

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

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

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

on **Thursday, May 5, 2005**
at **4:00 p.m. (Toronto time)**
at the **TSX Broadcast Centre - Gallery**
The Exchange Tower
130 King Street West
Toronto, Ontario

for the following purposes:

1. to receive the audited consolidated financial statements of the Trust for the financial year ended December 31, 2004 together with the report of the auditor thereon;
2. to elect trustees of the Trust for the ensuing year;
3. to appoint the auditor of the Trust and its subsidiaries for the ensuing year and to authorize the trustees of the Trust to fix the remuneration of such auditor;
4. to consider and, if thought fit, pass a special resolution, substantially in the form attached as Appendix A to the management information circular which accompanies this notice (the "Management Information Circular"), authorizing and approving amendments to the definitions of distributable income in the Trust's amended and restated declaration of trust (the "Declaration of Trust");
5. to consider and, if thought fit, pass a special resolution in the form attached as Appendix B to the Management Information Circular authorizing and approving amendments to the terms of the REIT Units, Series A and REIT Units, Series B in order to make the REIT Units, Series B convertible into REIT Units, Series A on a one-for-one basis;
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

If you are a registered holder of units of the Trust and you are unable to attend the Meeting in person, you are requested to complete, sign, date and return to Computershare Trust Company of Canada, the transfer agent and registrar of the Trust, the enclosed form of proxy. All instruments appointing proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 not later than 5:00 p.m. (Toronto time) on Tuesday, May 3, 2005, and any instruments appointing proxies to be used at any adjournment or postponement of the Meeting must be so deposited at least 48 hours (excluding Saturdays and holidays) prior to the time set for such adjournment or postponement of the Meeting.

If you are a non-registered holder of units of the Trust (for example, if you hold units of the Trust in an account with a broker, dealer or other intermediary), you should follow the voting procedures described in the voting instruction form or other document accompanying the Management Information Circular or call your broker, dealer or other intermediary for information on how you can vote your units.

The trustees of the Trust have fixed March 24, 2005 as the record date for the determination of unitholders of the Trust entitled to receive notice of and vote at the Meeting.

DATED at Toronto, Ontario this 7th day of April, 2005.

By Order Of The Board



Michael J. Cooper
President and Chief Executive Officer

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DUNDEE REAL ESTATE INVESTMENT TRUST MANAGEMENT INFORMATION CIRCULAR

All information in this management information circular is presented as of March 14, 2005 unless otherwise indicated.

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

PART I – VOTING

SOLICITATION OF PROXIES

Proxies will be solicited primarily by mail and supplemented by telephone or other personal contact by the trustees and officers of the Trust and/or employees of subsidiaries of the Trust. These persons will not receive any extra compensation for these activities. In addition, the Trust has retained the services of Georgeson Shareholder Communications Canada Inc. for a fee of approximately \$30,000 to assist the Trust in the solicitation of proxies from Unitholders for the Meeting. The Trust may also pay brokers or other persons holding units of the Trust in their own names, or in the names of nominees, for their reasonable expenses incurred in connection with sending proxies and this Management Information Circular to beneficial owners of units and obtaining voting instructions from them. The Trust will bear the cost of soliciting proxies. Dundee Realty Corporation has agreed to reimburse the Trust for the fees payable to Georgeson.

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

APPOINTMENT AND REVOCATION OF PROXIES

If you are a registered holder of REIT Units, Series A of the Trust (a “Unitholder”), you will have received a form of proxy with this Management Information Circular. The persons named in the form of proxy are trustees and/or officers of the Trust. Unitholders have the right to appoint a person or company (who does not need to be a Unitholder), other than the persons whose names appear on the form of proxy, to attend and act for and on behalf of that Unitholder at the Meeting and at any adjournment or postponement of the Meeting. This right may be

exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed form of proxy in the manner described in the Notice of Annual and Special Meeting of Unitholders which accompanies this Management Information Circular (the “Notice of Meeting”).

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

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

Typically, a Non-Registered Unitholder will receive a voting instruction form or other document with this Management Information Circular. This form allows

you to provide voting instructions with respect to your units. The voting instruction form is similar to the form of proxy provided to Unitholders. However, its purpose is limited to instructing a registered Unitholder how to vote on your behalf. Intermediaries will typically make arrangements that will allow you to provide voting instructions by completing and returning a voting instruction form by mail or facsimile, calling a toll-free telephone number (1-800-474-7493) or by using the internet at www.proxyvotecanada.com. You should carefully follow the directions provided to you in order to ensure that your units are voted at the Meeting.

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

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

Non-Registered Unitholders should communicate their voting instructions well in advance of the deadline for the receipt of proxies of 5:00 p.m. (Toronto time) on Tuesday, May 3, 2005 in order to allow their instructions to be processed before the deadline.

EXERCISE OF DISCRETION BY PROXIES

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

The accompanying form of proxy is for use by Unitholders and confers discretionary authority on the persons named in the form of proxy to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment or postponement of the Meeting. As at April 7, 2005, the date of the Notice of Meeting, management of the Trust does not know of any amendments, variations or other matters to be brought before the Meeting. However, if any other matters should properly be brought before the Meeting or any adjournment or postponement of the Meeting, the units represented by that proxy will be voted on those matters in accordance with the judgement of the person named as proxyholder in the proxy.

DOCUMENTS AVAILABLE UPON REQUEST

A copy of the following documents will be made available to any person upon request to the Chief Financial Officer of the Trust: (a) the most recent annual information form of the Trust, together with any documents incorporated by reference therein; (b) the most recent annual report of the Trust containing the Trust's audited comparative financial statements for the year ended December 31, 2004; (c) any interim financial statements of the Trust filed with Canadian securities regulators for any period after December 31, 2004; and (d) the management information circular of the Trust in respect of the most recent annual meeting of unitholders of the Trust. The Trust will provide these documents to securityholders without charge and may require a person making a request who is not a security holder to pay a reasonable charge for providing these documents.

VOTING SECURITIES AND PRINCIPAL HOLDER

Description of REIT Units

The amended and restated declaration of trust governing Dundee REIT (the "Declaration of Trust") authorizes the issuance of an unlimited number of two classes of units: REIT units and special trust units ("Special REIT Units"). The REIT units are issuable in two series: REIT Units, Series A and REIT Units, Series B. As at March 14, 2005, there were 16,844,409 REIT Units, Series A and no REIT Units, Series B outstanding.

Special REIT Units may only be issued to holders of certain limited partnership units of Dundee Properties Limited Partnership ("Dundee Properties LP"), the Trust's principal operating subsidiary, and allow persons holding those limited partnership units to vote on matters relating to the Trust. As at March 14, 2005, there were 8,040,432 Special REIT Units outstanding. Each REIT Unit, Series A (also referred to in this Management Information Circular as a

“Unit” and collectively as the “Units”) and Special REIT Unit entitles the holder of record to one vote per unit on each matter to be acted upon at the Meeting. In this Management Information Circular, REIT Units, Series A, REIT Units, Series B and Special REIT Units are referred to collectively as “REIT Units”.

Voting REIT Units Outstanding at March 14, 2005

REIT Units, Series A	16,844,409
Special REIT Units	8,040,432
TOTAL VOTING REIT UNITS OUTSTANDING	24,884,841

Record Date

The trustees of the Trust have fixed March 24, 2005 as the record date for the determination of holders of REIT Units entitled to receive notice of and vote at the Meeting. REIT Unit holders of record at the close

of business on March 24, 2005 will be entitled to vote at the Meeting and at all adjournments and postponements of the Meeting, even if they have disposed of their REIT Units since the record date. Accordingly, any holder acquiring REIT Units after the record date will not be entitled to receive notice of and vote at the Meeting.

Principal Unitholder

To the knowledge of the trustees and senior officers of the Trust, the only person, firm or corporation which beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Trust carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Trust is as outlined in the table below. Dundee Realty Corporation is a subsidiary of Dundee Corporation, a corporation controlled by Ned Goodman of Innisfil, Ontario.

Table 1 – Principal Unitholder

Name and Municipality of Residence	Number and Class of Units	Percentage of Outstanding Class
Dundee Realty Corporation and Dundee Consolidated Properties (a limited partnership of which Dundee Realty Corporation is the sole general partner) Toronto, Ontario	8,040,432 Special REIT Units	100% (representing 32.3% of the outstanding voting securities of the Trust)

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

Except as set out above, the trustees and officers of the Trust have no knowledge of any person or corporation which owns or exercises control or direction over more than 10% of the outstanding Units of the Trust.

PART II – BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Trust for the financial year ended December 31, 2004 are included in the annual report of the Trust, which has been mailed to unitholders together with this Management Information Circular.

ELECTION OF TRUSTEES

Pursuant to the Declaration of Trust, Dundee REIT may have between five and 12 trustees at any given time, although a majority of the trustees must be resident Canadians. Dundee REIT currently has 10 trustees. Pursuant to the Declaration of Trust, Dundee Corporation is entitled to appoint up to one less than a majority of the trustees, provided that Dundee Corporation and its affiliates maintain an ownership interest in the Trust at a certain level. The remaining trustees will be elected by unitholders. Dundee Corporation is also entitled to vote its

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

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

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

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

Table 2 below sets forth the names of the seven nominees to be elected by unitholders, their position with the Trust, their principal occupation or employment, the date upon which they became a trustee of the Trust, the approximate number of units beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them and information regarding the number of meetings attended in 2004. All of the individuals set forth in Table 2 are residents of Ontario, Canada, other than Mr. Bierbaum and Dr. Bautz, who are residents of Germany.

Table 2 – Nominees to be Elected by Unitholders

Name and Position	Principal Occupation	Date Became Trustee	Units Owned or Controlled ^{(1) (2)}	Board Meetings Attended	Committee Meetings Attended
Dr. Günther Bautz Trustee	Counsellor on Intellectual Property to Braun GmbH, a manufacturer of small electric appliances	June 30, 2003	12,787	5 of 6	4 of 4
Detlef Bierbaum Vice-Chairman and Trustee	Partner, Bankhaus Sal. Oppenheim jr. & Cie, KGaA, a private investment bank	June 30, 2003	4,702	5 of 6	3 of 3
Michael J. Cooper Trustee	President and Chief Executive Officer of Dundee REIT	June 30, 2003	704,383	6 of 6	N/A
Peter A. Crossgrove Trustee	Chairman, Masonite International Inc., a door manufacturing company	May 9, 2003	17,160	5 of 6	10 of 10
Robert G. Goodall Trustee	President, Canadian Mortgage Capital Corporation, a mortgage brokerage company	June 30, 2003	16,670	6 of 6	7 of 7
Duncan Jackman Trustee	Chairman and President, E-L Financial Corporation Limited, an insurance holding company	September 11, 2003	2,240	4 of 6	1 of 1
Robert Tweedy Trustee	Chairman and Chief Executive Officer, Useppa Holdings Limited, a diversified management company, and Sklar Peppler Furniture Corporation, a furniture manufacturer	September 11, 2003	1,000	4 of 6	2 of 3

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

(2) This number does not include Units which are or may be issuable under the Deferred Unit Incentive Plan (as defined in this Management Information Circular under "Statement of Executive Compensation – Deferred Unit Incentive Plan").

Table 3 – Nominees of Dundee Corporation

Name and Position	Principal Occupation	Date Became Trustee	Units Owned or Controlled ⁽¹⁾	Board Meetings Attended	Committee Meetings Attended
Donald K. Charter Trustee	Chairman, President and Chief Executive Officer, Dundee Securities Corporation, an investment dealer and Executive Vice-President, Dundee Corporation, a financial services company	June 30, 2003	36,453	4 of 6	N/A
David J. Goodman Trustee	President and Chief Executive Officer, Goodman & Company Investment Counsel Ltd., an investment management company and Executive Vice President, Dundee Corporation, a financial services company	June 30, 2003	7,118	6 of 6	N/A
Ned Goodman Chairman and Trustee	President and Chief Executive Officer, Dundee Corporation, a financial services company	June 30, 2003	109,343 ⁽²⁾	4 of 6	3 of 3

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

(2) Does not include the units beneficially owned or over which control or direction is exercised by Dundee Corporation, an associate of Ned Goodman. See "Principal Unitholder".

APPOINTMENT OF AUDITOR

Unitholders are being asked to approve the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Trust and the Trust's subsidiaries for the ensuing year and to authorize the trustees of the Trust to fix the remuneration of the auditor. The Trust's subsidiaries are Dundee Properties Operating Trust A, Dundee Properties Operating Trust B and Dundee Properties LP. PricewaterhouseCoopers LLP was initially appointed as the auditor of the Trust on June 23, 2003.

AMENDMENTS TO DEFINITIONS OF DISTRIBUTABLE INCOME IN DECLARATION OF TRUST

Unitholders are being asked to consider and, if thought fit, approve a special resolution authorizing amendments to the two definitions of "distributable income" in the Declaration of Trust. The amendments to the definitions of distributable income are being proposed in order to respond to recent changes in Canadian generally accepted accounting principles ("GAAP"). The Trust believes that the proposed distributable income definitions will more accurately describe the cash available for distribution to unitholders. It is important to note that the proposed changes are in no way an indication of a need to change the amount of distributions on Units from their current levels.

Distributable income is a financial measure used by real estate investment trusts to represent cash available for distribution to unitholders. It is a relevant term for the Trust and for unitholders because the Trust's distribution policy requires that at least 80% of distributable income be distributed to unitholders. However, distributable income is not a

term recognized by GAAP, has no standardized meaning prescribed by GAAP and therefore may not be comparable to distributable income presented by other real estate investment trusts.

The Declaration of Trust has two definitions of distributable income: "Distributable Series A Income" and "Distributable Series B Income". The first definition relates to distributable income payable to holders of REIT Units, Series A of the Trust, while the other definition relates to distributable income payable to holders of REIT Units, Series B (of which there are none currently outstanding). Both definitions are otherwise the same.

Both the current definitions and the proposed definitions provide for the calculation of distributable income through the application of adjustments to the net income of the Trust as reported on its financial statements in accordance with GAAP. The proposed definitions include certain adjustments for non-cash items that are not included in the current definitions. For example, the proposed definitions of distributable income adjust for items such as the amortization of deferred leasing costs including tenant improvements, which the Trust views as non-recurring items that are not necessarily indicative of ongoing leasing costs. Recent changes to GAAP have resulted in a significant increase in amortization expense for deferred leasing costs, which (absent the proposed amendments) would have the effect of decreasing the amount of distributable income of the Trust. The Trust believes that by excluding such costs, Unitholders will be better able to assess the sustainability of cash distributions.

The proposed definitions also include adjustments to exclude non-cash revenues and certain expenses

that would otherwise be included in the determination of net income in accordance with GAAP. The Trust believes that 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 should not be included in determining the cash available for distribution to unitholders.

While the effect of the proposed amendments may be to slightly increase the Trust's distributable income, the Trust does not believe that the proposed amendments will affect the amount of distributions payable to unitholders on a regular basis.

A copy of the proposed amended definitions of Distributable Series A Income and Distributable Series B Income is attached as Appendix A, together with the text of the special resolution authorizing and approving the proposed amended definitions of those terms. In accordance with the Declaration of Trust, to be passed this special resolution must be approved by at least 66 2/3% of the votes cast by unitholders. **The trustees unanimously recommend that unitholders vote in favour of this special resolution.**

CONVERTIBILITY OF REIT UNITS, SERIES B

Unitholders are being asked to consider and, if thought fit, approve a special resolution, the text of which will be substantially in the form attached as Appendix B, authorizing amendments to the Dundee REIT Units, Series A Provisions and the Dundee REIT Units, Series B Provisions in the Declaration of Trust.

Background to the Proposal

In March 2005, Dundee REIT was approached by its principal unitholder, Dundee Realty Corporation, with a proposal (the "Proposal") relating to the REIT Units, Series B that Dundee Realty Corporation and Dundee Consolidated Properties (collectively "Dundee Realty") are entitled to receive upon surrender or exchange of the limited partnership units ("Partnership Units") of Dundee Properties LP owned by them. Dundee Realty proposed that the terms of the REIT Units, Series A and the REIT Units, Series B be amended such that REIT Units, Series B would be convertible at any time at the option of the holder into REIT Units, Series A on a one-for-one basis. Dundee Realty also proposed to simplify the manner in which it is able to receive units of Dundee REIT on surrender or exchange of its Partnership Units. In consideration, Dundee Realty proposed to forego certain of its rights in respect of the REIT Units, Series B to which it is entitled.

Unlike public unitholders of Dundee REIT who all hold REIT Units, Series A, Dundee Realty holds its

interest in Dundee REIT's business in the form of Partnership Units and Special REIT Units which Dundee Realty is entitled to surrender or exchange for REIT Units, Series B. The Partnership Units and Special REIT Units are together economically equivalent to the REIT Units, Series A held by the public unitholders of Dundee REIT. However, the Partnership Units and Special REIT Units held by Dundee Realty are not listed on any stock exchange nor are they freely tradeable.

In order to mitigate some of the illiquidity of the Partnership Units, Dundee Realty has the ability to, at its option, surrender its Partnership Units or indirectly exchange its Partnership Units, in each case, for REIT Units, Series B. In addition, as a holder of Partnership Units or REIT Units, Series B, Dundee Realty may require Dundee REIT to, among other things, prepare and file a prospectus in Canada to qualify the REIT Units, Series B for distribution and use its best efforts to list the REIT Units, Series B on each exchange on which units of Dundee REIT are listed. Partnership Units are not convertible or exchangeable into REIT Units, Series A. REIT Units, Series B are not currently convertible or exchangeable into REIT Units, Series A.

Dundee Realty has indicated that it is advancing the Proposal in order to streamline the capital structure of Dundee REIT, to provide more transparency and liquidity to current and prospective Unitholders and to eliminate the additional expenses associated with the separate listing of REIT Units, Series A and REIT Units, Series B and the qualification for distribution of REIT Units, Series B by way of prospectus. In addition, Dundee Realty wishes to simplify the manner in which it is able to receive units of Dundee REIT on surrender or exchange of its Partnership Units. In consideration for the Proposal, Dundee Realty has agreed to forego certain of its rights in respect of REIT Units, Series B that it is entitled to receive on surrender or exchange of its Partnership Units, including its right to require Dundee REIT to list such REIT Units, Series B on each exchange on which units of Dundee REIT are listed and to prepare a prospectus to qualify the distribution of such units. Dundee REIT has agreed to use reasonable efforts to list the REIT Units, Series A issuable on conversion of the REIT Units, Series B, if the Proposal is implemented. The Toronto Stock Exchange has conditionally approved the listing of such REIT Units, Series A.

Meetings of the Independent Trustees

Meetings of the trustees of Dundee REIT were held in March and April 2005 to consider the Proposal. The trustees of Dundee REIT who are also officers of Dundee Realty or its affiliates, being Messrs. Ned Goodman, Don Charter, David Goodman and Michael Cooper, abstained from considering the Proposal.

The independent trustees considered the following factors with respect to the Proposal:

- a) the Proposal eliminates the administrative burden and expense of qualifying the REIT Units, Series B for distribution to the public pursuant to the demand registration rights granted in favour of holders of Partnership Units or REIT Units, Series B;
- b) the Proposal eliminates the additional expenses associated with the separate listing of two series of units of Dundee REIT on the Toronto Stock Exchange, should such demand registration rights ever be exercised;
- c) in the event that REIT Units, Series B received upon the surrender or exchange of Partnership Units and Special REIT Units are converted into REIT Units, Series A pursuant to the proposed conversion feature, the market capitalization of Dundee REIT and liquidity of REIT Units, Series A will increase, without any dilution to holders of REIT Units, Series A, since the distribution and other economic entitlements of holders of Partnership Units and REIT Units, Series B are equivalent to those of holders of REIT Units, Series A;
- d) procedural protections are in place in connection with the approval of the Proposal, since, in addition to other unitholder approvals required, the Proposal must be approved by at least 66 2/3% of the votes cast at the Meeting by holders of outstanding REIT Units, Series A, voting separately as a class, and by a simple majority of the votes cast at the Meeting by holders of REIT Units, Series A, other than those units held by Dundee Realty and certain parties related to Dundee Realty, as described below; and
- e) the Proposal will not prejudice unitholders of Dundee REIT or be materially adverse to Dundee REIT.

The independent trustees of Dundee REIT have determined that the resolution, the text of which will

be substantially in the form attached as Appendix B, approving the Proposal (the "Resolution") and authorizing the Trustees to make such additional amendments to the Declaration of Trust, the amended and restated limited partnership agreement dated February 17, 2004 governing Dundee Properties Limited Partnership, and the amended and restated exchange and support agreement dated February 17, 2004, as they consider necessary or advisable in connection with the Proposal, provided that such amendments would not be prejudicial to holders of REIT Units, Series A or materially adverse to Dundee REIT, should be submitted to a vote of unitholders as discussed below under "Unitholder Approvals". **The independent trustees unanimously recommend that unitholders vote in favour of this Resolution.**

Regulatory Requirements

The Proposal constitutes a "related party transaction" within the meaning of OSC Rule 61-501 and CVMQ Policy Q-27 (the "Policies"). In accordance with the Policies, the Proposal must be approved by not less than a simple majority of the votes cast at the Meeting by holders of REIT Units, Series A (the "Minority Unitholders"), other than REIT Units, Series A which are, to the knowledge of Dundee REIT or Dundee Realty and their respective directors, trustees or senior officers, after reasonable inquiry, beneficially owned by or over which control or direction is exercised by (1) any "interested party" (as defined for such purpose in the Policies), including Dundee Realty, and (2) certain related parties of an interested party.

Unitholder Approvals

At the Meeting, the Resolution will require the approval of:

- a) at least 66 2/3% of the votes cast at the Meeting by holders of outstanding units of Dundee REIT (i.e., holders of REIT Units, Series A and Special Trust Units), voting as one class;
- b) at least 66 2/3% of the votes cast at the Meeting by holders of outstanding REIT Units, Series A, voting separately as class;
- c) a simple majority of the votes cast at the Meeting by the Minority Unitholders.

The approval of the Resolution by Dundee Realty, as the holder of all of the issued and outstanding Special Trust Units, voting separately as class, was obtained in writing prior to the date of this Management Information Circular.

PART III – CORPORATE GOVERNANCE

TRUSTEES’ AND OFFICERS’ LIABILITY INSURANCE

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

Committees of the Trustees

The Declaration of Trust requires that committees of the trustees, other than the Investment Committee, be composed of a majority of “Independent Trustees”. An “Independent Trustee” is any trustee who is not or has not been an employee of Dundee Corporation or any affiliate of Dundee Corporation at any time or who is not directly employed by Dundee REIT or any of its affiliates. The Audit Committee of the trustees of the Trust is comprised of three Independent Trustees, being Messrs. Bautz, Crossgrove and Goodall, with Mr. Crossgrove being the Chair. These individuals are also “independent” within the meaning of, and as required by, applicable Canadian securities laws. The Compensation Committee of the trustees of the Trust is comprised of three trustees, being Messrs. Crossgrove, Goodall, and Ned Goodman, with Mr. Goodall being the Chair. Messrs. Crossgrove, and Goodall are Independent Trustees. The Governance and Environmental Committee is comprised of four Independent Trustees, being Messrs. Bierbaum,

Crossgrove, Jackman and Tweedy, with Mr. Crossgrove being the Chair. The Investment Committee of the trustees of the Trust is comprised of three trustees, being Messrs. Bierbaum, Cooper and Ned Goodman, with Mr. Ned Goodman being the Chair.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Toronto Stock Exchange has adopted guidelines (the “TSX Guidelines”) with respect to corporate governance matters relating to listed companies. The TSX Guidelines were passed in response to the Report of the Toronto Stock Exchange Committee on Corporate Governance in Canada issued in December 1994. The TSX Guidelines are intended to assist listed entities in their approach to corporate governance. Listed entities must annually disclose their approach to corporate governance including any divergence from the TSX Guidelines.

The Canadian Securities Administrators have published proposed corporate governance guidelines (“Proposed Guidelines”) that are intended to replace the TSX Guidelines. The Proposed Guidelines are currently undergoing revision by the Canadian Securities Administrators and are anticipated to be implemented in 2005, although they do not apply to this Management Information Circular. Dundee REIT will consider the Proposed Guidelines in developing its own corporate governance practices.

Dundee REIT’s approach to corporate governance with reference to the existing TSX Guidelines is set out below in Table 4.

Table 4 – Compliance With Corporate Governance Guidelines

TSX Corporate Governance Guideline	Does Dundee REIT Align?	Comments
1. The Board should explicitly assume responsibility for stewardship of the Trust and, as part of the overall stewardship responsibility, should assume responsibility for the following matters:		
(a) adoption of a strategic planning process;	Yes.	The overall operations and affairs of the Trust are subject to the control of the trustees. An investment and operating plan is presented to the board of trustees of the Trust (the “Board”)

TSX Corporate Governance Guideline	Does Dundee REIT Align?	Comments
(b) the identification of the principal risks of the Trust's business and ensuring the implementation of appropriate systems to manage these risks;	Yes.	<p>annually for its approval. Management and the Board discuss and develop the investment and operating plan. Management provides a complete update of the business and affairs of the Trust to the Board at meetings of trustees, which are held at least quarterly.</p> <p>Inherent in the Board's overall control over the operations and affairs of the Trust is the identification and understanding of the principal risks of the Trust's business and the oversight of management's implementation of systems to manage those risks.</p>
(c) succession planning, including appointing, training and monitoring senior management;	Yes.	<p>The mandate of the Governance and Environmental Committee includes considering questions of management succession. The President and CEO of the Trust evaluates senior management of the Trust and its subsidiaries on an ongoing basis and reports to the Board at regular meetings when necessary.</p>
(d) a communications policy for the Trust;	Yes.	<p>The Trust has a disclosure policy which is designed to ensure that communications to the investing public are timely, factual and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements. This policy will be reviewed in conjunction with the Trust's general review of corporate governance practices in anticipation of the forthcoming changes to applicable legal and regulatory requirements.</p>
(e) the integrity of the Trust's internal control and management information systems.	Yes.	<p>Senior management of the Trust and of Dundee Realty Management Corp., in which the Trust has a joint interest with Dundee Realty Corporation, is primarily responsible for the maintenance of internal controls and management information systems. The Audit Committee and the Board monitor the Trust's internal controls on a regular basis. The Audit Committee reviews all financial statements prior to release and receives detailed financial information quarterly or more often, as required. Internal control and management information systems are currently being reviewed in anticipation of the forthcoming changes to applicable legal and regulatory requirements.</p>
<p>2. The Board should be constituted with a majority of individuals who qualify as unrelated trustees. An unrelated trustee is a trustee who is independent of management and is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the trustee's ability to act with a view to the best interests of the Trust, other than interests arising from unitholding. If the Trust has a significant unitholder, in addition to a majority of unrelated trustees, the board should include a number of trustees who do not have interests in or relationships with either the Trust or the significant unitholder and which fairly reflects the investment in the Trust by unitholders other than the significant unitholder. A significant</p>	Yes.	<p>The Board is currently composed of ten members. The Board has concluded that at least six members are unrelated within the meaning of the TSX Guidelines.</p> <p>In addition, as is typical for a REIT, the Declaration of Trust requires that committees of the Board, other than the Investment Committee, consist of a majority of "Independent Trustees", as described in this Management Information Circular under "Committees of the Trustees". Dundee REIT is in compliance with these requirements and, in the case of the Audit Committee and the Governance and Environmental Committee, has exceeded these requirements, as those two committees are composed exclusively of Independent Trustees.</p>

TSX Corporate Governance Guideline	Does Dundee REIT Align?	Comments
<p>unitholder is a unitholder with the ability to exercise a majority of the votes for the election of the board of trustees.</p>		<p>The Declaration of Trust requires certain matters (such as matters involving parties related to the Trust) to be approved by at least a majority of Independent Trustees who have no interest in the matter.</p>
<p>3. The Board will also be required to disclose on an annual basis the analysis of the application of the principles supporting the conclusion in item 2 above.</p>	<p>Yes.</p>	<p>Mr. Cooper, the President and CEO of the Trust, is a related trustee by virtue of being an officer of the Trust.</p> <p>Messrs. Don Charter, David Goodman and Ned Goodman are officers of Dundee Corporation. Although Dundee Corporation is not involved in the day-to-day management of the business of Dundee REIT, such individuals may be perceived to be related trustees by virtue of Dundee Corporation and its subsidiaries having certain contractual relationships with the Trust. Dundee Corporation has a pre-emptive right with respect to the issuance of units of the Trust and the right to have its nominee appointed as a director of the general partner of Dundee Properties LP, the Trust's principal operating subsidiary. In addition, Dundee Properties LP and Dundee Realty Corporation, a subsidiary of Dundee Corporation, are the sole limited partners in Dundee Management Limited Partnership ("Dundee Management LP"). Dundee Management LP provides property management, administrative and other services to Dundee Properties LP and Dundee Realty Corporation.</p> <p>Although the Trust does not have a significant unitholder as defined in the TSX Guidelines, Dundee Corporation indirectly holds a 32.3% voting interest in the Trust. In addition, pursuant to the Declaration of Trust, Dundee Corporation is entitled to appoint up to one less than a majority of the trustees, subject to maintaining its equity interest in the business of Dundee REIT at a certain level. Dundee Corporation is also entitled to vote its units of the Trust for the election of the remaining trustees.</p>
<p>4. The Board should appoint a committee of trustees composed exclusively of outside, i.e. non-management trustees, a majority of whom are unrelated trustees with the responsibility for proposing new nominees to the Board to the full Board and for assessing trustees on an ongoing basis.</p>	<p>Yes.</p>	<p>The Governance and Environmental Committee is composed exclusively of non-management trustees, all of whom are unrelated trustees and all of whom are Independent Trustees within the meaning of the Declaration of Trust. The mandate of the Governance and Environmental Committee includes participating along with management in the recruitment and selection of candidates for trustees and assessing the effectiveness of the Board and each of its committees.</p>

TSX Corporate Governance Guideline	Does Dundee REIT Align?	Comments
5. The Board should implement a process to be carried out by the nominating committee or other appropriate committee for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual trustees.	Yes.	The mandate of the Governance and Environmental Committee includes assessing the effectiveness of the Board and each of its committees. The process for achieving this includes monitoring the quality of the relationship between management and the Board and recommending improvements, and reviewing, on an annual basis, the proposed Board and committee agendas and reviewing contributions of individual trustees.
6. The Trust, as an integral element of the process for appointing new trustees, should provide an orientation and education program for new recruits to the Board.	Yes.	While no formal orientation program is in place, newly appointed or elected trustees will meet with management and other trustees to familiarize themselves with the business of the Trust and their responsibilities as trustees.
7. The Board should examine its size and, with a view to determining the impact of the number upon effectiveness, undertake where appropriate, a program to reduce the number of trustees to a number which facilitates more effective decision-making.	Yes.	The assessment of the composition of the Board and its effectiveness is the responsibility of the Governance and Environmental Committee. The Governance and Environmental Committee previously considered the composition of the Board and concluded that 10 members is appropriate to allow the Board to effectively carry out its duties and responsibilities.
8. The Board should review the adequacy and form of the compensation of trustees and ensure the compensation realistically reflects the responsibilities and risk involved in being an effective trustee.	Yes.	The mandate of the Compensation Committee includes reviewing and making recommendations to the trustees concerning the level and nature of compensation payable to the trustees, as well as administering the Trust's deferred unit incentive plan. The Board periodically reviews the adequacy and form of compensation of trustees.
9. Committees of the Board should generally be composed of outside trustees, a majority of whom are unrelated trustees, although some Board committees, such as the Executive Committee, may include one or more inside trustees.	Yes.	The Audit Committee and the Governance and Environmental Committee are composed exclusively of outside trustees who are also unrelated trustees. The Compensation Committee is composed of three trustees, two of whom are outside and unrelated trustees. The Investment Committee is composed of one outside trustee who is also an unrelated trustee, one trustee, Mr. Cooper, who is a member of management and therefore a related trustee and one trustee, Mr. Ned Goodman, who may be perceived to be a related trustee. The Declaration of Trust also requires that a majority of the members of all of the committees of the Board, other than the Investment Committee, be Independent Trustees within the meaning of the Declaration of Trust, as described in this Management Information Circular under "—Committees of the Trustees".
10. The Board should expressly assume responsibility for, or assign to a committee of trustees the general responsibility for, developing the Company's approach to governance issues.	Yes.	The mandate of the Governance and Environmental Committee includes reviewing the governance policies of the Trust. These policies will be reviewed in anticipation of expected changes to applicable legal and regulatory requirements.
11. (a) The Board, together with the CEO, should develop position descriptions for the Board and for the CEO, involving the definition of limits to management's responsibilities.		

TSX Corporate Governance Guideline	Does Dundee REIT Align?	Comments
(i) The Board.	Yes.	<p>As a trust, the overall operations and affairs of Dundee REIT are subject to the control of the trustees. The Declaration of Trust sets out, among other things, the limitations on the trustees' general powers, a description of the specific powers and authorities of the trustees and the standard of care to be met by trustees.</p> <p>As is typical for a REIT, the Declaration of Trust also requires certain matters (such as matters involving parties related to the Trust) to be approved by at least a majority of Independent Trustees who have no interest in the matter.</p>
(ii) The Chief Executive Officer.	Yes.	<p>The limits of management's responsibilities, including those of the CEO, are defined by the Board during the annual strategic planning process undertaken in conjunction with the preparation and presentation of the Trust's investment and operating plan.</p> <p>Some of the decision making powers of the general partner of Dundee Properties LP, the Trust's principal operating subsidiary, are subject to the oversight of the Board pursuant to the terms of a governance agreement between the Trust, the general partner and Dundee Corporation. For example, the general partner must obtain the approval of the Investment Committee of the Board in respect of investments, acquisitions or dispositions by Dundee Properties LP having a purchase price or investment price greater than \$5 million, net of assumed or arranged mortgage debt.</p>
(b) The Board should approve or develop the corporate objectives that the CEO is responsible for meeting.	Yes.	<p>The Board approves or develops the investment and operating plan of the Trust that the CEO is responsible for implementing. The Compensation Committee is responsible for assessing the performance of the CEO.</p>
12. The Board should have in place appropriate structures and procedures to ensure that the Board can function independently of management.	Yes.	<p>The Board has functioned, and is of the opinion that it can continue to function, independently of management. Only one trustee, Mr. Cooper, is a member of management. In addition, the Board and its various committees regularly devote time at their meetings to discuss matters without the presence of management.</p>
13. (a) The roles and responsibilities of the Audit Committee should be specifically defined so as to provide appropriate guidance to Audit Committee members as to their duties.	Yes.	<p>The roles and responsibilities of the Audit Committee are set out in the Declaration of Trust and include reviewing the Trust's procedures for internal control with the auditor and CFO of the Trust, reviewing the engagement of the auditor, reviewing and recommending to the trustees for their approval annual and quarterly financial statements and Management's Discussion and Analysis, assessing the Trust's financial and accounting personnel and reviewing any significant transactions outside the Trust's ordinary activities and all pending litigation involving the Trust.</p>
(b) The Audit Committee of the Board should be composed only of outside trustees.	Yes.	<p>All three members of the Audit Committee are outside and unrelated trustees, and are</p>

TSX Corporate Governance Guideline	Does Dundee REIT Align?	Comments
14. The Board should implement a system that enables an individual trustee to engage an outside advisor at the expense of the Company.	Yes.	<p>Independent Trustees within the meaning of the Declaration of Trust.</p> <p>Individual trustees are encouraged to engage outside advisors when necessary. The Governance and Environmental Committee is responsible for considering and approving proposals by the trustees to engage outside advisors on behalf of the Board as a whole or on behalf of the Independent Trustees.</p>

PART IV – COMPENSATION AND OTHER INFORMATION

COMPENSATION OF TRUSTEES AND OTHER INFORMATION

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

For the financial year ended December 31, 2004, non-management trustees were paid fees totaling approximately \$374,500. In addition, non-

management trustees are entitled to receive Deferred Trust Units and Income Deferred Trust Units under the Trust's Deferred Unit Incentive Plan, which is described in this Management Information Circular under "Statement of Executive Compensation – Deferred Unit Incentive Plan". On September 16, 2004, non-management trustees were granted an aggregate of 13,000 Deferred Trust Units (based on a closing price for the REIT Units, Series A of \$24.25). An aggregate of 287.32 Income Deferred Trust Units were credited to non-management trustees in 2004 relating to the Deferred Trust Units granted to them on September 16, 2004. In addition, an aggregate of 2,734.26 Income Deferred Trust Units were credited to non-management trustees in 2004 relating to the Deferred Trust Units granted to them on September 22, 2003. Each of the non-management trustees elected to defer the issuance of REIT Units, Series A on the vesting of his Deferred Trust Units and related Income Deferred Trust Units on September 22, 2004 in accordance with the terms of the plan.

STATEMENT OF EXECUTIVE COMPENSATION

The following table sets forth all annual and long term compensation for services in all capacities rendered to the Trust and the subsidiaries thereof for the financial years ended December 31, 2003 and December 31, 2004 in respect of individuals who were, during the financial year ended December 31, 2004, named executive officers within the meaning of applicable securities legislation (collectively the "Named Executive Officers"):

Table 5 – Summary Compensation

Name and Principal Position	Annual Compensation			Long Term Compensation
	Year ⁽¹⁾	Salary ⁽²⁾	Bonus	No. of Deferred Trust Units Granted ^{(3) (4)}
Michael J. Cooper President and Chief Executive Officer	2004	\$500,000	\$350,000	20,000
	2003	\$420,000	\$420,000	20,000
J. Michael Knowlton ⁽⁵⁾ Executive Vice President and Chief Operating Officer	2004	\$285,000	\$149,625	9,500
	2003	\$285,000	\$199,500	9,500
P. Jane Gavan Executive Vice President, General Counsel and Secretary	2004	\$210,000	\$110,250	7,000
	2003	\$210,000	\$147,000	7,000
Jeff Barnes ⁽⁶⁾ Executive Vice President and Chief Financial Officer	2004	\$285,000	\$0	9,500
	2003	\$285,000	\$199,500	9,500
Ned Goodman Chairman	2004	\$100,000	\$0	15,000
	2003	\$100,000	\$0	5,000

- (1) In 2003, each of the senior officers referred to above was employed by Dundee REIT for six months from June 30, 2003 to December 31, 2003.
- (2) Represents annual salary. The Named Executive Officers were paid only half of their annual salaries by the Trust in 2003. The aggregate value of perquisites and other personal benefits for each of the senior officers was less than the lesser of \$50,000 and 10% of total annual salary and bonus.
- (3) Dundee REIT has a deferred unit incentive plan, but does not have a unit option plan. See “— Deferred Unit Incentive Plan”. On September 16, 2004, each of Messrs. Cooper, Barnes and Knowlton and Ms. Gavan were granted Deferred Trust Units based on a closing price for the units of \$24.25. The dollar values of such Deferred Trust Units on the date of grant were \$485,000, \$230,375, \$230,375 and \$169,750, respectively. 442.03, 209.97, 209.97 and 154.71 Income Deferred Trust Units were credited to each of Messrs. Cooper, Barnes and Knowlton and Ms. Gavan, respectively, in 2004.
- (4) On September 22, 2003, each of Messrs. Cooper, Barnes and Knowlton and Ms. Gavan were granted Deferred Trust Units based on a closing price for the units of \$21.35. The dollar values of such Deferred Trust Units on the date of grant were \$427,000, \$202,825, \$202,825 and \$149,450, respectively. 1,947.19, 924.84, 924.84 and 681.57 Income Deferred Trust Units were credited to each of Messrs. Cooper, Barnes and Knowlton and Ms. Gavan, respectively, in 2004.
- (5) Mr. Knowlton assumed the office of Chief Financial Officer in November 2004 following the resignation of Mr. Barnes.
- (6) Mr. Barnes resigned as Executive Vice-President and Chief Financial Officer of Dundee REIT in November 2004.

Employment Agreements

The employment agreement of Michael J. Cooper, the President and Chief Executive Officer of the Trust, originally entered into with Dundee Realty Corporation and assumed by Dundee REIT on June 30, 2003, has an original five year term terminating on December 31, 2004, and renews automatically for successive three year periods unless terminated by the Trust or by Mr. Cooper on three months' notice. The agreement entitles Mr. Cooper to receive a lump sum payment of \$1.5 million if Mr. Cooper is terminated other than by reason of death, disability or voluntary resignation. In addition, the agreement provides that Mr. Cooper has the right to elect that there has been a termination in his employment and to receive the lump sum payment of \$1.5 million upon (i) any material diminution of his compensation, duties or responsibilities, (ii) the Trust's failure to comply with any material term of the agreement, or (iii) the Trust's failure to obtain the assumption of the agreement by any successor upon a change of control.

J. Michael Knowlton assumed the position of Executive Vice President and Chief Financial Officer of Dundee REIT in November 2004. Although Mr. Knowlton does not have an employment agreement with Dundee REIT, the Board has approved and awarded a special bonus of \$1.0 million to Mr. Knowlton, payable in cash or Deferred Trust Units, to be payable on June 30, 2008. The bonus will only be payable if Mr. Knowlton remains an employee of Dundee REIT continuously to such date. Should Mr. Knowlton be terminated for any reason, the amount of the special bonus will be paid to Mr. Knowlton in full, but the unearned portion of the bonus (pro-rated from July 1, 2003 to June 30, 2008) will be applied against any severance amounts that would otherwise be paid to Mr. Knowlton. In the event that Dundee REIT undergoes a change of control, the full amount of the special bonus will become immediately due and payable. In addition, the full amount of the special bonus will become immediately due and payable if, as a result of a major corporate transaction, Mr. Knowlton is subsequently terminated without cause.

Deferred Unit Incentive Plan

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

Up to a maximum of 500,000 Deferred Trust Units and Income Deferred Trust Units are issuable under the Deferred Unit Incentive Plan. This represents less than 3% of the Trust's outstanding Units, and approximately 2% of the Trust's outstanding REIT Units. As of March 14, 2005, a total of 172,561 Deferred Trust Units and Income Deferred Trust Units had been granted (or credited, in the case of Income Deferred Trust Units) under the Deferred Unit Incentive Plan. This represents 1% of the Trust's outstanding Units, and approximately 0.7% of the Trust's outstanding REIT Units. As of the same date, a total of 8,189 Units had been issued on the vesting of Deferred Trust Units and Income Deferred Trust Units pursuant to the plan. This represents 0.05% of the Trust's outstanding Units, and approximately 0.03% of the Trust's outstanding REIT Units.

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

Deferred Trust Units will vest on either a five year or a three year vesting schedule. Deferred Trust Units granted to an Eligible Individual who is an employee of Dundee REIT or any of its affiliates or an officer or trustee of Dundee REIT (a "Five Year Grantee"), will

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

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

Any unvested Deferred Trust Units or Income Deferred Trust Units held by an Eligible Individual will be forfeited if the employment or term of office of the individual is terminated for any reason, whether voluntarily or involuntarily. However, pursuant to the Deferred Unit Incentive Plan, the trustees may, in their discretion if the circumstances warrant, accelerate the vesting of such units held by an individual whose employment or term of office is terminated. In these circumstances, any unvested Deferred Trust Units or Income Deferred Trust Units will vest effective upon the termination date of the individual, or on such later date or dates determined by the Compensation Committee of the trustees of Dundee REIT in its discretion. The Deferred Unit Incentive Plan was amended effective in 2004 to provide the Compensation Committee with this discretion to determine such later date or dates on which unvested deferred units may vest. Unitholder approval of this amendment was not required by the Toronto Stock Exchange, since this amendment was not a material amendment to the Deferred Unit Incentive Plan within the meaning of the then-existing rules of that exchange. In addition, the trustees can accelerate the vesting of, or make other arrangements with respect to, Deferred Trust Units

and Income Deferred Trust Units if Dundee REIT undergoes a change of control.

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

The Compensation Committee of the trustees of Dundee REIT may review and confirm the terms of the Deferred Unit Incentive Plan from time to time and may amend or suspend the Deferred Unit Incentive Plan in whole or in part as well as

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

The following table provides information regarding the Trust's Deferred Unit Incentive Plan, being the only equity compensation plan of the Trust. Information is provided as of December 31, 2004.

Table 6 – Equity Compensation Plan Information

Plan Category	Number of Units to be issued upon vesting of Deferred Trust Units and Income Deferred Trust Units	Weighted-average price of unvested Deferred Trust Units and Income Deferred Trust Units	Number of Deferred Trust Units and Income Deferred Trust Units remaining available for future grant under the Deferred Unit Incentive Plan ⁽¹⁾
Equity compensation plans approved by unitholders	163,685	N/A	328,126

(1) 500,000 Deferred Trust Units and Income Deferred Trust Units were authorized under the plan.

Composition of the 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. In addition to having responsibility for human resources and compensation policies, the Compensation Committee has primary responsibility for: (i) administering the Trust's Deferred Unit Incentive Plan; (ii) assessing the performance of the Chief Executive Officer; (iii) reviewing and approving the compensation of senior management and consultants; and (iv) reviewing and making recommendations to the board of trustees concerning the level and nature of the compensation payable to the trustees. The Compensation Committee currently consists of Messrs. Crossgrove, Goodall, and Ned Goodman, with Mr. Goodall being the Chair.

Report on Executive Compensation

The primary goal of the Compensation Committee is to ensure that the overall compensation provided to the executive officers of the Trust is determined with regard to the business strategies and objectives of the Trust, such that the financial interest of the executive officers of the Trust is consistent with the financial interest of the unitholders of the Trust. The Trust seeks to attract and retain top quality executives by providing total compensation that is competitive with that paid by other real estate

investment trusts and corporations of comparable size. The principal components of the executive compensation program of the Trust are base salary and annual and long-term incentives.

Base Salary

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

Annual Incentives

The executive officers are eligible to be paid an annual bonus in an amount to be determined by the Compensation Committee based on qualitative and quantitative performance standards established and approved at the beginning of each financial year. The maximum bonus payable to Mr. Cooper is 100% of his annual salary, while the maximum bonus payable to each of the other executive officers is 70% of their respective salaries.

Long Term Incentives

The Deferred Unit Incentive Plan is designed to promote a greater alignment of interests between management of the Trust and unitholders. See "Deferred Unit Incentive Plan" in this Management

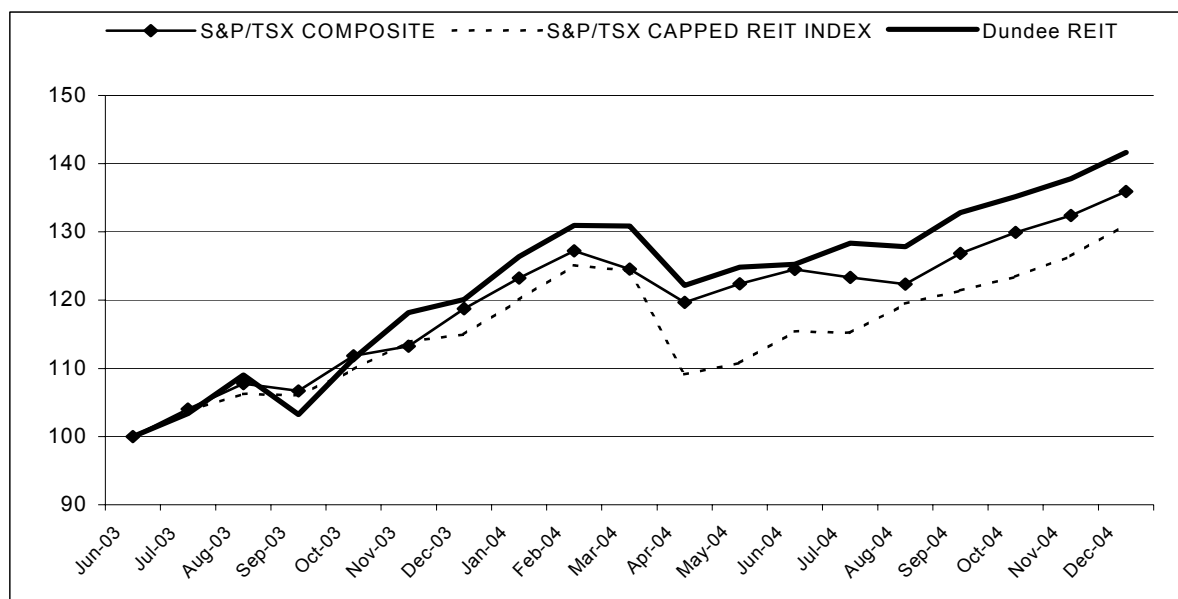
Information Circular. The trustees, acting on the recommendation of the Compensation Committee, may designate individuals eligible to receive grants of Deferred Units which vest over a period of time. In determining grants of Deferred Trust Units, an

individual's performance and contributions to the Trust's success, relative position, tenure and past grants are taken into consideration.

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

UNITHOLDER RETURN PERFORMANCE GRAPH

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



	S&P/TSX Composite Index	S&P/TSX Capped REIT Index	Dundee Units Total Return		S&P/TSX Composite Index	S&P/TSX Capped REIT Index	Dundee Units Total Return
June 30, 2003	100.00	100.00	100.00	April 30, 2004	119.66	109.15	122.16
July 31, 2003	104.10	103.76	103.35	May 31, 2004	122.36	110.84	124.82
Aug. 31, 2003	107.78	106.25	109.05	June 30, 2004	124.48	115.44	125.23
Sept. 30, 2003	106.70	106.03	103.23	July 31, 2004	123.33	115.24	128.33
Oct. 31, 2003	111.87	109.84	111.43	Aug. 31, 2004	122.33	119.48	127.80
Nov. 30, 2003	113.26	113.90	118.21	Sept. 30, 2004	126.82	121.37	132.82
Dec. 31, 2003	118.74	115.01	120.09	Oct. 31, 2004	129.91	123.41	135.19
Jan. 31, 2004	123.19	120.04	126.38	Nov. 30, 2004	132.43	126.43	137.80
Feb. 29, 2004	127.19	125.10	130.95	Dec. 31, 2004	135.93	131.11	141.64
March 31, 2004	124.51	124.24	130.87				

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

On February 19, 2004, the Trust completed a public offering of 4,537,000 REIT Units, Series A at a price of \$24.25 per unit, for total proceeds of approximately \$110 million less the underwriters for this offering of \$4,400,890.

On June 21, 2004, the Trust completed a distribution of \$75,000,000 aggregate principal amount of 6.5% convertible unsecured subordinated debentures due June 30, 2014 of Dundee REIT at a price of \$1,000 per debenture. The underwriters for this offering received total fees of \$2,812,500.

On April 1, 2005, the Trust completed a distribution of \$100,000,000 aggregate principal amount of Series 2005-1 5.7% convertible unsecured subordinated debentures due March 31, 2005 of Dundee REIT at a price of \$1,000 per debenture. The underwriters for this offering received total fees of \$3,750,000.

Dundee Securities Corporation, an indirect subsidiary of Dundee Corporation, was a member of the underwriting syndicates for these public offerings. Three trustees of the Trust, being Messrs. Charter, David Goodman and Ned Goodman, are officers of Dundee Corporation. Mr. Charter is also President and Chief Executive Officer of Dundee Securities Corporation.

MANAGEMENT CONTRACTS

In order to support the officers of Dundee REIT in fulfilling their duties, the services of additional officers and personnel are provided by Dundee Management LP, with the assistance of its wholly-owned subsidiary, Dundee Realty Management. Dundee Properties LP, the Trust's principal operating subsidiary, owns a joint interest in Dundee Management LP, which provides a wide range of management and other services to Dundee REIT and to third parties. For more information about the management contracts relating to services provided by Dundee Management LP, please see the latest annual information form of Dundee REIT.

ADDITIONAL INFORMATION

Additional information relating to Dundee REIT is available on SEDAR at www.sedar.com.

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

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

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

APPROVAL

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

By Order Of The Board



Michael J. Cooper
President and Chief Executive Officer

April 7, 2005

APPENDIX A

DUNDEE REAL ESTATE INVESTMENT TRUST (the "REIT")

SPECIAL RESOLUTION OF UNITHOLDERS

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The definition of "Distributable Series A Income" in the REIT's amended and restated declaration of trust, dated November 5, 2003 (the "Declaration of Trust"), be amended by deleting the existing definition and replacing it in its entirety with the following:

"Distributable Series A Income" means, for any period, the net income of the Trust and its applicable consolidated Subsidiaries for such period set out in its consolidated financial statements prepared as if the Trust's only assets are the units and Notes of Dundee Properties Operating Trust A and all amounts on deposit in the REIT Unit, Series A Bank Account, 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 the Trust 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;
2. The definition of "Distributable Series B Income" in the Declaration of Trust be amended by deleting the existing definition and replacing it in its entirety with the following:

"Distributable Series B Income" means, for any period, the net income of the Trust and its applicable consolidated Subsidiaries for such period set out in its consolidated financial statements prepared as if the Trust's only assets are the units and Notes of Dundee Properties Operating Trust B and all amounts on deposit in the REIT Unit, Series B Bank Account, 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 the Trust 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;
3. Any one officer of the REIT is authorized and directed, for and on behalf of the REIT, to negotiate, finalize, execute and deliver all documents, agreements, authorizations or other instruments, and to take any and all such further action as such officer, in his or her sole discretion, deems necessary or desirable in order to give effect to this resolution.
 4. Notwithstanding that this special resolution has been passed by the unitholders of the REIT, the trustees are hereby authorized, without the further approval of the unitholders, to determine not to proceed with the amendments to the Declaration of Trust described in this special resolution and revoke this special resolution before it is acted on.

APPENDIX B

DUNDEE REAL ESTATE INVESTMENT TRUST (the "REIT")

SPECIAL RESOLUTION OF UNITHOLDERS

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Dundee REIT Units, Series A Provisions, attached as Schedule A-1 to the REIT's amended and restated declaration of trust dated November 5, 2003 (the "Declaration of Trust"), be amended to add the following as Article 5 thereof:

"ARTICLE 5
ISSUANCE OF REIT
UNITS, SERIES A, ON
CONVERSION OF REIT UNITS,
SERIES B

5.1 The REIT shall issue one fully-paid and non-assessable REIT Unit, Series A for each REIT Unit, Series B converted in accordance with Article 6 of the Dundee REIT Units, Series B Provisions."

2. The Dundee REIT Units, Series B Provisions, attached as Schedule A-2 to the Declaration of Trust, be amended to add the following as Article 6 thereof:

"ARTICLE 6
CONVERSION

6.1 Each REIT Unit, Series B shall be convertible at any time at the option of the holder into one fully-paid and non-assessable REIT Unit, Series A in accordance with the provisions of this Article 6.

6.2

- (a) A holder of REIT Units, Series B desiring to convert such REIT Units, Series B into REIT Units, Series A shall surrender the certificate(s) representing such REIT Units, Series B at the principal office of the transfer agent appointed for the REIT Units, Series A together with the conversion form(s) on the back of such certificate(s), or any other written notice in a form satisfactory to such transfer agent, in either case duly executed by the holder or its executors or administrators or other legal representatives or its or their attorney duly appointed by an instrument in writing in a form and executed in a manner satisfactory to such transfer agent, exercising its right to convert such REIT Units, Series B in accordance with the provisions of this Article. Thereupon, such holder of REIT Units, Series B or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the REIT, its nominee(s) or assignee(s), shall be entitled to be entered in the register for the REIT Units, Series A (the "Register"), as at the Date of Conversion (as defined in Section 6.2(b) below), as the holder of the number of REIT Units, Series A into which such REIT Units, Series B are convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, the REIT shall cause to be delivered to such holder or, subject to the foregoing, its nominee(s) or assignee(s), a certificate or certificates for such REIT Units, Series A, which REIT Units, Series A will for all purposes be and be deemed to be issued and outstanding as fully-paid and non-assessable from the Date of Conversion.
- (b) For the purposes of this Article, a certificate representing REIT Units, Series B shall be deemed to be surrendered for conversion on the date (the "Date of Conversion") on which it is so surrendered in accordance with the provisions of this Article and, in the case of a certificate representing REIT Units, Series B so surrendered by post or other means of transmission, on the date on which it is received by the transfer agent; provided that if REIT Units, Series B are surrendered for conversion on a day on which the Register is closed, the Date of Conversion shall be the date on which the Register is next reopened and the person or persons entitled to receive REIT Units, Series A shall become the holder or holders of record of such REIT Units, Series A as at such date.
- (c) The holder of any certificate representing REIT Units, Series B of which only a part is converted shall, upon the exercise of its right of conversion, surrender such certificate to the transfer agent, and the transfer agent shall cancel such certificate and shall, without

charge, forthwith issue and deliver to the holder a new certificate or certificates representing an aggregate number of REIT Units, Series B equal to the unconverted part of the REIT Units, Series B represented by the certificate so surrendered.

- (d) A registered holder of REIT Units, Series B on the record date for the determination of holders of REIT Units, Series B entitled to receive a distribution declared payable on REIT Units, Series B shall be entitled to receive such distribution (less any tax required to be withheld, if any) notwithstanding that the Date of Conversion is after such record date and before the payment date for such distribution, and the REIT Units, Series A issued upon any conversion of REIT Units, Series B shall rank equally with all other REIT Units, Series A in respect of all distributions declared payable to holders of REIT Units, Series A of record on any date on or after the Date of Conversion. Subject to the foregoing, no payment or adjustment shall be made on account of any distribution, accrued or otherwise, on the REIT Units, Series B converted or the REIT Units, Series A resulting from any conversion of REIT Units, Series B.

6.3 All REIT Units, Series B converted pursuant to this Article shall be thereupon cancelled.

6.4 The REIT covenants that it will at all times reserve and keep available out of its authorized REIT Units, Series A (if the number becomes limited), solely for the purpose of issue upon conversion of REIT Units, Series B as provided in this Article, and conditionally allot to holders who may exercise their conversion rights hereunder, such number of REIT Units, Series A as shall then be issuable upon the conversion of all outstanding REIT Units, Series B.”

3. The trustees of the REIT are authorized to:

- (a) approve and make such additional amendments to the Declaration of Trust, the amended and restated limited partnership agreement dated February 17, 2004 governing Dundee Properties Limited Partnership, and the related amended and restated exchange and support agreement dated February 17, 2004, as they consider necessary or advisable in connection with the foregoing resolutions, provided that such amendments are not prejudicial to holders of REIT Units, Series A or materially adverse to the REIT; and
- (b) approve, execute and deliver, such further certificates, documents, agreements and instruments and take any and all such further action as the trustees determine to be necessary or desirable in connection with the foregoing resolutions.

4. Any one officer of the REIT is authorized and directed, for and on behalf of the REIT, to negotiate, finalize, execute and deliver all documents, agreements, authorizations or other instruments, and to take any and all such further action as such officer, in his or her sole discretion, deems necessary or desirable in order to give effect to this resolution.

5. Notwithstanding that this special resolution has been passed by the unitholders of the REIT, the trustees are hereby authorized, without the further approval of the unitholders, to determine not to proceed with the amendments to the Declaration of Trust described in this special resolution and revoke this special resolution before it is acted on.

