in writing to call a special meeting of unitholders and our trustees shall, subject to certain limitations, call a meeting of unitholders. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the *Canada Business Corporations Act*.

Unitholders may attend and vote at all meetings of the unitholders either in person or by proxy and a proxyholder need not be a unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 10% of the votes attaching to all outstanding REIT Units (on a fully diluted basis) shall constitute a quorum for the transaction of business at all such meetings. In the case of a meeting of the holders of a series of REIT A Units, a quorum shall consist of unitholders who hold in the aggregate at least 10% of the votes attaching to all outstanding REIT Units of such series. If no quorum is present at any meeting of unitholders when called, the meeting, if convened on the requisition of unitholders, will be dissolved and otherwise will be adjourned for not less than 10 days, and at the adjourned meeting, the unitholders then present in person or represented by proxy will form the necessary quorum.

Our Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of unitholders.

Limitation on Non-Resident Ownership

In order for Dundee REIT to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, our Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the REIT units or 49% of the Special Trust Units then outstanding. Our trustees may require declarations as to the jurisdictions in which beneficial owners of REIT Units are resident or declarations from unitholders as to whether such REIT Units are held for the benefit of Non-Residents. We monitor ownership of our units which are held by non-residents by periodically obtaining and reviewing unit ownership reports from our transfer agent or other service providers.

If our trustees become aware that the beneficial owners of more than 49% of the REIT units or more than 49% of the Special Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, our trustees may make a public announcement thereof and shall not accept a subscription for REIT Units from or issue or register a transfer of REIT Units to a person unless the person provides a declaration that he or she is not a Non-Resident and does not hold his or her REIT Units for the benefit of a Non-Resident. If, notwithstanding the foregoing, our trustees determine that more than 49% of the REIT units or more than 49% of the Special Trust Units then outstanding are beneficially owned by Non-Residents, our trustees may send a notice to Non-Resident holders of REIT Units and holders of REIT Units for the benefit of Non-Residents, chosen in inverse order to the order of acquisition or registration or in such other manner as our trustees may consider equitable and practicable, requiring them to sell or redeem, within a specified period of not more than 60 days, all or a portion of their REIT Units. If the holders of REIT Units receiving such notice have not sold or redeemed the specified number of REIT Units or provided our trustees with satisfactory evidence that they are not Non-Residents and do not hold their REIT Units for the benefit of a Non-Resident within such period, our trustees may, on behalf of such holder of REIT Units, and shall have the power of attorney of such holder to, sell or redeem such REIT Units, and, in the interim, the voting and distribution rights attached to such REIT Units shall be suspended. Upon such sale or redemption, the affected holders shall cease to be holders of the REIT Units and their rights shall be limited to receiving the net proceeds of such sale upon surrender of the certificates representing such REIT Units.

Amendments to the Declaration of Trust and Other Documents

Our Declaration of Trust may be amended or altered from time to time. Certain amendments (including our termination) require approval by at least 66 2/3% of the votes cast at a meeting of unitholders called for such purpose. Other amendments to our Declaration of Trust require approval by a majority of the votes cast at a meeting of the unitholders called for such purpose.

The following amendments require the approval of at least 66 2/3% of the votes cast by the unitholders at a meeting called for that purpose:

- (a) an exchange, reclassification or cancellation of all or part of the REIT Units;
- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the REIT Units, including, without limiting the generality of the foregoing,
 - (i) the removal or change of rights to distributions; or
 - (ii) the addition or removal of or change to conversion privileges, redemption privileges, voting, transfer or pre-emptive rights;
- (c) the creation of new rights or privileges attaching to certain of the REIT Units; and
- (d) any change to the existing constraints on the issue, transfer or ownership of the REIT Units.

In addition, the Declaration of Trust provides that Dundee REIT will not agree to or approve any material change to the Properties Limited Partnership Agreement, the Partnership A agreement, the Partnership B agreement or the Exchange and Support Agreement without the approval of at least 66 2/3% of the votes cast at a meeting of unitholders of Dundee REIT called for such purpose. However, no unitholder approval will be required to approve any change to the Properties Limited Partnership Agreement for the purposes of providing a distribution reinvestment entitlement to holders of LP B Units that is substantially equivalent to that provided by the DRIP to holders of REIT A Units.

A majority of our trustees, including a majority of the Independent Trustees, may, without the approval of the unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over (i) our trustees or Dundee REIT; (ii) the status of Dundee REIT as a “mutual fund trust”, “unit trust”, “real estate investment trust” and a “registered investment” under the Tax Act; or (iii) the distribution of REIT Units;
- (b) which, in the opinion of our trustees, acting reasonably, are necessary to maintain the rights of the unitholders set out in our Declaration of Trust;
- (c) to remove any conflicts or inconsistencies in our Declaration of Trust or to make minor corrections which are, in the opinion of our trustees, necessary or desirable and not prejudicial to the unitholders;
- (d) which, in the opinion of our trustees, are necessary or desirable as a result of changes in taxation or other laws;
- (e) for any purpose (except one in respect of which a unitholder vote is specifically otherwise required) which, in the opinion of our trustees, is not prejudicial to unitholders and is necessary or desirable;
- (f) deemed necessary or desirable to ensure that Dundee REIT has not been established nor maintained primarily for the benefit of persons who are not resident Canadians; and
- (g) to implement a distribution reinvestment plan or any amendments to such plan.

Effect of Termination

Upon our termination, our liabilities shall be discharged forthwith, our net assets shall be liquidated and the proceeds of such liquidation shall be distributed to our unitholders. Such distribution may be made in cash, as a distribution in kind, or both, all as our trustees in their sole discretion may determine. Subject to applicable law, each holder of a REIT A Unit will be entitled to receive an amount per REIT A Unit equal to the holder’s *pro rata* share of our assets derived from Partnership A. Each holder of a REIT B Unit will be entitled to receive an amount per REIT B Unit equal to the holder’s *pro rata* share of our assets derived from Partnership B. Each holder of a Special Trust Unit will be entitled to receive a nominal amount upon liquidation. On our termination, our trustees will be required to take all reasonable steps to ensure that the amount and timing of any distribution in respect of each REIT A Unit and REIT B Unit are the same.

Pursuant to our Declaration of Trust, the termination of Dundee REIT, other than on the expiry of its term, requires approval by at least 66 2/3% of the votes cast at a meeting of the unitholders called for that purpose.

Take-Over Bids

Our Declaration of Trust contains provisions to the effect that if a take-over bid, as defined under the *Securities Act* (Ontario), is made for the REIT Units and not less than 90% of the REIT Units (including REIT Units issuable upon the surrender or exchange of any securities for REIT Units but not including any REIT Units held at the date of the take-over bid by or on behalf of the offeror or affiliates and associates of the offeror) have been or are legally required to be taken up and paid for by the offeror, the offeror will be entitled to acquire the REIT Units held by the remaining unitholders who did not accept the take-over bid by requiring such unitholders to elect (a) to transfer their REIT Units to the offeror on the terms on which the offeror acquired the REIT Units of the offerees who accepted the take-over bid or (b) to demand payment of the fair value of the REIT Units.

In addition, as required by the TSX, holders of REIT A Units have certain protections in the event a take-over bid is made for LP B Units and/or REIT B Units held by Dundee Corporation and its affiliates. These protections are contained in our Declaration of Trust and the Properties Limited Partnership Agreement. They provide that, for the purposes of the take-over bid provisions of the *Securities Act* (Ontario), an acquisition of LP B Units and/or REIT B Units (other than a treasury issuance) by a person other than Dundee Corporation or any of its affiliates, or the initial holder thereof, will be considered an acquisition of REIT A Units, and, in order for any transfer of such units by any person to be effective: (a) an acquirer of such units must comply with the provisions of Part XX of the *Securities Act* (Ontario) as if such units were REIT A Units, to the extent such provisions are applicable; and (b) the transfer will be subject to the prior approval of the TSX if the transfer would, under applicable securities legislation, have required the same offer or a follow-up offer to be made to holders of REIT A Units if the transfer had been of REIT A Units rather than LP B Units or REIT B Units.

The terms of our Declaration of Trust and the Properties Limited Partnership Agreement would permit sales by Dundee Corporation and/or its affiliates to be made on a basis which is exempt from the take-over bid rules as, in such circumstances, the protections referred to in the preceding paragraph would not be available under applicable legislation.

Information and Reports

We will furnish, in accordance with and subject to applicable securities legislation, to unitholders our consolidated financial statements (including quarterly and annual consolidated financial statements) and other reports as are from time to time required by applicable law, including forms needed for the completion of unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each annual or any special meeting of unitholders, our trustees will provide the unitholders (along with notice of such meeting) all such information as is required by applicable law and our Declaration of Trust to be provided to such holders.

DESCRIPTION OF DEBENTURES

The following is a summary of the material attributes and characteristics of the Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by the terms of the Indenture. You should refer to the Indenture for the full text of its provisions and a complete description of the Debentures.

The 6.5% Debentures are limited in the aggregate principal amount to \$75,000,000, the 5.7% Debentures are limited in the aggregate principal amount to \$100,000,000 and the 6.0% Debentures are limited in the aggregate principal amount to \$125,000,000. We may, however, from time to time, without the consent of the holders of the Debentures, issue additional or other debentures in addition to the Debentures. As at December 31, 2011, there were outstanding approximately \$2.9 million aggregate principal amount of 6.5% Debentures, approximately \$7.5 million aggregate principal amount of 5.7% Debentures and

approximately \$124.9 million aggregate principal amount of 6.0% Debentures. The Debentures were issued in denominations of \$1,000 and are held in book-entry only form through the facilities of CDS. Holders of beneficial interests in the Debentures do not have the right to receive physical certificates evidencing their ownership of Debentures except under certain circumstances described under “— Book-entry, Delivery and Form”.

The 6.5% Debentures bear interest at a rate of 6.5% per annum and are payable semi-annually on June 30 and December 31 in each year. The 5.7% Debentures bear interest at a rate of 5.7% per annum and are payable semi-annually on March 31 and September 30 in each year. The 6.0% Debentures bear interest at a rate of 6.0% per annum and are payable semi-annually on June 30 and December 31 in each year.

Interest on the Debentures is payable in lawful money of Canada based on a 365-day year, as specified in the Indenture. At our option, and subject to regulatory approval, we may deliver REIT A Units to the Debenture Trustee who shall sell such REIT A Units on our behalf in order to raise funds to satisfy all or any part of our obligations to pay interest on the Debentures, but, in any event, the holders of Debentures shall be entitled to receive cash payments equal to the interest otherwise payable on the Debentures. See “— Interest Payment Election”.

The principal on the Debentures is payable in lawful money of Canada or, at our option and subject to applicable regulatory approval, by payment of REIT A Units to satisfy, in whole or in part, our obligation to repay the principal amount of the Debentures, as further described under “— Payment upon Redemption or Maturity”, “— Redemption and Purchase” and “— Put Right upon a Change of Control”.

The Debentures are our direct obligations and are not secured by any mortgage, pledge, hypothec or other charge and are subordinated to all of our other liabilities, as described under “— Subordination”. The Indenture does not restrict us from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging our real or personal property or properties to secure any indebtedness.

The Debentures are transferable, and may be presented for conversion, at the principal offices of the Debenture Trustee in Toronto, Ontario.

Conversion Privilege

The Debentures are convertible at the holder’s option into fully-paid, non-assessable and freely-tradeable REIT A Units at any time prior to 5:00 p.m. (Toronto time) on the earlier of the Maturity Date and the business day immediately preceding the date specified by us for redemption of the Debentures at the respective Conversion Price.

No adjustment to the Conversion Price is made for distributions on REIT A Units issuable upon conversion or for interest accrued on Debentures surrendered for conversion; however, holders converting their Debentures are entitled to receive, in addition to the applicable number of REIT A Units, accrued and unpaid interest in respect thereof for the period up to, but excluding, the date of conversion from the latest Interest Payment Date. Notwithstanding the foregoing, no Debentures may be converted during the period from the close of business on the Record Date preceding the Interest Payment Date to and including such Interest Payment Date, as the registers of the Debenture Trustee are closed during such periods.

Subject to the provisions thereof, the Indenture provides for the adjustment of the Conversion Price in certain events, including: (a) the subdivision or consolidation of the outstanding REIT A Units; (b) the distribution of REIT A Units to all or substantially all holders of REIT A Units by way of distribution or otherwise other than an issue of securities to holders of REIT A Units or partnership units of Dundee Properties LP who participate in our distribution reinvestment or unit purchase plans or similar arrangements of Dundee Properties LP; (c) the issuance of options, rights or warrants to all or substantially all holders of REIT A Units entitling them for a period of not more than 45 days after the

record date to acquire REIT A Units or other securities convertible into REIT A Units at less than 95% of the then Current Market Price (as defined below under “— Payment upon Redemption or Maturity”) of the REIT A Units; and (d) the distribution to all holders of REIT A Units of any units (other than REIT A Units), rights, options or warrants (other than those referred to in paragraph (c) above), evidences of our indebtedness, or other assets (other than cash distributions and equivalent distributions in securities paid in lieu of cash distributions in the ordinary course). There is no adjustment of the Conversion Price in respect of any event described in (b), (c) or (d) above if, subject to prior regulatory approval, the holders of the Debentures are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date. We are not required to make adjustments to the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification of the REIT A Units or a capital reorganization of Dundee REIT (other than a change resulting only from consolidation or subdivision) or in case of our amalgamation, consolidation, arrangement or merger with or into any other entity, or in the case of any sale or conveyance of our properties and assets as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of Dundee REIT, the terms of the conversion privilege shall be adjusted so that each Debenture shall, after such reclassification, capital reorganization, amalgamation, consolidation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up, be exercisable for the kind and amount of our securities or property, or such continuing, successor or purchaser entity, as the case may be, which the holder thereof would have been entitled to receive as a result of such reclassification, capital reorganization, amalgamation, consolidation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up, if on the effective date or record date thereof it had been the holder of the number of REIT A Units into which the Debenture was convertible prior to the effective date of such event.

No fractional REIT A Units may be issued on any conversion of the Debentures but in lieu thereof we will satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest.

Payment upon Redemption or Maturity

On redemption or at the Maturity Date, we will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. We may, at our option, on not more than 60 days' and not less than 40 days' prior notice and subject to any required regulatory approvals, unless an Event of Default (as hereinafter defined) has occurred and is continuing, elect to satisfy our obligation to repay, in whole or in part, the principal amount of the Debentures which are to be redeemed or which have matured by issuing freely-tradeable REIT A Units, in whole or in part, to the holders of the Debentures. The number of REIT A Units to be issued will be determined by dividing the principal amount of the Debentures by 95% of the Current Market Price of the REIT A Units on the date fixed for redemption or the Maturity Date, as the case may be. No fractional REIT A Units will be issued to holders of Debentures but in lieu thereof we will satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest.

Interest Payment Election

Unless an Event of Default (as hereinafter defined) has occurred and is continuing, we may elect, at any time and from time to time, subject to applicable regulatory approval, to issue and deliver freely-tradeable REIT A Units to the Debenture Trustee in order to raise funds to satisfy all or any part of our obligations to pay interest on the Debentures in accordance with the Indenture, in which event holders of the Debentures are entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such REIT A Units by the Debenture Trustee. The Indenture provides that, upon such election, the Debenture Trustee shall (i) accept delivery of REIT A Units from us; (ii) accept bids with respect to, and consummate sales of, such REIT A Units, each as we shall direct in our absolute discretion; (iii) invest the

proceeds of such sales in specified short term Canadian federal or provincial government or Canadian chartered bank obligations which mature prior to the applicable Interest Payment Date; (iv) deliver proceeds to holders of Debentures sufficient to satisfy our interest payment obligations; and (v) perform any other action necessarily incidental thereto as directed by us in our absolute discretion. The amount received by a holder in respect of interest and the timing of payment thereof is not affected by whether or not we elect to utilize the Unit Interest Payment Option.

Neither our making of the Unit Interest Payment Option nor the consummation of sales of REIT A Units (a) results in the holders of Debentures not being entitled to receive, on the applicable payment date, cash in an aggregate amount equal to the interest payable on such payment date, or (b) entitles such holders to receive any REIT A Units in satisfaction of the interest payable on the applicable payment date.

Redemption and Purchase

Prior to December 31, 2012, we may redeem the 6.0% Debentures in whole at any time or in part from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest to but excluding the date of redemption; provided that, in each case, the Current Market Price preceding the date upon which the notice of redemption is given is at least 125% of the applicable Conversion Price.

Prior to the Maturity Date, we may redeem the 6.5% Debentures, the 5.7% Debentures and on and after December 31, 2012 and prior to the Maturity Date, we may redeem the 6.0% Debentures, in each case in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest in respect thereof for the period up to, but excluding, the date of redemption from the latest Interest Payment Date on not more than 60 days' and not less than 30 days' prior written notice.

We have the right to purchase Debentures in the market, by tender or by private contract subject to regulatory requirements; provided, however, that if an Event of Default has occurred and is continuing, we do not have the right to purchase the Debentures by private contract.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable, subject to the consent of the TSX.

Cancellation

All Debentures converted, redeemed or purchased as aforesaid will be cancelled and may not be reissued or resold.

Subordination

The payment of the principal of, and interest on, the Debentures is subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the Indenture, to our Senior Indebtedness. Our "Senior Indebtedness" is defined in the Indenture as all of our indebtedness (whether outstanding as at the date of the Indenture or thereafter incurred) which, by the terms of the instrument creating or evidencing the indebtedness, is not expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures. The Debentures do not limit our ability to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging our real or personal property or properties to secure any indebtedness.

The Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to us, or to our property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of us,

whether or not involving insolvency or bankruptcy, or any marshalling of our assets and liabilities, all creditors entitled to Senior Indebtedness will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon.

The Debentures are effectively subordinate to claims of our subsidiaries' creditors (including trade creditors) except to the extent we are a creditor of such subsidiaries ranking at least *pari passu* with such other creditors.

Put Right upon a Change of Control

Upon the occurrence of a Change of Control, each holder of Debentures may require us to purchase on the Put Date the whole or any part of such holder's Debentures at the Total Put Price.

If 90% or more in aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase on the Put Date, we have the right but not the obligation to redeem all the remaining Debentures on such date at the Put Price, together with accrued and unpaid interest to such date. Notice of such redemption must be given to the Debenture Trustee prior to the Put Date and as soon as reasonably possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered for purchase.

The Total Put Price will be payable in lawful money of Canada or, at our option and subject to applicable regulatory approval, by payment of REIT A Units to satisfy, in whole or in part, our obligation to pay the Total Put Price.

The Indenture contains notification provisions to the following effect that:

- (a) we must promptly give written notice to the Debenture Trustee of the occurrence of a Change of Control and the Debenture Trustee will thereafter give to the holders of Debentures a notice of the Change of Control, the repayment right of the holders of Debentures and our right to redeem untendered Debentures under certain circumstances; and
- (b) a holder of Debentures, to exercise the right to require us to purchase its Debentures, must deliver to the Debenture Trustee, not less than five business days prior to the Put Date, written notice of the holder's exercise of such right, together with a duly endorsed form of transfer.

We will comply with the requirements of Canadian securities laws and regulations to the extent such laws and regulations are applicable in connection with the repurchase of the Debentures in the event of a Change of Control.

Modification

The rights of the holders of the Debentures may be modified in accordance with the terms of the Indenture. The Indenture contains certain provisions which make binding on all holders of Debentures "Extraordinary Resolutions" passed at meetings of the holders of Debentures by votes cast thereat by holders of not less than 66 2/3% of the principal amount of the then outstanding Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66 2/3% of the principal amount of the then outstanding Debentures. Under the Indenture, the Debenture Trustee has the right to make certain amendments to the Indenture in its discretion, without the consent of the holders of Debentures.

Events of Default

The Indenture provides that an “Event of Default” in respect of the Debentures occurs if certain events described in the Indenture occur, including if any one or more of the following described events has occurred and is continuing with respect to the Debentures: (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures, whether at the Maturity Date, upon redemption, by declaration of acceleration or otherwise; (iii) an unremedied breach of any material covenant or condition of the Indenture by us after a 30 day cure period following notice of such breach; or (iv) certain events of bankruptcy, insolvency or reorganization of us under bankruptcy or insolvency laws. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% in principal amount of the then outstanding Debentures, declare the principal of (and premium, if any) and interest on all outstanding Debentures to be immediately due and payable. Certain Events of Default may be waived by written direction of the holders of 66 2/3% of the principal amount of the outstanding Debentures, by Extraordinary Resolution or by the Debenture Trustee in certain circumstances in accordance with the terms of the Indenture.

Offers for Debentures

The Indenture contains provisions to the effect that if an offer is made for the Debentures which is a takeover bid for Debentures within the meaning of the *Securities Act* (Ontario) and not less than 90% of the outstanding principal amount of the Debentures (other than Debentures held at the date of the takeover bid by or on behalf of the offeror or associates or affiliates of the offeror or any person acting jointly or in concert with the offeror) are taken up and paid for by the offeror, the offeror is entitled to acquire the Debentures held by holders of Debentures who did not accept the offer on the terms offered by the offeror.

Limitation on Non-Resident Ownership

At no time may non-residents of Canada be the beneficial owners (on either a basic or fully diluted basis) of more than 49% of the REIT units, whether by way of conversion of Debentures to REIT A Units, repayment of Debentures by issuance of REIT A Units, or otherwise, or more than 49% of the Special Trust Units. The Debenture Trustee may, upon our instruction, require declarations as to the jurisdictions in which beneficial owners of Debentures are resident. If we notify the Debenture Trustee that the beneficial owners (on either a basic or fully diluted basis) of more than 49% of the REIT units or more than 49% of the Special Trust Units are, or may be, non-residents, or that such a situation is imminent, we may require the Debenture Trustee to make a public announcement thereof and we may instruct the Debenture Trustee not to register a transfer of Debentures to a person unless the person provides a declaration that the person is not a non-resident and does not hold his or her Debentures for the benefit of a non-resident. If, notwithstanding the foregoing, we notify the Debenture Trustee that beneficial owners (on either a basic or fully diluted basis) of more than 49% of the REIT units or more than 49% of the Special Trust Units are non-residents, we may instruct the Debenture Trustee to, or our trustees may, send a notice to non-resident holders of Debentures or REIT A Units and holders of Debentures or REIT A Units for the benefit of non-residents, chosen in inverse order to the order of acquisition or registration of the Debentures or REIT A Units or in such manner as the Debenture Trustee or our trustees may consider equitable and practicable, requiring them to sell their Debentures or REIT A Units or a portion thereof within a specified period of not more than 60 days. If the Debenture holders or unitholders receiving such notice have not sold the specified number of Debentures or REIT A Units or provided the Debenture Trustee and us with satisfactory evidence that they are not non-residents and do not hold Debentures or REIT A Units for the benefit of a non-resident within such period, our trustees may or we may instruct the Debenture Trustee, on behalf of such Debenture holder or unitholder, and our trustees or the Debenture Trustee, as applicable, shall have the power of attorney of such holder to, sell or redeem such Debentures or REIT A Units, as the case may be, and, in the interim, shall suspend the rights attached to such Debentures or REIT A Units. Upon such sale or redemption, the affected holders shall cease to be holders

of Debentures or REIT A Units, as the case may be, and their rights shall be limited to receiving the net proceeds of sale or redemption upon surrender of such Debentures or REIT A Units. We monitor ownership of our units which are held by non-residents by periodically obtaining and reviewing unit ownership reports from our transfer agent or other service providers.

Book-entry, Delivery and Form

The Debentures were issued in the form of Global Debentures held by, or on behalf of, the Depository as custodian for its participants.

All Debentures are represented in the form of Global Debentures registered in the name of the Depository or its nominee. Purchasers of Debentures represented by Global Debentures do not receive Debentures in definitive form. Rather, the Debentures are represented only in “book-entry only” form (unless we, in our sole discretion, elect to prepare and deliver definitive Debentures in fully-registered form). Beneficial interests in the Global Debentures, constituting ownership of the Debentures, are represented through book-entry accounts of institutions acting on behalf of beneficial owners, as direct and indirect participants of the Depository. The Depository is responsible for maintaining book-entry accounts for its participants having interests in Global Debentures.

If the Depository notifies us that it is unwilling or unable to continue as depository in connection with the Global Debentures, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and we and the Debenture Trustee are unable to locate a qualified successor, or if we elect, in our sole discretion, to terminate the book-entry system, beneficial owners of Debentures represented by Global Debentures at such time will receive Definitive Debentures.

Transfer and Exchange of Debentures

Transfers of beneficial ownership in Debentures represented by Global Debentures are effected through records maintained by the Depository for such Global Debentures or its nominees (with respect to interests of participants in the Depository) and on the records of participants (with respect to interests of persons other than participants). Unless we elect, in our sole discretion, to prepare and deliver Definitive Debentures, beneficial owners who are not participants in the Depository’s book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Debentures, may do so only through participants in the Depository’s book-entry system.

The ability of a beneficial owner of an interest in a Debenture represented by a Global Debenture to pledge the Debenture or otherwise take action with respect to such owner’s interest in a Debenture represented by a Global Debenture (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of Definitive Debentures may transfer such Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Debentures to the registrar for the Debentures at its principal offices in Toronto, Ontario or such other city or cities as may from time to time be designated by us whereupon new Debentures will be issued in authorized denominations in the same aggregate principal amount as the Debentures so transferred, registered in the names of the transferees. No transfer or exchange of a Debenture will be registered during the period from the date of any selection by the Debenture Trustee of any Debentures to be redeemed or during the 15 preceding days or thereafter until the close of business on the date upon which notice of redemption of such Debentures is given. In addition, no transfer or exchange of any Debentures which have been selected or called for redemption will be registered.

Payments

Payments of interest and principal on each Global Debenture are made to the Depository or its nominee, as the case may be, as the registered holder of the Global Debenture. As long as the Depository or its nominee is the registered owner of a Global Debenture, such Depository or its nominee, as the case may be, is considered the sole legal owner of the Global Debenture for the purposes of receiving payments of interest and principal on the Debentures and for all other purposes under the Indenture and the Debentures. Interest payments on Global Debentures are made by electronic funds transfer on the day interest is payable and delivered to the Depository or its nominee, as the case may be. Interest payments are made to holders of record as of the applicable Record Date.

We understand that the Depository or its nominee, upon receipt of any payment of interest or principal in respect of a Global Debenture, credits participants' accounts, on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interest in the principal amount of such Global Debenture as shown on the records of the Depository or its nominee. We also understand that payments of interest and principal by participants to the owners of beneficial interest in such Global Debenture held through such participants are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and are the responsibility of such participants. Our responsibility and liability in respect of payments on Debentures represented by the Global Debenture is limited solely and exclusively, while the Debentures are registered in Global Debenture form, to making payment of any interest and principal due on such Global Debenture to the Depository or its nominee.

If Definitive Debentures are issued instead of or in place of Global Debentures, payments of interest on each Definitive Debenture will be made by electronic funds transfer, if agreed to by the holder of the Definitive Debenture or if required under any applicable payment clearing system rules, or by cheque dated the Interest Payment Date and mailed at least five business days (a business day for this purpose being a day, other than a Saturday, Sunday or statutory holiday, on which Canadian chartered banks are open for business in Toronto) preceding the applicable Interest Payment Date to the address of the holder appearing in the register maintained by the registrar for the Debentures at the close of business on the Record Date. Payment of principal at maturity will be made at the principal office of the Debenture Trustee in the City of Toronto (or in such other city or cities as may from time to time be designated by us) against surrender of the Definitive Debentures, if any. If the due date for payment of any amount of principal or interest on any Definitive Debenture is not, at the place of payment, a business day such payment will be made on the next business day and the holder of such Definitive Debenture shall not be entitled to any further interest or other payment in respect of such delay.

DESCRIPTION OF DUNDEE PROPERTIES LP

General

Dundee Properties LP is a limited partnership formed under the laws of the Province of Ontario. Dundee Properties LP holds our direct and indirect interests in all of the Properties.

Properties General Partner

Properties General Partner is the general partner of Dundee Properties LP. Properties General Partner is a wholly-owned subsidiary of Dundee REIT. Michael J. Cooper, P. Jane Gavan, Mario Barrafasto and Ned Goodman are currently the directors of Properties General Partner. Pursuant to the Governance Agreement, Dundee Corporation has the right to have one nominee appointed as a director of Properties General Partner. A majority of the directors of Properties General Partner cannot be the same individuals as our trustees.

Partnership Units

Dundee Properties LP is authorized to issue an unlimited number of two classes of limited partnership units, the LP Class A Units and the LP Class B Units, and such other classes of partnership interests as Properties General Partner may decide from time to time. The LP Class B Units are issuable in two series: LP B Units and LP Class B Units, Series 2. Partnership A holds the LP Class A Units, Dundee Realty and its affiliates hold the LP B Units and Partnership B holds the LP Class B Units, Series 2.

The LP B Units, together with the accompanying Special Trust Units, except as otherwise noted, have economic and voting rights equivalent in all material respects to the REIT A Units and REIT B Units. In particular, subject to certain limitations contained in the Properties Limited Partnership Agreement and the Exchange and Support Agreement, each LP B Unit entitles the holder thereof to receive a distribution from Dundee Properties LP equal to the amount of a distribution we declare on a REIT B Unit, or, if no such distribution is declared, on a REIT A Unit. Additional principal terms of the LP B Units are as follows: (i) the LP B Units may be surrendered or, if such surrender cannot be effected, indirectly exchanged, on a one-for-one basis (subject to customary anti-dilution provisions) for REIT B Units at the option of the holder, at any time unless our trustees determine, acting reasonably this would cause a significant risk to Dundee REIT's status as a "unit trust", "mutual fund trust", "real estate investment trust" or "registered investment" under the Tax Act; (ii) each LP B Unit will be accompanied by a Special Trust Unit which will entitle the holder thereof to receive notice of, to attend and to vote at all meetings of unitholders (except in respect of LP B Units previously surrendered or exchanged); (iii) except as required by law and in certain specified circumstances where the rights of a holder of LP B Units are affected, holders of the LP B Units are not entitled to vote at any meeting of the limited partners of Dundee Properties LP, and (iv) the LP B Units, may not be transferred, subject to certain limited exceptions.

Pursuant to the Declaration of Trust and the Exchange and Support Agreement, if an offer, issuer bid, takeover bid or similar transaction with respect to the REIT A Units and/or the REIT B Units is proposed by us or is proposed to us or holders of REIT A Units and/or REIT B Units and is recommended by our trustees, or is otherwise effected or to be effected with the consent or approval of our trustees, and the LP B Units are not acquired by Dundee Properties LP or exchanged for REIT B Units, Dundee REIT will, expeditiously and in good faith, take all such actions and do all such things as are necessary or desirable to enable and permit holders of those LP B Units to participate in such offer to the same extent and on an economically equivalent basis as the holders of REIT A Units and/or REIT B Units, without discrimination. Without limiting the generality of the foregoing, Dundee REIT will, expeditiously and in good faith, ensure that holders of LP B Units may participate in all such offers without being required to surrender such units for withdrawal or exercise their right to exchange such units (or, if so required, to ensure that any such surrender or exchange will be effective only upon, and will be conditional upon, the closing of the offer and only to the extent necessary to tender to or deposit under the offer). In the case of offers, issuer bids, take-over bids or similar transactions which are not effected or to be effected with the consent or approval of our trustees, Dundee REIT will take such actions only to the extent possible in the circumstances.

Pursuant to the Reorganization, Dundee Realty and its affiliate subscribed for 6,909,245 LP B Units of Dundee Properties LP, which were subsequently transferred to two wholly-owned subsidiaries of Dundee Corporation in July, 2006. The LP B Units may also be issued in respect of other acquisitions made by Dundee Properties LP from time to time, with the consent of all of the holders of LP B Units.

The LP Class B Units, Series 2 have terms similar to those attached to the LP B Units, except that the holders of LP Class B Units, Series 2: (i) are not entitled to receive REIT B Units in the event of a full or partial surrender of the LP Class B Units, Series 2 or upon the liquidation, dissolution or winding up of Dundee Properties LP; (ii) are not entitled to elect to reinvest the cash distributions payable on the LP Class B Units, Series 2 in additional LP Class B Units, Series 2 or to elect to receive a loan from Dundee Properties LP in an amount equal to the cash distributions payable on the LP Class B Units, Series 2; and

(iii) are entitled to receive notice of, to attend and vote at all meetings of the partners of Dundee Properties LP, but will not be entitled to receive notice of, to attend or vote at meetings of the unitholders. Partnership B holds all of the issued and outstanding LP Class B Units, Series 2.

The LP Class A Units have terms substantially similar to those attached to the LP Class B Units, Series 2. Partnership A owns all of the issued and outstanding LP Class A Units.

Amendments to Properties Limited Partnership Agreement

Pursuant to the Properties Limited Partnership Agreement, no amendment to the investment guidelines or operating policies set forth above or any other material change to such agreement may be made without the approval of 66 2/3% of the votes cast by the limited partners entitled to vote at a meeting called for such purpose or the written approval of holders holding more than 66 2/3% of the outstanding limited partnership units entitled to vote.

Distributions

Dundee Properties LP will distribute to Properties General Partner and to the limited partners holding LP Class A Units and LP Class B Units their *pro rata* portions of distributable income as set out below. Distributions will be made forthwith after Properties General Partner determines the distributable income of Dundee Properties LP and determines its expenses for acting as general partner, which shall take place no later than the 10th day of each month. Distributable income will represent, in general, all of Dundee Properties LP's cash on hand that is derived from any source (other than amounts received in connection with the subscription for additional interests in Dundee Properties LP) and that is determined by Properties General Partner not to be required in connection with the business of Dundee Properties LP. The amount of distributable income that will be distributed to the limited partners of Dundee Properties LP will be the amount of distributable income which remains after the distribution of (a) an amount to Properties General Partner sufficient to reimburse it for its expenses incurred in performing its duties and obligations under the Properties Limited Partnership Agreement; (b) an amount to the holders of LP Class A Units and LP Class B Units, Series 2 sufficient to allow Dundee REIT, Partnership A and Partnership B to pay their expenses on a timely basis; and (c) an amount to Properties General Partner equal to 0.1% of the balance of the distributable income of Dundee Properties LP remaining after the distributions in (a) and (b) have been made. However, holders of LP B Units will be entitled to receive distributions on each such unit equal to the amount of the distribution declared on each REIT B Unit or, if no such distribution is declared, on each REIT A Unit. The record date and the payment date for any distribution declared on the LP B Units will be the same as those for the REIT B Units or REIT A Units, as the case may be.

Our principal investor, Dundee Corporation, as the beneficial holder of LP B Units, has the right to elect to reinvest all or a portion of distributions payable on its limited partnership units of Dundee Properties LP on the same economic terms as participants in our DRIP. Dundee Corporation may reinvest such distributions in LP B Units, REIT B Units or, subject to regulatory approval, REIT A Units, or any combination thereof. If it elects to reinvest all or a portion of its distributions, Dundee Corporation will receive a bonus distribution of 4% of the amount elected to be reinvested, which bonus distribution will be reinvested in the units that Dundee Corporation elects to receive.

Allocation of Net Income and Losses

Dundee Properties LP's income or loss for tax purposes for a fiscal year will be allocated to Properties General Partner and to each person who was a limited partner of Dundee Properties LP in that year in the manner provided below. At the end of each fiscal year, Properties General Partner will be allocated taxable income of Dundee Properties LP, as determined in accordance with the Tax Act, in an amount equal to the aggregate of (a) all of the amounts paid to Properties General Partner as reimbursement for its expenses in performing its duties and obligations under Properties Limited Partnership Agreement and (b) all distributions from Dundee Properties LP that it has received during that year. After giving effect to the

allocation of taxable income to Properties General Partner, each person who was a limited partner of Dundee Properties LP at any point during that year will be allocated taxable income or losses of Dundee Properties LP, as determined in accordance with the Tax Act, in an amount based on the total sum of the cash distributions received by that limited partner with respect to that fiscal year. However, if, with respect to a given fiscal year, no cash distribution is made by Dundee Properties LP to its limited partners, or Dundee Properties LP has a loss for tax purposes, the income or loss, as the case may be, for tax purposes of Dundee Properties LP for that fiscal year will be allocated to each person who was a limited partner at anytime in such fiscal year in the proportion determined by Properties General Partner.

Functions and Powers of Properties General Partner

Subject to the provisions of the Properties Limited Partnership Agreement, Properties General Partner is authorized to carry out the business of Dundee Properties LP with the full power and exclusive authority to administer, manage, control and operate the operations and affairs of Dundee Properties LP and the business of Dundee Properties LP and to bind Dundee Properties LP. In addition, Properties General Partner has all of the power and authority for and on behalf of Dundee Properties LP to do or cause to be done any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document on behalf of Dundee Properties LP permitted by the Properties Limited Partnership Agreement and involving matters or transactions which are necessary for or incidental to carrying on the business of Dundee Properties LP. Properties General Partner is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Dundee Properties LP and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and as would the director of a corporation in comparable circumstances. Properties General Partner is not entitled to dissolve Dundee Properties LP, wind up its affairs or effect a sale of all or substantially all of Dundee Properties LP's assets except in accordance with the provisions of the Properties Limited Partnership Agreement.

The Properties Limited Partnership Agreement provides that all material transactions and agreements involving Dundee Properties LP must be approved by Properties General Partner's board of directors.

Restrictions on the Authority of Properties General Partner

The authority of Properties General Partner is limited in certain respects by the Limited Partnership Agreement. For example, Properties General Partner is prohibited, without the prior approval of the limited partners given by special resolution, from selling or otherwise disposing of all or substantially all of the assets of Dundee Properties LP. Properties General Partner has also agreed to certain limitations on its powers in the Governance Agreement. See "Governance of Dundee REIT".

Reimbursement of Properties General Partner

Dundee Properties LP will reimburse Properties General Partner for all expenses incurred by Properties General Partner in the performance of its duties as general partner under the Properties Limited Partnership Agreement on behalf of Dundee Properties LP.

Limited Liability

Properties General Partner will operate and carry on the business of Dundee Properties LP and conduct the affairs of Dundee Properties LP in a manner so as to ensure to the greatest extent possible the limited liability of its limited partners. However, limited partners may lose their limited liability in certain circumstances.

RISK FACTORS

Risk factors inherent in an investment in our REIT A Units or our Debentures include but are not limited to the following:

SIFT Rules

Under the SIFT Rules, a publicly traded income trust will be considered a SIFT unless it qualifies for the REIT Exception. As a result of the reorganization completed on December 31, 2007, Dundee REIT has met the REIT Exception. Therefore, the SIFT Rules and the Normal Growth Guidelines should not apply to Dundee REIT after 2007; however, no assurances can be made in this regard. If Dundee REIT does not qualify continuously for the REIT Exception, the SIFT Rules and the Normal Growth Guidelines may have an adverse impact on Dundee REIT and the holders of REIT A Units, on the value of the REIT A Units and the ability of Dundee REIT to undertake financings and acquisitions, and if the SIFT Rules were to apply, distributable cash of Dundee REIT may be materially reduced. The effect of the recently enacted SIFT Rules on the market for the REIT A Units is uncertain.

We Rely on Dundee Realty for Asset Management Services

We rely on Dundee Realty with respect to the asset management of our properties. Although our Asset Management Agreement with Dundee Realty provides that, subject to the termination provisions in such agreement, Dundee Realty will automatically be rehired at the expiration of the agreement's initial five year term and each five year renewal term, Dundee Realty has the right, at any time, but upon 60 days' notice, to terminate our Asset Management Agreement for any reason. Our Asset Management Agreement may also be terminated in other circumstances, such as in the event of default or insolvency of Dundee Realty within the meaning of such agreement. Accordingly, there can be no assurance that Dundee Realty will continue to be our asset manager. If Dundee Realty should cease for whatever reason to be our asset manager, this may adversely impact our ability to meet our objectives and execute our strategy.

The Asset Management Agreement does not obligate Dundee Realty to provide the services of any particular person to Dundee REIT, including the services of our current senior management team. However, we have no reason to believe the services of our current senior management team will not continue to be provided by Dundee Realty.

Risks Inherent in the Real Estate Industry May Affect Our Financial Performance

Real estate ownership is generally subject to numerous risks, including changes in general economic conditions, such as the availability and cost of mortgage funds, local economic conditions (such as an oversupply of office, industrial and retail properties or a reduction in demand for real estate in the area), the attractiveness of properties to potential tenants or purchasers, competition of others with available space, the ability of the owner to provide adequate maintenance at an economic cost and other factors.

Our portfolio of properties generates income through rent payments made by our tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. Our financial position would be adversely affected if a number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the Properties were not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting our investment may be incurred. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of such tenant and, thereby, cause a reduction in the cash flow available to us.

Certain significant obligations, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made regardless of whether or not a property is producing sufficient income to pay such expenses. As at December 31, 2011, we had outstanding indebtedness of approximately \$2,255 million. A portion of the cash flow generated by the Properties will be devoted to servicing such debt, and there can be no assurance that these properties will continue to generate sufficient cash flow from operations to meet required interest and principal payments. If we are unable or unwilling to meet mortgage payments on any property, the mortgage lender may exercise its rights of foreclosure or sale.

The Illiquidity of Real Estate Investments May Limit Our Ability to Vary Our Portfolio in Response to Changing Economic or Investment Conditions

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit our ability to vary our portfolio promptly in response to changing economic or investment conditions. In recessionary times it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession we may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for us to dispose of properties at lower prices in order to generate sufficient cash for operations and making distributions.

Competition in the Office, Industrial and Retail Real Estate Market May Adversely Affect Our Financial Performance

We compete with other investors, managers and owners of properties in seeking tenants and for the purchase and development of desirable real estate properties. Some of the commercial office, industrial and retail properties of our competitors are newer, better located or better capitalized than our Properties. Certain of these competitors have greater financial and other resources and greater operating flexibility than us. The existence of competing managers and owners could have a material adverse effect on our ability to lease space in our Properties and on the rents we are able to charge, and could adversely affect our revenues and our ability to meet our obligations.

Our Trustees and Executive Officers May be Put in a Position of Conflict as a Result of their Positions Held and Interests in Other Businesses

Certain of our trustees and executive officers are also directors and officers of other entities such as Dundee Management LP, or are otherwise engaged, and will continue to be engaged, in activities that may put them in conflict with our business strategy. Consequently, there exists the possibility for such trustees and executive officers to be in a position of conflict. Pursuant to our Declaration of Trust, all decisions to be made by such trustees which involve us are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to our and our unitholders' best interests. In addition, our trustees and officers are required to declare their interests in, and such trustees are required to refrain from voting on, any matter in which they may have a material conflict of interest.

Environmental Contamination on Properties May Expose Us to Liability and Adversely Affect Our Financial Performance

As an owner of real property, we are subject to various federal, provincial, state and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances. The presence of such substances, if any, could adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a new property through traditional channels, we may be requested to arrange for an environmental audit to be conducted. Although such an audit provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on our properties against which we cannot insure, or against

which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We have formal policies and procedures to review and monitor environmental exposure. These policies include the requirement to conduct a Phase I environmental audit before acquiring any real property or any interest therein.

Some of the Properties including, in particular, the industrial properties, have tenants that use hazardous or toxic substances or create waste. In addition, asbestos containing materials, underground storage tanks, petroleum hydrocarbons and lead paint are known to be present at certain of the Properties. Where circumstances so warrant, designated substance surveys and/or Phase II environmental assessments are conducted to determine the presence and/or extent of these or any other materials or potential environmental hazards. If appropriate, we remediate such situations. Notwithstanding the above, we are not aware of any environmental conditions with respect to any of the Properties that we believe would involve material expenditure by us.

Insurance to protect against certain environmental liability is in place in respect of certain of the Properties with a limit of \$5 million per claim and a \$10 million aggregate claim limit during the term of coverage (which is five years expiring in 2016). In addition, certain of the existing tenant leases in respect of the Properties specify that the tenant will conduct its business in accordance with environmental laws and regulations and be responsible for any liabilities arising out of infractions to such laws and regulations.

We will make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations. Although there can be no assurances, we do not believe that costs relating to environmental matters will have a material adverse effect on our business, financial condition, results of operations or distributions. However, environmental laws and regulations can change and we may become subject to more stringent environmental laws and regulations (or more stringent enforcement or administration of existing legislation) in the future.

Losses of Key Personnel May Affect Our Ability to Operate Effectively

Our operations are dependent upon the participation of our key executives. While we believe that we could find replacements for these key executives, the loss of their services and Dundee REIT's or Dundee Management LP's inability to attract and retain qualified and experienced personnel may materially affect our ability to operate and expand.

Failure to Refinance Existing Indebtedness on Acceptable Terms May Limit Our Ability to Grow Our Portfolio

Upon the expiry of the term of the financing or refinancing of any particular property or operating or acquisition debt facilities, refinancing may not be available in the amounts required or may be available only on terms less favourable to us than existing financing. We may require additional financing in order to grow and expand our operations. It is possible that such financing will not be available or, if it is available, will not be available on favourable terms. Future financing may take many forms, including debt or equity financing which could alter the current debt-to-equity ratio or which could be dilutive to our unitholders.

Leverage and Restrictive Covenants

We have third-party debt service obligations pursuant to our indebtedness. The degree to which we are leveraged could have important consequences to unitholders, including: (i) our ability to make distributions to unitholders may be limited; (ii) our ability to obtain additional debt financing for working capital, capital expenditures or acquisitions in the future may be limited; (iii) a portion of our cash flow

from operations will be dedicated to the payment of the principal of and/or interest on indebtedness, thereby reducing funds available for future operations; and (iv) certain of our borrowings may be at variable rates of interest, which exposes us to the risk of increased interest rates.

Certain of our competitors may operate on a less leveraged basis, and therefore could have greater financing flexibility than us. Our ability to make scheduled payments of interest on and to refinance our indebtedness will depend upon our future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels and financial, competitive, business and other factors, many of which are beyond our control. These factors might inhibit us from refinancing indebtedness at all or on favourable terms, which could have a negative impact on our ability to make distributions on the REIT Units.

We may need to refinance indebtedness as principal amounts become due, and there can be no assurance that we will be able to do so or will be able to do so on terms as favourable as those currently in place with respect to the indebtedness. If we are unable to refinance our indebtedness, or are only able to refinance our indebtedness on less favourable terms, this may have a material adverse effect on our financial position, or distributable income. This, in turn, could result in the reduction or suspension of cash distributions to unitholders.

Certain of our indebtedness contains restrictive covenants that may limit the discretion of management with respect to certain business matters. These covenants place restrictions upon, among other things, our ability to (i) incur additional indebtedness, (ii) create liens or other encumbrances, (iii) pay distributions or certain other payments, investments, loans and guarantees, (iv) sell or otherwise dispose of assets, and (v) merge or consolidate with another entity. In addition, our indebtedness may contain financial covenants that require us to maintain certain financial ratios and financial condition tests. Failure to comply with such obligations could result in an event of default which, if not cured or waived, could result in acceleration of the relevant indebtedness. If any indebtedness was to be accelerated, there can be no assurance that our assets would be sufficient to repay that indebtedness in full. If an event of default under any indebtedness was to occur, distributions may be suspended.

Investments in, and Profits and Cash Flows from, Properties May be Lost in the Event of Uninsured or Underinsured Losses to Properties or Losses from Title Defects

We carry general liability, umbrella liability and excess liability insurance with a total limit of \$76,000,000. For the property risks we carry “All Risks” property insurance including but not limited to, flood, earthquake and loss of rental income insurance (with a 24 month indemnity period). We also carry Boiler and Machinery insurance covering all boilers, pressure vessels, HVAC systems and equipment breakdown. There are, however, certain types of risks (generally of a catastrophic nature such as from war or nuclear accident) which are uninsurable under any insurance policy. Furthermore there are other risks that are not economically viable to insure at this time. Our general position is to self-insure against terrorism risk for the Canadian portfolio, but some properties may have terrorism insurance in place in order to satisfy terms made under co-owner or lender agreements. We have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements. Should an uninsured or underinsured loss occur, we could lose our investment in, and anticipated profits and cash flows from, one or more of the Properties, but we would continue to be obligated to repay any recourse mortgage indebtedness on such properties. Additionally, we generally have owners’ title insurance policies with respect to our properties located in the United States. However, the amount of coverage under such policies may be less than the full value of such properties. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, we could lose all or part of our investment in, and anticipated profits and cash flows from, such property.

Investments in Real Estate Properties Through Joint Venture, Partnership and Co-Ownership Agreements May Restrict Our Ability to Deal with Those Properties or Expose Us to Liability

We are a participant in joint ventures and partnerships with third parties in respect of four of the Properties. In addition, we are a participant in two joint ventures with third parties in respect of developing office and prestige industrial properties. A joint venture or partnership involves certain additional risks, including, (i) the possibility that such co-venturers/partners may at any time have economic or business interests or goals that will be inconsistent with ours or take actions contrary to our instructions or requests or to our policies or objectives with respect to our real estate investments, (ii) the risk that such co-venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands on us to maintain and operate such properties or repay the co-venturers'/partners' share of property debt guaranteed by us or for which we will be liable and/or result in our suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture or partnership decisions, (iii) the risk that such co-venturers/ partners may, through their activities on behalf of or in the name of, the ventures or partnerships, expose or subject us to liability, and (iv) the need to obtain co-venturers'/partners' consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property. In addition, the sale or transfer of interests in certain of the joint ventures and partnerships may be subject to rights of first refusal or first offer and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when we may not desire to sell but may be forced to do so because we do not have the cash to purchase the other party's interests. Such rights may also inhibit our ability to sell an interest in a property or a joint venture/partnership within the time frame or otherwise on the basis we desire. The investment by Dundee Properties LP in properties through joint venture and partnership agreements is subject to the investment guidelines set out in "Investment Guidelines and Operating Policies — Investment Guidelines of Dundee Properties LP".

Development Risk

Due to our involvement in development activities, we are subject to related risks that include:

- (a) the potential insolvency of a developer;
- (b) the developer's failure to use advanced funds in payment of construction costs;
- (c) construction or unanticipated delays;
- (d) incurring construction costs before ensuring rental revenues will be earned from the project;
- (e) cost over-runs on the project; and
- (f) the failure of tenants to occupy and pay rent in accordance with lease arrangements.

Such risks are minimized by generally not commencing construction until satisfactory levels of pre-leasing/sales are achieved. Our risk exposure is further mitigated by our Declaration of Trust, which limits the amount we are able to commit to development activity at any one time to no more than 10% of unitholders' equity adjusted for accumulated depreciation and amortization.

Risks Associated with the Structure of Dundee REIT

We are entirely dependent on the business of Dundee Properties LP through our ownership of Partnership A, Partnership B and, to a lesser extent, Dundee Management LP. The cash distributions to unitholders are dependent on the ability of Partnership A and Partnership B to pay distributions in respect of the units of Partnership A and Partnership B and interest on the notes of Partnership A and Partnership B,

respectively, and the ability of Dundee Properties LP to pay distributions on the LP Class A Units and LP Class B Units, Series 2. The ability of Dundee Properties LP to pay distributions or make other payments or advances to Partnership A or Partnership B may be subject to contractual restrictions contained in any instruments governing the indebtedness of Dundee Properties LP. The ability of Dundee Properties LP to pay distributions or make other payments or advances is also dependent on the ability of Dundee Properties LP's subsidiaries to pay distributions or make other payments or advances to Dundee Properties LP.

Cash Distributions are not Guaranteed and May Fluctuate with Our Financial Performance

Our distribution policy was established in the Declaration of Trust and may only be changed with the approval of a majority of unitholders of Dundee REIT. However, our trustees may reduce or suspend cash distributions indefinitely, which could have a material adverse impact on the market price of the REIT A Units.

Although we intend to make cash distributions in accordance with our distribution policy, the actual amount of Distributable Income will depend upon numerous factors, including the amount of net rental income from the Properties, interest payable on our indebtedness, tenant allowances, leasing commissions, capital expenditures, unit redemptions and other factors that may be beyond our control.

Distributable Income may exceed actual cash available to us from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures. We may be required to use part of our debt capacity or to reduce the cash component of distributions in order to accommodate such items. We may temporarily fund such items, if necessary, through an operating line of credit in expectation of refinancing long-term debt on its maturity.

Market for Securities and Prices

Dundee REIT is an unincorporated open-ended investment trust and its REIT A Units and Debentures are listed on the TSX. There can be no assurance that an active trading market in the REIT A Units or Debentures will be sustained. A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Instead, the REIT A Units and Debentures may trade at a premium or a discount to such values. A number of factors may influence the market price of the REIT A Units and Debentures, including general market conditions, fluctuations in the markets for equity and/or debt securities, short-term supply and demand factors for real estate investment trusts and numerous other factors beyond our control.

Unitholders Do Not have Legal Rights Normally Associated with the Ownership of Shares of a Corporation

Unitholders do not have all of the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions against us. The units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation. Furthermore, Dundee REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

The Ability of Unitholders to Redeem REIT Units is Subject to Restrictions

It is anticipated that the redemption right attached to the units will not be the primary mechanism by which holders of such units liquidate their investments. The entitlement of holders of REIT A Units and REIT B Units to receive cash upon the redemption of their REIT A Units or REIT B Units is subject to the limitations that: (i) the total amount payable by us in respect of such REIT A Units or REIT B Units and all other REIT units tendered for redemption in the same calendar month shall not exceed \$50,000

(provided that such limitations may be waived at the discretion of our trustees); (ii) at the time such REIT A Units or REIT B Units are tendered for redemption, our outstanding units of the applicable series (or in the case of REIT B Units, where that series is not listed, REIT A Units) shall be listed for trading on a stock exchange or traded or quoted on another market which our trustees consider, in their sole discretion, provides representative fair market value prices for such series of our units; and (iii) the normal trading of the REIT A Units or REIT B Units is not suspended or halted on any stock exchange on which such series of our units (or in the case of REIT B Units, where that series is not listed, REIT A Units) are listed (or, if not listed on a stock exchange, on any market on which such series of our units are quoted for trading) on the redemption date or for more than five trading days during the 20-day trading period commencing immediately after the redemption date.

Regulatory Approvals May be Required in Connection with a Distribution of Securities on a Redemption of REIT Units or Our Termination

Upon a redemption of units or our termination, our trustees may distribute securities directly to the unitholders, subject to obtaining any required regulatory approvals. No established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. In addition, the securities so distributed may not be qualified investments for Plans or RESPs, depending upon the circumstances at the time.

An Investment in Securities of Dundee REIT is Subject to Certain Tax Considerations

There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the holders of REIT A Units. If Dundee REIT ceases to qualify as a “mutual fund trust” or “registered investment” under the Tax Act, the income tax considerations applicable to Dundee REIT would be materially and adversely different in certain respects, including that REIT A Units may cease to be qualified investments for Plans and RESPs. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Our Declaration of Trust provides that a sufficient amount of Dundee REIT’s net income and net realized capital gains will be distributed each year to unitholders in cash, or otherwise in order to eliminate Dundee REIT’s liability for tax under Part I of the Tax Act. Where such amount of net income and net realized capital gains in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to unitholders in the form of additional REIT A Units. Unitholders will generally be required to include an amount equal to the fair market value of those REIT A Units in their taxable income, in circumstances where they do not directly receive a cash distribution.

Although we are of the view that all expenses to be claimed by Dundee REIT, Partnership A, Partnership B and Dundee Properties LP will be reasonable and deductible, that the cost amount and capital cost allowance claims of entities indirectly owned by Dundee REIT will have been correctly determined and that the allocation of Dundee Properties LP’s income for purposes of the Tax Act among its partners is reasonable, there can be no assurance that the Tax Act, or the interpretation of the Tax Act will not change, or that the Canada Revenue Agency will agree. If the Canada Revenue Agency successfully challenges the deductibility of such expenses or the allocation of such income, Dundee Properties LP’s allocation of taxable income to Partnership A and Partnership B, taxes payable by Partnership A and Partnership B, and indirectly the taxable income of Dundee REIT and the unitholders, will increase or change.

The extent to which distributions will be non-taxable in the future will depend in part on the extent to which entities indirectly owned by Dundee REIT are able to deduct capital cost allowance relating to the Properties held by them.

We will endeavour to ensure that the REIT A Units continue to be qualified investments for Plans and RESPs; however, there can be no assurance that this will be so. REIT A Units will cease to be qualified investments for Plans and RESPs if Dundee REIT ceases to qualify as a mutual fund trust and its registration as a registered investment under the Tax Act is revoked. In addition, Subsidiary Securities received on a redemption in specie of REIT A Units may not be qualified investments for Plans and RESPs. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Certain properties within the Dundee Properties LP portfolio were acquired on a tax deferred basis. Accordingly, Dundee Properties LP's tax cost in certain properties will be less than the fair market value of those properties. If one or more of those properties are disposed of, the gain recognized by Dundee Properties LP for tax purposes will be in excess of that which it could have realized if it had acquired the properties with a tax cost equal to their fair market values. In addition, any disposition by us or one of our subsidiary entities of real estate located in the United States will be potentially subject to U.S. tax.

The Debentures are Unsecured, Subordinated Obligations of Dundee REIT and the Likelihood That Purchasers of the Debentures Will Receive Payments Owing to Them Under the Terms of the Debentures Will Depend on Our Financial Condition and Creditworthiness. The Indenture Governing the Debentures Contains Limited Covenant Protection

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on our financial condition and creditworthiness. In addition, the Debentures are unsecured obligations of Dundee REIT and are subordinate in right of payment to all Dundee REIT's existing and future senior indebtedness. Therefore, if Dundee REIT becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, Dundee REIT's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding. The Debentures are also effectively subordinate to claims of creditors of Dundee REIT's subsidiaries except to the extent Dundee REIT is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The Indenture does not prohibit or limit the ability of Dundee REIT or its subsidiaries to incur additional debt or liabilities (including Senior Indebtedness and secured indebtedness) or to make distributions, except, in respect of distributions, where an Event of Default has occurred and such default has not been cured or waived. The Indenture does not contain any provision specifically intended to protect holders of Debentures in the event of a future leveraged transaction involving Dundee REIT.

The Effect of Certain Transactions on the Debentures Could Substantially Lessen or Eliminate the Value of the Conversion Privilege

In the case of certain transactions involving Dundee REIT that could occur in the future, the Debentures will become convertible into the securities, cash or property receivable by a holder of REIT A Units in the kind and amount of securities, cash or property into which the Debentures were convertible immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the Debentures in the future. For example, if Dundee REIT were acquired in a cash merger, the Debentures would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on Dundee REIT's future prospects and other factors. See "Description of the Debentures – Conversion Privilege".

MARKET FOR SECURITIES

Trading Price and Volume

The REIT A Units are listed on the TSX under the symbol “D.UN”. The following table sets forth the high and low reported trading prices and the trading volume of the REIT A Units on the TSX for each month of the most recently completed financial year:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January 2011	31.10	30.01	3,261,489
February 2011	31.74	29.78	3,592,768
March 2011.....	33.60	30.21	3,999,866
April 2011	33.51	31.11	1,811,030
May 2011.....	34.87	32.90	2,259,972
June 2011	33.45	31.64	1,559,427
July 2011	33.85	32.03	1,898,711
August 2011	32.42	27.09	4,312,204
September 2011	32.30	30.76	3,982,617
October 2011.....	33.24	29.10	2,392,551
November 2011	33.26	31.90	2,048,907
December 2011	32.90	32.45	3,019,795

The 6.5% Debentures are listed on the TSX under the symbol “D.DB”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month of the most recently completed financial year.

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January 2011	123.00	123.00	140
February 2011	125.71	121.35	260
March 2011.....	132.75	123.82	960
April 2011	134.00	126.04	1,900
May 2011.....	135.80	133.00	690
June 2011	132.97	127.55	580
July 2011	130.14	128.39	810
August 2011	123.83	123.83	50
September 2011	127.44	125.17	100
October 2011.....	-	-	-
November 2011	131.28	128.46	1,060
December 2011	-	-	-

The 5.7% Debentures are listed on the TSX under the symbol “D.DB.A”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month of the most recently completed financial year:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January 2011	105.95	103.27	820
February 2011	105.50	104.15	640
March 2011.....	110.38	102.75	750
April 2011	110.85	106.88	750
May 2011.....	112.25	110.37	580
June 2011	109.99	105.79	670
July 2011	109.60	108.70	400
August 2011	106.73	100.00	1,020
September 2011	106.00	103.83	500
October 2011.....	110.00	101.00	1,300
November 2011	110.20	109.58	270
December 2011	109.43	108.50	1,580

The 6.0% Debentures are listed on the TSX under the symbol “D.DB.B”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month of the most recently completed financial year:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January 2011	104.50	102.00	16,570
February 2011	105.00	103.50	6,040
March 2011.....	104.25	103.25	10,940
April 2011	104.00	103.00	8,830
May 2011.....	104.50	102.30	6,160
June 2011	104.01	103.05	3,840
July 2011	104.00	102.80	6,080
August 2011	103.75	101.75	7,590
September 2011	104.00	102.00	6,650
October 2011.....	103.50	100.00	7,210
November 2011	104.50	102.90	27,980
December 2011	105.00	103.75	6,700

Prior Sales of Unlisted Securities

The Special Trust Units of Dundee REIT are not listed or quoted on any marketplace, and may only be issued to holders of LP B Units. See “Declaration of Trust and Description of REIT Units”. One of our principal investors, Dundee Corporation, has the ability to reinvest distributions payable on the limited partnership units of Dundee Properties LP it indirectly holds on the same economic terms as participants in our DRIP. Accordingly, Special Trust Units are issued from time-to-time to one or more subsidiaries of Dundee Corporation on a one-for-one basis with each LP B Unit issued under the distribution reinvestment provisions governing the LP B Units. In 2011, 24,373 LP B Units of Dundee Properties LP and Special Trust Units were issued for these purposes. While the LP B Units are issued on the same economic terms as those specified in our DRIP, Special Trust Units are not issued for any cash consideration.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since January 1, 2009, Dundee REIT has completed the following public offerings of securities:

- (a) On September 9, 2009, Dundee REIT completed a public offering of 3,350,000 REIT A Units at a price of \$18.35 per unit. On September 29, 2009, we issued an additional 502,500 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The underwriters for this offering received total fees of approximately \$2.8 million.
- (b) On January 7, 2010, Dundee REIT completed a public offering of 5,520,000 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$18.75 per unit. The underwriters for this offering received total fees of approximately \$4.1 million.
- (c) On March 16, 2010, we completed a public offering of 3,965,000 REIT A Units at a price of \$25.25 per unit. On March 26, 2010, we issued an additional 594,750 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The underwriters for this offering received total fees of approximately \$4.6 million.
- (d) On June 2, 2010, we completed a public offering of 4,100,000 REIT A Units at a price of \$24.40 per unit. On June 17, 2010, we issued an additional 615,000 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The underwriters for this offering received total fees of approximately \$4.6 million.
- (e) On September 2, 2010, we completed a public offering of 5,669,500 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$25.40 per unit. The underwriters for this offering received total fees of approximately \$5.8 million.
- (f) On December 21, 2010, we completed a public offering of 3,864,000 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$29.85 per unit. The underwriters for this offering received total fees of approximately \$4.6 million.
- (g) On February 4, 2011, we completed a public offering of 4,749,500 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$30.30 per unit. The underwriters for this offering received total fees of approximately \$5.8 million.

- (h) On June 14, 2011, we completed a public offering of 4,660,000 REIT A Units at a price of \$33.30 per Unit. On June 29, 2011, we issued an additional 699,000 REIT A Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The underwriters for this offering received total fees of approximately \$6.7 million.
- (i) On August 15, 2011, we completed a public offering of 5,037,000 REIT A Units at a price of \$32.40 per unit. The offering includes 407,000 Units purchased by Dundee Corporation at the offering price pursuant to the exercise of its pre-emptive right under the Declaration of Trust. The underwriters for this offering received total fees of approximately \$6.0 million.
- (j) On December 20, 2011, we completed a public offering of 4,393,000 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$32.75 per unit. The underwriters for this offering received total fees of approximately \$5.8 million.
- (k) On March 28, 2012, we completed a public offering of 6,555,000 REIT A Units, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of the offering, at a price of \$35.35 per unit. The offering includes 364,800 units purchased by Dundee Corporation at the offering price pursuant to the exercise of its pre-emptive right under the Declaration of Trust. The underwriters for this offering received total fees of approximately \$8.8 million.

Dundee Securities Ltd., a subsidiary of our principal investor, Dundee Corporation, was a member of the underwriting syndicate for each of these public offerings. Two of our trustees, being Ms. Ferstman and Mr. Ned Goodman, are officers of Dundee Securities Ltd.

MATERIAL CONTRACTS

The only material contracts, other than contracts entered into in the ordinary course of business, that we entered into in 2011 or after, or entered into before 2011 but are still in effect, are:

- (a) the Declaration of Trust (See “Declaration of Trust and Description of REIT Units”);
- (b) the Asset Management Agreement (See “Real Estate Asset Management and Advisory Services – Asset Management Agreement”);
- (c) the Exchange and Support Agreement (See “Description of Dundee Properties LP”);
- (d) the Properties Limited Partnership Agreement (See “Description of Dundee Properties LP”);
- (e) the Governance Agreement (See “Trustees and Officers – Governance of Dundee REIT”);
- (f) the Dundee Realty Non-Competition Agreement (See “Real Estate Management and Advisory Services – Dundee Realty Non-Competition Agreement”);
- (g) the Individual Non-Competition Agreements (See “Trustees and Officers – Dundee Realty Non-Competition Agreement”);
- (h) the Indenture (See “Description of Convertible Debentures”);
- (i) the underwriting agreements dated August 24, 2009, December 15, 2009, March 2, 2010, May 18, 2010, August 11, 2010, December 3, 2010, January 21, 2011, May 24, 2011, July 29, 2011 and December 5, 2011 between Dundee REIT and Dundee Properties and various syndicates of underwriters regarding the issuance and sale of REIT A Units and Debentures. Each underwriting

agreement provided that we would pay to the underwriters an aggregate fee in respect of the REIT A Units or Debentures offered thereunder and that we would indemnify the underwriters and their directors, officers and employees against certain liabilities pursuant to the underwriting agreement, including liabilities under Canadian securities legislation.

LEGAL PROCEEDINGS

We are not involved in any litigation or proceedings which, if determined adversely, would be material to us, and no such proceedings are known to us to be contemplated.

INTEREST OF EXPERTS

Our auditors are PricewaterhouseCoopers LLP, chartered accountants, at its offices in Toronto, Ontario. Such firm is independent of Dundee REIT in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the REIT A Units and the Debentures is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to Dundee REIT may be found on SEDAR at www.sedar.com. Additional information, including with respect to trustees' and officers' remuneration and indebtedness, principal holders of Dundee REIT's securities and units authorized for issuance under equity compensation plans, is contained in Dundee REIT's information circular for its most recent annual meeting of unitholders that involved the election of trustees.

Additional financial information is provided in the consolidated financial statements and notes to the consolidated financial statements and management's discussion and analysis of Dundee REIT for 2011.

DUNDEE REAL ESTATE INVESTMENT TRUST

(the “Trust”)

AUDIT COMMITTEE CHARTER

(the “Charter”)

PURPOSE

The Audit Committee (the “Committee”) is a standing committee appointed by the board of trustees of the Trust (the “Board”) pursuant to the Amended and Restated Declaration of Trust for Dundee Real Estate Investment Trust (the “Trust”) dated as of March 31, 2011 (the “Declaration”). The Committee is established to fulfil applicable securities law obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, including to:

- oversee 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 and compliance with related legal and regulatory requirements;
- oversee the qualifications and independence of the external auditors;
- oversee the work of the Trust’s financial management, internal auditors and external auditors in these areas; and
- provide an open avenue of communication between the external auditors, the internal auditors, the Board and management of the Trust.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (a) to plan or conduct audits, (b) to determine that the Trust’s financial statements are complete and accurate and are in accordance with International Financial Reporting Standards or (c) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its chair and its financial expert members are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Trust, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the member or members identified as audit committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Trust’s financial information.

Management is responsible for the preparation, presentation and integrity of the Trust’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. The chief financial officer is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Trust’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable

assurance that, among other things, such financial statements are in accordance with International Financial Reporting Standards.

PROCEDURES, POWERS AND DUTIES

Pursuant to the Declaration of Trust, the Committee shall have the following procedures, powers and duties:

General

- (a) Definitions – Unless otherwise defined herein, all capitalized terms shall have the meanings set out in the Declaration of Trust.

COMPOSITION OF THE COMMITTEE AND MEETINGS

1. The Committee shall consist of at least three members, a majority of whom shall be Independent Trustees and resident Canadians. The Chair of the Committee shall be selected from the group who are resident Canadians appointed to serve on the Committee. Each member of the Committee shall be an “independent” trustee (as such term is defined from time to time under the requirements or guidelines for audit committee service under applicable securities laws and the rules of any stock exchange on which the Trust’s securities are listed for trading) and none of the members shall have participated in the preparation of the financial statements of the Trust at any time over the past three years.
2. All members of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust’s financial statements.
3. Separate Executive Meetings – The Committee shall meet periodically with the chief financial officer, the head of the internal audit function (if other than the chief financial officer) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without management present.
4. Professional Assistance – The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee’s duties at the Trust’s expense.
5. Reliance – Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Trust from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any information technology, internal audit and other non-audit services provided by the external auditors to the Trust and its subsidiaries.

6. Reporting to the Board – The Committee will report through the chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
7. Procedure – The Committee meetings shall be conducted as follows: (i) questions arising at any meeting shall be decided by a majority of the votes cast; (ii) decisions may be taken by written consent signed by all members of the Committee; and (iii) meetings may be called by the external auditors of the Trust or any member of the Committee upon not less than 48 hours notice. The external auditors of the Trust are entitled to receive notice of every meeting of the Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the external auditors.

AUDIT RESPONSIBILITIES OF THE COMMITTEE

Selection and Oversight of the External Auditors

1. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the unitholders of the Trust and the Committee shall so instruct the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Trust to be proposed in the Trust's management information circular for approval of the unitholders of the Trust and the compensation to be paid by the Trust to the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.
2. The Committee shall approve in advance the terms of engagement of the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Trust or any of its subsidiaries by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee.
3. The Committee shall review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the

Trust and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;

- (c) consider whether there should be a regular rotation of the external audit firm itself; and
 - (d) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies.
4. The Committee shall prohibit the external auditor and its affiliates from providing certain non-audit services to the Trust and its subsidiaries.
 5. The Committee shall establish and monitor clear policies for the hiring by the Trust of employees or former employees of the external auditors.
 6. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require.
 7. The Committee is responsible for resolving disagreements between management and the external auditors regarding financial reporting.

Appointment and Oversight of Internal Auditors

8. The appointment, terms of engagement, compensation, replacement or dismissal of the internal auditors shall be subject to prior review and approval by the Committee. When the internal audit function is performed by employees of the Trust, the Committee may delegate responsibility for approving the employment, term of employment, compensation and termination of employees engaged in such function other than the head of the Trust's internal audit function.
9. The Committee shall obtain from the internal auditors and shall review summaries of the significant reports to management prepared by the internal auditors, or the actual reports if requested by the Committee, and management's responses to such reports.
10. The Committee shall, as it deems necessary, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditor brings to the attention of the Committee. The head of the internal audit function shall have unrestricted access to the Committee.
11. The Committee shall, annually or more frequently as it deems necessary, evaluate the internal auditors including their activities, organizational structure and qualifications and effectiveness.

Oversight and Monitoring of Audits

12. The Committee shall review with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, co-

ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements of the Trust and its subsidiaries, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.

13. The Committee shall meet periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit-related deficiencies.
14. The Committee shall discuss with the external auditors any difficulties or disputes that arose with management or the internal auditors during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.
15. The Committee shall review with management the results of internal and external audits.
16. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

17. The Committee shall, as it deems necessary, oversee, review and discuss with management, the external auditors and the internal auditors:
 - (a) the quality, appropriateness and acceptability of the Trust's accounting principles and practices used in its financial reporting, changes in the Trust's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;
 - (b) disagreements between management and the external auditors or the internal auditors regarding the application of any accounting principles or practices;
 - (c) any material change to the Trust's auditing and accounting principles and practices as recommended by management, the external auditors or the internal auditors or which may result from proposed changes to applicable International Financial Reporting Standards;
 - (d) any reserves, accruals, provisions, estimates or Trust programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Trust;
 - (e) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Trust's operations;
 - (f) the use of any "pro-forma" or "adjusted" information not in accordance with International Financial Reporting Standards; and

- (g) management's determination of goodwill impairment, if any, as required by applicable accounting standards.
18. The Committee will review and resolve disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practices.

Oversight and Monitoring of Internal Controls

19. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with management, the external auditors and the internal auditors:
- (a) the adequacy and effectiveness of the Trust's internal accounting and financial controls and the recommendations of management, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;
 - (b) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
 - (c) management's compliance with the Trust's processes, procedures and internal controls.

Communications with Others

20. The Committee shall establish and monitor procedures for the receipt and treatment of complaints received by the Trust regarding accounting, internal accounting controls or audit matters and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal auditors these procedures and any significant complaints received.

Oversight and Monitoring of the Trust's Financial Disclosures

21. The Committee shall:
- (a) review with the external auditors and management and recommend to the Board for approval the audited financial statements and the notes and management's discussion and analysis accompanying such financial statements, the Trust's annual report, any interim financial statements included or to be included in a prospectus and any financial information of the Trust contained in any management information circular of the Trust; and
 - (b) review with the external auditors and management each set of interim financial statements and the notes and management's discussion and analysis accompanying such financial statements and any other disclosure documents or regulatory filings of the Trust containing or accompanying financial information of the Trust.

Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

22. Prior to their distribution, the Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Trust gives earning guidance.
23. The Committee shall review the disclosure with respect to its pre-approval of audit and non-audit services provided by the external auditors.

Oversight of Finance Matters

24. Appointments of the key financial executives involved in the financial reporting process of the Trust, including the chief financial officer, shall require the prior review of the Committee.
25. The Committee shall receive and review:
 - (a) periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefor and the management's plan and timetable to correct any deficiencies;
 - (b) material policies and practices of the Trust respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Trust; and
 - (c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.
26. The Committee shall meet periodically with management to review and discuss the Trust's major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.
27. The Committee shall receive and review the financial statements and other financial information of material subsidiaries of the Trust and any auditor recommendations concerning such subsidiaries.
28. The Committee shall meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Additional Responsibilities

29. The Committee shall review any significant transactions outside the Trust's ordinary activities and all pending litigation involving the Trust.
30. The Committee shall review and make recommendations to the Board concerning the financial structure, condition and strategy of the Trust and its subsidiaries, including with respect to annual budgets, long-term financial plans, corporate borrowings, investments,

capital expenditures, long term commitments and the issuance and/or repurchase of securities.

31. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

AUDIT COMMITTEE CHARTER

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

The Committee shall ensure that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements in the annual management information circular or annual report of the Trust.

WHITEROCK PORTFOLIO ASSETS

Office Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Occupied/ Committed as at March 30, 2012	Significant Tenants
277 Pleasant Street, Dartmouth	100.0%	76,527	1974	96.1%	Province of Nova Scotia
111 Ilsley Avenue, Dartmouth	100.0%	27,428	1984	91.2%	PCL Construction, Bank of Montreal
250 King Street, Fredericton	100.0%	80,162	2000	100.0%	Province of New Brunswick
900 Rue d'Youville, Quebec City	100.0%	120,512	1966/1987/1988/1989	100.0%	Quebec Provincial Government (SIQ)
580 Grand Allee, Quebec City	100.0%	92,711	1900/1980	83.8%	Cain Lamarre Casgrain Wells, Laurentian Bank
1305 Chemin Sainte Foy, Quebec City	100.0%	37,703	1960/1996/1997	71.7%	Quebec Provincial agencies
141 & 175 Rue Saint-Jean, Quebec City	100.0%	22,333	1920/1970	100.0%	Quebec Provincial agencies
200 Chemin Sainte Foy, Quebec City	100.0%	398,351	1970/2004	100.0%	Quebec Provincial Government
2450 Rue Girouard, Saint-Hyacinthe	100.0%	231,500	1959 (West)/2005 (East)/2006	100.0%	Intact Insurance
8550 Avenue Newman, Montreal	100.0%	66,397	2001/2005	94.6%	Quebec Provincially funded healthcare institutions
7 Capella Court, Ottawa	100.0%	31,362	2001	100.0%	Lumenera Corporation
655 Bay Street, Toronto	100.0%	295,680	1998	99.4%	Federal and Ontario Provincial government agencies
180 Keil Drive, Chatham	100.0%	36,927	2006	100.0%	Minacs WorldWide Inc.
Airway Centre: 5945-55 Airport Road, Mississauga	100.0%	177,834	1981	91.4%	Cole Freight, Nortel Networks, Aviation General Partners Inc., Winners Merchants International LP
Airway Centre: 5915-35 Airport Road, Mississauga	100.0%	492,743	1981	96.5%	Air Canada
6299 Airport Road, Mississauga	100.0%	90,010	1974	95.4%	Merge OEM
6303 Airport Road, Mississauga	100.0%	80,325	1974	94.4%	Cedara Software Corporation
Domeview: 2400 College Avenue, Regina	100.0%	35,527	1977	100.0%	Saskatchewan Provincial Government agencies
TD Tower: 1914 Hamilton Street, Regina	100.0%	79,889	1973	97.4%	Saskatchewan Power Corporation, TD Canada Trust
Parkview: 2220 College Avenue, Regina	100.0%	59,590	1975	100.0%	Saskatchewan Provincial Government
Royal Centre, Saskatoon	100.0%	32,128	2000	100.0%	Royal Bank of Canada
2208 Scarth Street, Regina	100.0%	25,310	1977	100.0%	Virtus Group Accounting Firm, Province of Saskatchewan
2445 13th Avenue, Regina	100.0%	16,018	1975	100.0%	Saskatchewan Provincial Government agencies
2816 11 Street NE, Calgary	100.0%	33,169	1981	69.2%	Precision Geomatics Inc., Qsound Labs, Inc.
9705 Horton Road SW, Calgary	100.0%	54,760	1976	93.0%	Lundgren & Young Insurance Inc., Victoria Order of Nurses (Calgary Branch)
441 5th Avenue SW, Calgary	100.0%	60,529	1973	75.5%	Sizeland Evans Interior Design
2721 Hopewell Place NE, Calgary	100.0%	37,690	2006	100.0%	Net Safety Monitoring Inc.
US Bank, Kansas City	100.0%	185,178	2006	100.0%	US Bank
Commerce West: 401 & 405 The West Mall, Toronto	40.0%	411,363	1982/2005-2010	94.4%	Livingston International
460 Two Nations Crossing, Fredericton	40.0%	50,945	2008	100.0%	Province of New Brunswick

Office Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Occupied/ Committed as at March 30, 2012	Significant Tenants
49 Ontario Street, Toronto	40.0%	87,105	1991	100.0%	Technicolor
West Metro: 185 The West Mall, Toronto	49.9%	294,755	1989	99.6%	Cogeco Data Services LP, Scotia Capital Inc.
West Metro: 191 The West Mall, Toronto	49.9%	157,822	1989	100.0%	Transat Tours Canada Inc., SNC
West Metro: 195 The West Mall, Toronto	49.9%	160,812	1989	100.0%	SNC
Valhalla Executive Centre: 300, 302 & 304 The East Mall, Toronto	49.9%	327,199	1977	94.2%	TD Meloche Monnex
2810 Matheson Boulevard, Mississauga	49.9%	134,721	1988	76.5%	L&T Infotech, Credit Union of Central Ontario
219 Laurier Avenue, Ottawa	40.0%	187,909	1965/2011	100.0%	Government of Canada
80 Whitehall Drive, Markham	40.0%	60,805	1991	100.0%	Smucker Foods of Canada
6501-6523 Mississauga Road, Mississauga	40.0%	84,950	1982	99.0%	Hill's Pet Nutrition Canada Inc., FiberTech Canada Endoscopy Repairs, KWH Pipe (Canada) Ltd
6531-6559 Mississauga Road, Mississauga	40.0%	71,192	1982	100.0%	Walker's Fish Market, Aclaim Civil Loss Recovery System
10 Lower Spadina Avenue, Toronto	40.0%	60,255	1991	100.0%	TBWA\Toronto - Cardinia Real Estate Canada, Bayard Presse Canada
2010 Winston Park Drive, Oakville	40.0%	79,137	1990	100.0%	AON Canada Inc.
Keating Crossing, Victoria	40.0%	181,545	1999	100.0%	Province of British Columbia, Telus
London City Centre, London	40.0%	539,320	1972/1973	91.6%	TD Canada Trust
Sussex Centre I: 90 Burnhamthorpe Road West, Mississauga	49.9%	301,858	1987-89	96.0%	Benefit Plan Administrators, Edward D. Jones & Co., Community Door Services Network
Sussex Centre II: 50 Burnhamthorpe Road West, Mississauga	49.9%	346,644	1987-89	87.7%	Shepell-FGI LP, Community Door Services Network, Kimberly-Clark Inc., Knowledge First Financial Inc
Total Office		6,516,631		95.6%	

Industrial Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Occupied/ Committed as at March 30, 2012	Significant Tenants
Nisku, Nisku	100.0%	42,670	1980 (Main)/1975 (Second)/2010	100.0%	PCL Tools Inc.
131 Thornhill Drive, Halifax	100.0%	115,773	1986	100.0%	Helly Hansen
222 Edinburgh Drive, Moncton	100.0%	93,504	1975/1990	76.1%	Government of Canada
722 Edinburgh Drive, Moncton	100.0%	41,200	1977/1999	100.0%	Hercules Tire Company
1125 50th Avenue, Montreal	100.0%	210,710	2000	100.0%	Nellson Nutraceutical
880 Rangeview Road, Mississauga	100.0%	45,600	1977 (east)/1987 (west)/1987	100.0%	Filamat Composites Inc.
9305 Twin Oaks Drive, Windsor	100.0%	74,239	1996/2006	100.0%	Magna Closures Inc.
2946 Walker Road, Windsor	100.0%	32,264	1950/2004	100.0%	Ground Effects
4515 Rhodes Drive, Windsor	100.0%	91,057	1999	94.1%	Ground Effects
Chestemere, Regina	100.0%	163,807	1976-1981	99.9%	Goodall Rubber
603 Park Street, Regina	100.0%	109,344	1978	100.0%	Novo Water Group Inc.
4021 9th Street, Calgary	100.0%	44,491	1960/2004-2007	100.0%	Fratello Coffee Corporation

Industrial Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Occupied/ Committed as at March 30, 2012	Significant Tenants
Nissan Distribution, Nashville	100.0%	717,160	2010	100.0%	Nissan
310 Henderson Drive, Regina	15.0%	373,284	1976	100.0%	Access Distribution
1900 Rue Dickson, Montreal	20.0%	225,000	2002	100.0%	Molson Canada
310 Hoffer Drive, Regina	40.0%	37,928	1984	100.0%	7-11 Canada
651 Henderson Drive, Regina	40.0%	90,152	1982	97.2%	Pacific Fresh Fish Ltd.
402 McDonald Street, Regina	40.0%	55,311	1981	100.0%	WBM Office Systems Inc.
10001 Metropolitan Expressway, Montreal	40.0%	327,000	2004	100.0%	The Brick
1155 Autoroute Chomedey, Laval	40.0%	115,362	1990/2002	100.0%	Effigi Inc.
13151-13183 146 Street, Edmonton	40.0%	40,132	2006	85.2%	Arrow Engineering
2899 Broadmoor Boulevard, Strathcona County	40.0%	82,964	2000	97.8%	Flint Energy
2833 Broadmoor Boulevard, Strathcona County	40.0%	76,376	2001	88.2%	Genoil
26229 Township Road, Parkland County	40.0%	89,748	2008	76.8%	Eveready Industrial Services Corp.
11404-11442 Winterburn Road, Edmonton	40.0%	82,341	2005	90.3%	Keystone Excavating
16104-28 114 Avenue, Edmonton	40.0%	28,664	1972	92.3%	Panko Dancesport Studio Inc.
2055 Premier Way, Strathcona County	40.0%	89,033	2007	100.0%	Dominion Leasing Inc.
2693 Broadmoor Boulevard, Strathcona County	40.0%	82,531	2007	97.4%	Genivar Inc., Suncor Energy Inc.
16134-58 114 Avenue, Edmonton	40.0%	48,542	2007	88.5%	Gratz Manufacturing, Alberta Government
Total Industrial		3,626,187		97.6%	

Retail Property	Ownership	Total GLA in Square Feet	Year Built/ Renovated	Occupied/ Committed as at March 30, 2012	Significant Tenants
998 Parkland Drive, Halifax	100.0%	33,857	2006	90.4%	Lawton's Drug Stores Limited
193 Malpeque Road, Charlottetown	100.0%	41,573	2006	100.0%	Bed Bath & Beyond Canada, PEI Liquor Control Commission
Quance, Regina	100.0%	86,699	1995	100.0%	Staples, Chuck E. Cheese, Kal Tire Distributors Ltd., Saskatchewan Liquor and Gaming Authority
4250 Albert Street, Regina	100.0%	41,239	1996	100.0%	Sobeys Garden Market
Royal Centre, Saskatoon	100.0%	16,423	2000	100.0%	American Apparel Canada Retail Inc., Lululemon Athletica, CAA Saskatchewan
12804 137th Avenue, Edmonton	100.0%	54,514	1989	88.4%	Skyview Steakhouse Ltd. (Outback), CIBC, Signiature Orthodontics
117 Kearney Lake Road, Halifax	35.0%	36,287	1994	95.4%	Nova Scotia Liquor Corp., Tim Horton, Anytime Fitness
55 Norfolk Street, Simcoe	40.0%	12,887	2000	100.0%	Royal Bank of Canada
Lansdowne Village, Kamloops	40.0%	194,434	2005-2008	96.1%	London Drugs, Coopers Foods
Tillsonburg Gateway Centre, Tillsonburg	49.9%	47,016	2003	100.0%	Sobeys
655 University Avenue, Charlottetown	100.0%	26,043	1990	100.0%	Staples
Total Retail		590,972		96.8%	