Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Retrocom Mid-Market Real Estate Investment Trust at 700 Applewood Crescent, Suite 300, Vaughan, Ontario, L4K 5X3, telephone (416) 741-7999 and fax (416) 741-7993 and are also available electronically at www.sedar.com.*

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws. Accordingly, subject to certain exceptions, these securities may not be offered or sold in the United States of America. See "Plan of Distribution".

PRELIMINARY SHORT FORM PROSPECTUS

New Issue — January 20, 2012

RETROCOM
MID-MARKET REIT

RETROCOM MID-MARKET
REAL ESTATE INVESTMENT TRUST

$25,200,000
4,500,000 Trust Units

This short form prospectus qualifies the distribution of 4,500,000 trust units (the "**Units**") of Retrocom Mid-Market Real Estate Investment Trust ("**Retrocom REIT**" or the "**REIT**") at a price of $5.60 per Unit (the "**Offering**"). The Units are being offered pursuant to an underwriting agreement dated January 20, 2012 (the "**Underwriting Agreement**") between the REIT and TD Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., Macquarie Capital Markets Canada Ltd., Desjardins Securities Inc., Canaccord Genuity Corp., National Bank Financial Inc. and Dundee Securities Ltd. (collectively, the "**Underwriters**" and each an "**Underwriter**"). The REIT is an unincorporated open-end real estate investment trust governed by the laws of the Province of Ontario under an amended and restated declaration of trust dated October 31, 2010. The REIT focuses on owning and acquiring income-producing community-based commercial properties in primary and secondary cities across Canada.

The outstanding Units are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "RMM.UN". The REIT has applied to list the Units distributed under this short form prospectus on the TSX. Listing will be subject to the REIT fulfilling all of the listing requirements of the TSX. On January 13, 2012, the last trading day prior to the announcement of the terms of the Offering, the closing price of the Units on the TSX was $5.63 per Unit. The terms and the offering price of the Units were established by negotiation between the REIT and the Underwriters.

Price: $5.60 Per Unit

	Price to the Public	Underwriters' Fee	Net Proceeds to the REIT[(1)]
Per Unit	$5.60	$0.224[(2)]	$5.376
Total[(3)]	$25,200,000	$1,008,000	$24,192,000

Note:

(1) Before deducting expenses of the Offering (estimated at $400,000) that, together with the Underwriters' fee, will be paid from the proceeds of the Offering.

(2) The Underwriters' fee is equal to 4% of the gross proceeds of the Offering.

(3) The REIT has granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part and at any time up to the 30th day following the date of the closing of the Offering, to purchase from the REIT up to an additional 675,000 Units (the "**Additional Units**") on the same terms and conditions set forth above to cover the Underwriters' over-allotment position, if any, and for market stabilization purposes. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public will be $28,980,000, the total Underwriters' fees will be $1,159,200 and the total net proceeds to the REIT will be $27,820,800 (before deduction of the expenses of the Offering). This short form prospectus also qualifies the granting of the Over-Allotment Option and the distribution of Units that may be offered in relation to the Over-Allotment Option. A purchaser who acquires Additional Units forming part of the Underwriters' over-allotment position acquires those Units under this short form prospectus regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless specifically stated otherwise, the term "Units" includes the Additional Units.

The following table sets out the number of Additional Units that may be issued by the REIT to the Underwriters pursuant to the Over-Allotment Option:

Underwriters' Position	Maximum size or number of securities available	Exercise Period	Exercise Price
Over-Allotment Option	Option to purchase up to 675,000 Units	The exercise period of the Over-Allotment Option is set forth above	$5.60 per Unit

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued, sold and delivered by the REIT and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the REIT by Fasken Martineau DuMoulin LLP and on behalf of the Underwriters by Torys LLP. In connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution". **After the Underwriters have made a reasonable effort to sell all of the Units offered under this short form prospectus at the offering price specified in this short form prospectus, the Underwriters may reduce the offering price or otherwise change the selling terms from time to time. Any such reduction will not affect the proceeds received by the REIT. See "Plan of Distribution".**

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about February 3, 2012, or such other date as the REIT and the Underwriters may agree, but in any event no later than February 10, 2012. Registrations and transfers of Units will be effected only through the book-based system administered by CDS Clearing and Depositary Services Inc. ("**CDS**"). Purchasers of such securities will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the securities is purchased. Beneficial owners of Units will not, except in certain limited circumstances, be entitled to receive physical certificates evidencing their ownership of such securities.

In connection with the Offering, the REIT may be considered a "connected issuer" of TD Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. under applicable securities laws. TD Securities Inc. is an affiliate of a Canadian chartered bank that provides an operating loan facility to the REIT and mortgage financing with respect to certain of the REIT's properties. CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. are affiliates of Canadian chartered banks that provide mortgage financing with respect to certain of the REIT's properties. See "Relationship Between the REIT and Certain of the Underwriters".

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investor's initial investment is at risk, and the anticipated return on the investment is based on many performance assumptions. Although the REIT intends to make distributions of a substantial portion of its available cash to holders of Units ("Unitholders"), these cash distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors including the operations and assets of Retrocom Limited Partnership ("Retrocom LP") and as otherwise described in the REIT's continuous disclosure documents filed on www.sedar.com. In addition, the market value of the Units may decline if the REIT is unable to meet its cash distribution targets in the future, and that decline may be significant. It is important for an investor to consider the particular risk factors that may affect the industry in which the investor is investing, and therefore the stability of the distributions that the investor receives. An investment in Units is subject to certain risks. For the REIT's assessment of those risks, as well as the potential consequences to investors if any such risks should occur, see "Risk Factors".

The after-tax return from an investment in Units to Unitholders subject to Canadian income tax will depend, in part, on the composition for tax purposes of distributions paid by the REIT, portions of which may be fully or partially taxable or may constitute tax deferred returns of capital (i.e., returns which reduce the adjusted cost base of a Unitholder's Units). That composition may change over time, thus affecting a Unitholder's after-tax return. The adjusted cost base of Units held by a Unitholder will be reduced by the non-taxable portion of distributions made to the Unitholder other than the portion thereof attributable to the non-taxable portion of capital gains.

The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The REIT qualifies as a mutual fund trust for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and offers and sells its Units to the public. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and such Units are not insured under the provisions of the *Canada Deposit Insurance Corporation Act* or any other legislation.

The registered and head office of the REIT is located at 700 Applewood Crescent, Suite 300, Vaughan, Ontario, L4K 5X3.

Unless otherwise indicated, all references to "**$**" or "**dollars**" in this short form prospectus refer to Canadian dollars.

TABLE OF CONTENTS

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the REIT, and Torys LLP, counsel to the Underwriters, provided that the Units are listed on a designated stock exchange (which currently includes the TSX), or the REIT qualifies as a mutual fund trust for purposes of the Tax Act, the Units, if issued on the date hereof, will be qualified investments for trusts governed by registered retirement savings plans (a "**RRSP**"), registered retirement income funds (a "**RRIF**"), registered disability savings plans, deferred profit sharing plans, tax-free savings accounts (a "**TFSA**") and registered education savings plans (collectively, "**Registered Plans**").

Securities issued or held by the REIT and received as a result of a redemption in specie of Units may not be qualified investments for a Registered Plan, and this may give rise to adverse consequences to such Registered Plan or the annuitant or beneficiary under, or holder of, that Registered Plan. Accordingly, annuitants or beneficiaries under, or holders of, Registered Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

Notwithstanding that Units may be qualified investments for a trust governed by a TFSA, RRSP or RRIF the holder of a TFSA or the annuitant of a RRSP or RRIF will be subject to an additional tax in respect of the Units if such Units are a "prohibited investment" for the TFSA, RRSP or RRIF, as the case may be. Units will generally be a "prohibited investment" if the holder of a TFSA or the annuitant of the RRSP or RRIF, as the case may be, does not deal at arm's length with the REIT for purposes of the Tax Act or has a "significant interest" (within the meaning of the Tax Act) in the REIT or a corporation, partnership or trust with which the REIT does not deal at arm's length for purposes of the Tax Act.

FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference herein contain forward-looking statements. These statements relate, but are not limited to, the REIT's expectations, intentions, plans and beliefs. In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative or grammatical variations of these terms or other comparable terminology, and by discussions of strategies that involve risks and uncertainties. Investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors, including: competition within the commercial real estate sector, the effective international, national and regional economic conditions and the availability of capital to fund further investments in the REIT's business, as well as those discussed or referenced under the heading "Risk Factors" in this short form prospectus. Actual events or results may differ materially from those suggested by any forward-looking statements. Investors should not place undue reliance on any forward-looking statements contained, or incorporated by reference, in this short form prospectus. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management of the REIT believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. Neither the REIT nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the following documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Retrocom Mid-Market Real Estate Investment Trust at 700 Applewood Crescent, Suite 300, Vaughan, Ontario, L4K 5X3, telephone (416) 741-7999 and fax (416) 741-7993 and are also available electronically at www.sedar.com:

(a) the annual information form (the "**AIF**") of the REIT dated March 16, 2011;

(b) the management information circular (the "**Information Circular**") of the REIT dated May 13, 2011 prepared in connection with the annual meeting of Unitholders held on June 15, 2011;

(c) the audited comparative consolidated annual financial statements of the REIT for the year ended December 31, 2010 together with the notes thereto and the auditors' report thereon;

(d) management's discussion and analysis of financial condition and results of operations of the REIT for the year ended December 31, 2010;

(e) the unaudited interim comparative consolidated financial statements of the REIT at and for the three and nine month periods ended September 30, 2011 and 2010 together with the notes thereto;

(f) management's discussion and analysis of financial condition and results of operations of the REIT for the three and nine month periods ended September 30, 2011;

(g) the material change report of the REIT dated February 28, 2011 with respect to the offering of 8,550,000 Units for gross proceeds of $50,017,500;

(h) the material change report of the REIT dated June 13, 2011 with respect to the offering of $40,000,000 aggregate principal amount of 5.45% convertible unsecured subordinated debentures, due June 30, 2018 at a price of $1,000 per debenture;

(i) the material change report of the REIT dated January 19, 2012 with respect to the Offering;

(i) the business acquisition report of the REIT dated March 14, 2011 (excluding the financial statements included therein) with respect to the REIT's acquisition of a real estate portfolio consisting of six commercial real estate properties from Counsel Corporation, Terra Firma Capital Corporation and other vendors;

(j) the business acquisition report of the REIT dated June 21, 2011 with respect to the REIT's acquisition of a real estate portfolio consisting of four commercial real estate properties from Calloway Real Estate Investment Trust; and

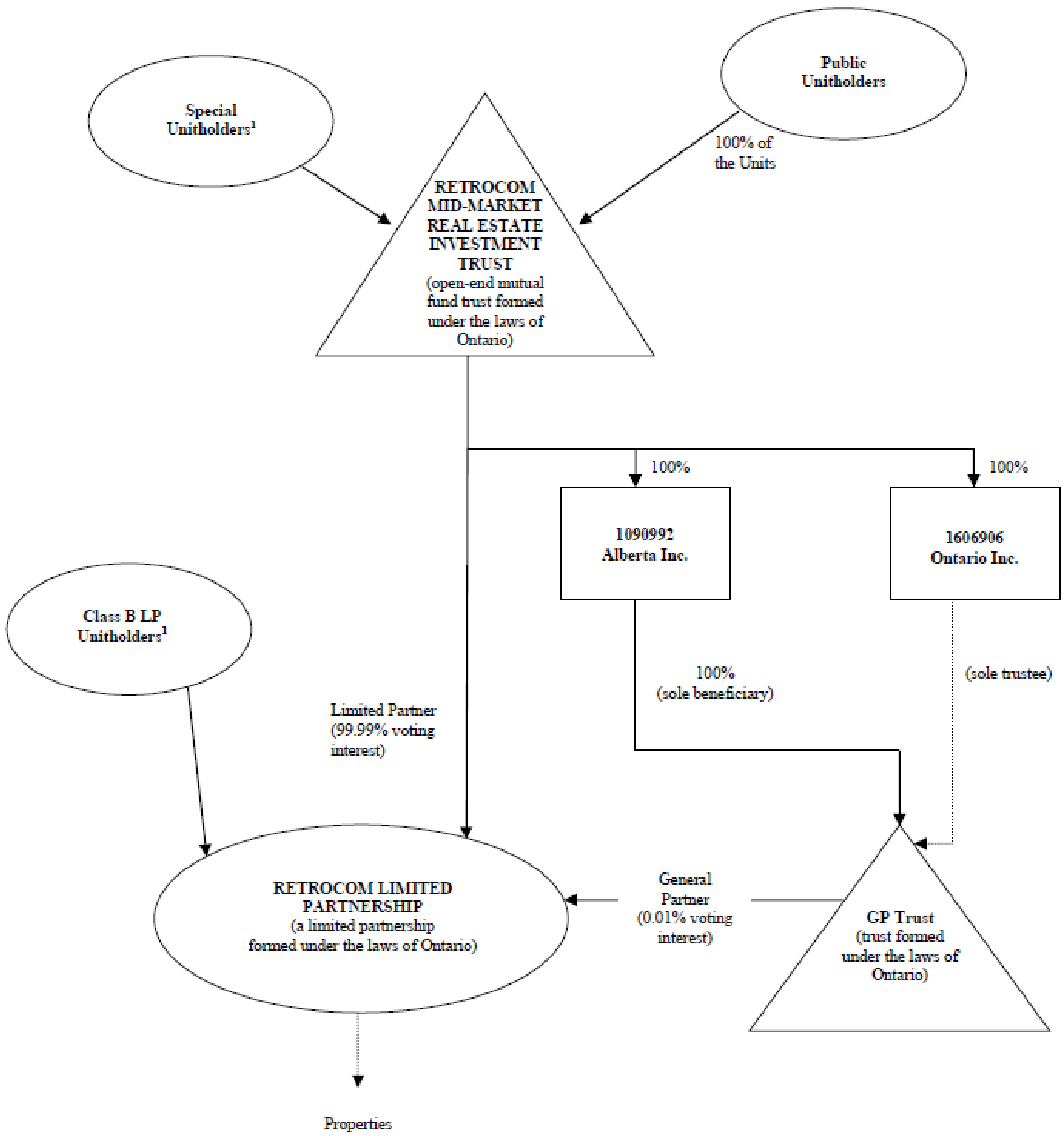
(k) the fourth amended and restated declaration of trust of the REIT dated October 31, 2010.

All material change reports (excluding confidential material change reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations, information circulars (other than those portions that are not required to be incorporated by reference under applicable securities laws) and other documents of the type described in subsection 11.1 of National Instrument 44-101F1 – *Short Form Prospectus,* which are filed by the REIT with a securities commission or similar regulatory authority in any of the provinces and territories of Canada after the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or omission to state a material fact that was required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of this short form prospectus.

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST

Retrocom REIT is an unincorporated open-end real estate investment trust governed by the laws of the Province of Ontario and created pursuant to a declaration of trust dated as of December 15, 2003, as amended and restated as of March 22, 2004, May 23, 2008, July 8, 2008 and October 31, 2010 (the "**Declaration of Trust**"). The registered and head office of the REIT is located at 700 Applewood Crescent, Suite 300, Vaughan, Ontario, L4K 5X3. Below is a diagram illustrating the organizational structure of the REIT.



Notes:
1. Class B limited partnership units of Retrocom LP (the "**Class B Units**") are non-voting units and are exchangeable for Units of the REIT on a 1:1 basis.

2. See "Consolidated Capitalization of the REIT".

Retrocom REIT focuses on owning and acquiring community-based commercial properties in cities across Canada with the objective of producing a geographically diversified portfolio of properties with stable and growing cash flows. The REIT invests primarily in income-producing community-based retail properties with strong tenant covenants, stable yields, lower vacancy levels and strong growth potential. The REIT continually reviews its portfolio and seeks to acquire additional properties with these characteristics to provide additional cash flow and further enhance the REIT's long-term portfolio value.

RECENT DEVELOPMENTS

Completion of Offering of 5.45% Convertible Unsecured Subordinated Debentures

On June 28, 2011, the REIT announced that it had completed an offering of $40,000,000 principal amount of 5.45% convertible unsecured subordinated debentures due June 30, 2018 at a price of $1,000 per debenture.

Investment in Joint Venture

On July 12, 2011, the REIT acquired a 30% interest in a limited partnership (the "**Joint Venture**"), and the approximately 33.7 acre land parcel owned by the Joint Venture near the intersection of Dundas Street East and Dixie Road in Mississauga, Ontario. The Joint Venture is comprised of Retrocom LP and affiliates of the Azuria Group and Fieldgate Commercial Development Limited, and was formed for the purpose of developing on that property a new 430,000 square foot shopping centre anchored by a Walmart Supercentre. On October 6, 2011, as part of the Joint Venture arrangement, the REIT sold its adjacent property located at 1480 Dundas Street East to the Joint Venture for proceeds of approximately $7,400,000. The REIT's interest in the Joint Venture was not affected by the sale of the 1480 Dundas Street East property and it will retain a 30% interest in the Joint Venture upon completion of the new shopping centre. The project now comprises approximately 39 acres of developable area. Construction has commenced and is expected to be completed by November 2013. Retrocom's expected total investment in the project is approximately $30 million.

On September 19, 2011, 1500 Dundas East Holding Inc., an affiliate of the Joint Venture, entered into an agreement with Royal Bank of Canada which provides for a $66.9 million credit facility to fund construction and other obligations related to the development of the Joint Venture project. As a holder of a 30% interest in the Joint Venture, the REIT is obligated to fund repayment of approximately $19.98 million of the borrowed amount, and has guaranteed approximately $6 million of that borrowed amount.

Redemption of 7.50% Convertible Unsecured Subordinated Debentures

On August 2, 2011, the REIT announced that it had completed the early redemption of all of its outstanding $20,000,000 aggregate principal amount of 7.50% convertible unsecured subordinated debentures originally due July 31, 2012.

Resignation of Teresa Neto as Chief Financial Officer

On August 5, 2011, the REIT announced the resignation of Ms. Teresa Neto as its Chief Financial Officer, effective September 2, 2011.

Appointment of Tom Wenner as Chief Financial Officer

On October 19, 2011, the REIT announced the appointment of Mr. Tom Wenner as its new Chief Financial Officer, effective October 18, 2011.

Sale of Wetaskiwin Mall

On January 13, 2012, the REIT announced that it had entered into a binding agreement to sell Wetaskiwin Mall, located at 3725-56th Street, Wetaskiwin, Alberta. The REIT expects to close the sale in mid February, subject to customary closing conditions.

USE OF PROCEEDS

The estimated net proceeds of the Offering after deducting the Underwriters' fee of $1,008,000 and the expenses of the Offering estimated at approximately $400,000, will be $23,792,000, assuming no exercise of the Over-Allotment Option, or approximately $27,420,800 if the Over-Allotment Option is exercised in full. The REIT intends to use the net proceeds to fund development and re-development activities, fund future potential acquisitions, and for general trust purposes.

CONSOLIDATED CAPITALIZATION OF THE REIT

As at September 30, 2011, the end of its most recently completed financial period, the REIT had 35,165,539 Units, 9,469,182 Special Voting Units, 714,500 Units granted under its Long Term Incentive Plan, $12,990,000 principal amount of 6.75% convertible unsecured subordinated debentures due July 31, 2015, and $40,000,000 principal amount of 5.45% convertible unsecured subordinated debentures due June 30, 2018 issued and outstanding. As at September 30, 2011, 9,110,269 Class B Units of Retrocom Limited Partnership, exchangeable for Units of the REIT on a one-for-one basis, were issued and outstanding. At the date of this short form prospectus, to the knowledge of the REIT, Mitchell Goldhar beneficially owned, directly or indirectly, or exercised control or direction over, 1,704,700 Units and 9,469,182 Special Voting Units of the REIT, representing in aggregate approximately 24.59% of the voting rights attached to the issued and outstanding voting securities of the REIT. The 9,469,182 Special Voting Units held by Mitchell Goldhar relate to the 9,110,269 Class B Units directed or controlled by Mr. Goldhar, plus an additional 358,913 Special Voting Units issued to him on June 15, 2011 to increase the voting interest in the REIT held by SmartCentres (as defined in the following paragraph) to 25%.

The Declaration of Trust provides that if in any given 365 day period in the five year period from July 8, 2008, the average weighted aggregate number of Special Voting Units plus Units held or controlled by Mitchell Goldhar, companies controlled by Mitchell Goldhar or affiliates of such companies (collectively referred to herein as "**SmartCentres**") is equal to or greater than 9,110,269, then so long as a nominee of Mitchell Goldhar remains a Trustee and SmartCentres directly or indirectly beneficially owns or controls less than 25% of the voting rights attached to all voting securities of the REIT, the REIT shall issue such number of additional Special Voting Units which will entitle SmartCentres to cast 25% of the votes attached to all voting securities of the REIT at a meeting of the holders of Units and Special Voting Units. SmartCentres' entitlement under this clause shall extend for an additional five year period should SmartCentres sell in aggregate at least $300,000,000 of freehold assets to the REIT or its affiliates during the initial 5 year period, provided that number of Units and Special Voting Units held or controlled by SmartCentres shall be not less than 9,110,269 of the aggregate issued and outstanding Units plus Special Voting Units and provided that a nominee of Mr. Mitchell Goldhar remains a trustee of the REIT.

The changes in the REIT's consolidated capitalization from September 30, 2011 to January 19, 2012 are as follows:

- The REIT has issued 92,160 Units under the REIT's Unitholder Distribution Reinvestment Plan ("**DRIP**").
- The REIT has issued 5,940 Units as a result of the conversion of $30,000 principal amount of the 6.75% convertible debentures bearing a conversion price of $5.05 per Unit.
- As a result of the planned issuance of Units under the Offering, Unitholders' equity would increase by approximately $23,792,000 ($27,420,800 if the Over-Allotment Option is exercised in full).

In addition, the REIT has been advised that the following Trustees and officer intend to purchase under the Offering the number of Units specified next to his name: Mauro Pambianchi, Trustee (20,000 Units), Edward Dato, Trustee (5,000 Units), Hani Zayadi, Trustee (10,000 Units), and Richard Michaeloff, Trustee and Chief Executive Officer (10,000 Units).

DESCRIPTION OF THE UNITS

The following is a summary of the material attributes and characteristics of the Units. A summary description of the material attributes of the Units is also contained at pages 40 to 45 of the AIF, which is available at www.sedar.com, under the heading "Capital Structure".

Units

The REIT is authorized to issue an unlimited number of Units, each of which represents a Unitholder's proportionate undivided beneficial interest in the REIT. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership of any of the assets of the REIT.

Each Unit confers the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units will be fully paid when issued (unless issued on an instalment basis) and are transferable. Except as set out below under "Redemption Right", the Units have no conversion, retraction, redemption or pre-emptive rights. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval. Fractional Units, if any, will be issued on any consolidation but fractional Units will not entitle the holders thereof to vote. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such Act or any other legislation. Furthermore, the 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 Units are not shares in the REIT. As holders of Units in the REIT, the Unitholders do not have statutory rights like those of a shareholder of a corporation incorporated under either the *Business Corporations Act* (Ontario) or the *Canada Business Corporations Act* including, for example, the right to bring "oppression" or "derivative" actions.

Redemption Right

Units are redeemable at any time on demand by the holders thereof upon delivery to the REIT of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Units to be redeemed.

Purchases of Units

The REIT may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchase will constitute an "issuer bid" under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

PRIOR SALES

Unit Offering

On March 15, 2011, the REIT issued 8,550,000 Units at a price of $5.85 per Unit. An additional 1,282,500 Units at $5.85 per Unit were issued on March 18, 2011 as part of the same offering pursuant to the exercise of the underwriters' over-allotment option.

Debenture Offering

On June 28, 2011, the REIT issued $40,000,000 principal amount of 5.45% convertible unsecured subordinated debentures due June 30, 2018 at a price of $1,000 per $1,000 principal amount of debentures.

Distribution Reinvestment Plan

The REIT distributes Units on a monthly basis to existing Unitholders who elect to reinvest their monthly distributions in Units pursuant to the DRIP. Since November 16, 2010, when the DRIP was reinstated, the REIT has issued 278,745 Units pursuant to the DRIP. Units distributed pursuant to the DRIP are issued at a price equal to the weighted average trading price of the Units on the TSX for the 10 trading days immediately preceding the relevant distribution date. Unitholders who participate in the DRIP receive bonus Units equal to 4% of their monthly cash distributions.

PRICE RANGE AND TRADING VOLUME OF THE UNITS

The outstanding Units are traded on the TSX under the trading symbol "RMM.UN". The following table sets forth the monthly high and low trading prices and trading volumes of the Units as reported by the TSX since January 1, 2011:

Period	High	Low	Volume
2011			
January	$6.15	$5.14	2,180,514
February	$6.25	$5.81	2,659,923
March	$5.95	$5.50	1,993,773
April	$6.05	$5.84	1,497,221
May	$6.22	$ 5.85	2,726,776
June	$6.03	$5.58	1,533,774
July	$5.91	$5.05	789,155
August	$5.68	$4.65	1,568,318
September	$5.00	$4.25	1,262,052
October	$4.62	$3.50	2,167,884
November	$5.14	$4.16	3,592,520
December	$5.33	$4.86	1,714,079
2012			
January (to January 19)	$5.84	$5.20	2,211,307

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the REIT has agreed to sell and the Underwriters have severally agreed to purchase, as principals, on or about February 3, 2012, or on such other date as may be agreed upon, but in no event later than February 10, 2012, a total of 4,500,000 Units at a price of $5.60 per Unit, subject to the provisions contained in such agreement, payable in cash to the REIT by the Underwriters against delivery of the Units. The Underwriters will receive at closing an aggregate fee of $1,008,000 for their services performed in connection with the Offering.

The REIT has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part and at any time up to the 30th day following the date of the closing of the Offering, to purchase from the REIT up to 675,000 Units on the same terms and conditions set forth above to cover the Underwriters' over-allotment position, if any, and for market stabilization purposes. This short form prospectus also qualifies the granting of the Over-Allotment Option and the distribution of Units that may be offered in relation to the Over-Allotment Option.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events, including any event that seriously adversely affects the Canadian financial markets. Subject to certain exceptions, the Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The REIT has agreed to indemnify the Underwriters and their respective shareholders, directors, officers, employees and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof.

The outstanding Units are listed and posted for trading on the TSX under the symbol “RMM.UN”. On January 13, 2012, the last trading day prior to the announcement of the terms of the Offering, the closing price of the Units on the TSX was $5.63 per Unit. The REIT has applied to list the Units distributed under this short form prospectus on the TSX. Listing will be subject to the REIT fulfilling all of the listing requirements of the TSX.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice.

The terms and offering price of the Units were established by negotiation between the REIT and the Underwriters. The Underwriters propose to offer the Units initially at the offering price specified on the cover page of this short form prospectus. After the Underwriters have made a reasonable effort to sell all of the Units at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the price paid by the Underwriters to the REIT. Any such reduction will not affect the proceeds received by the REIT.

Pursuant to policy statements of certain securities commissions, the Underwriters may not, throughout the period of distribution, bid for or purchase any Units. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities and a bid or purchase made for, and on behalf of, a customer where the order was not solicited during the period of distribution. The REIT has been advised that in connection with the Offering and pursuant to the first-mentioned exception, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

This Canadian prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units in the United States. The Units are being offered by the Underwriters in all provinces in Canada other than the Province of Québec. The Units offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the “**U.S. Securities Act**”), or applicable state securities laws, and may not be offered or sold within the United States absent registration under the U.S. Securities Act and all applicable state securities laws or an exemption therefrom. The Underwriting Agreement permits the Underwriters to reoffer and resell Units in the United States through their U.S. broker-dealer affiliates to persons who are “qualified institutional buyers,” as such term is defined in Rule 144A under the U.S. Securities Act, where such offers and sales are made in compliance with Rule 144A under the U.S. Securities Act and applicable state securities laws. Each Underwriter has agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, it will not offer or sell any Units within the United States.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer is made pursuant to an exemption from the registration requirements of the U.S. Securities Act.

RELATIONSHIP BETWEEN THE REIT AND CERTAIN OF THE UNDERWRITERS

In connection with the Offering, the REIT may be considered a "connected issuer" of TD Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. under applicable securities laws. TD Securities Inc. is an affiliate of a Canadian chartered bank that provides an operating loan facility (the "**Facility**") to the REIT and mortgage financing with respect to certain of the REIT's properties (a "**Mortgage Financing**"). CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. are affiliates of Canadian chartered banks that provide mortgage financing (also a "**Mortgage Financing**") with respect to certain of the REIT's properties. The Facility and the Mortgage Financings are secured by, among other things, first priority charges over specific properties of the REIT, general security interests over the secured properties and a general assignment of rents over the secured properties. As at January 19, 2012, a total of approximately $102.8 million was outstanding under the Facility and the Mortgage Financings. The REIT is in compliance with all material terms and conditions of the Facility and the Mortgage Financings. Since entering into the Facility and the Mortgage Financings, the financial position of the REIT has changed as disclosed in the REIT's periodic public filings of its consolidated comparative financial statements and related information with Canadian regulatory authorities.

The terms, structuring and pricing of the Offering were determined solely by negotiation between the REIT and the Underwriters. The lenders affiliated with TD Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. did not have any role in those determinations or decisions. In connection with the Offering, TD Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. and certain of their respective affiliates will receive a portion of the proceeds payable to the Underwriters for their fees and expenses, but will not receive any other benefits in connection with the Offering.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the REIT, and Torys LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder that acquires Units under the Offering. This summary applies only to a holder who, for purposes of the Tax Act and at all relevant times, is resident in Canada, holds the holder's Units as capital property and deals at arm's length and is not affiliated with the REIT (a "**Holder**"). Generally, Units will be considered to be capital property to a Holder provided that the Holder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

Certain holders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have such Units and any other "Canadian securities" (as defined in the Tax Act) owned by such holders in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Each such holder should consult the holder's own tax advisors, having regard to the holder's own particular circumstances, as such election would affect the income tax treatment of dispositions by such holder of all of the holder's "Canadian securities" (as defined in the Tax Act).

This summary does not apply to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules); (ii) that is a "specified financial institution" (as defined in the Tax Act); (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); or (iv) who has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than the Canadian currency. Such Holders should consult their own tax advisors with respect to an investment in the Units.

This summary is based upon the facts set out in this prospectus, a certificate of the REIT provided to counsel as to certain factual matters, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), taking into account proposed amendments to the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the "**Tax Proposals**"), and counsel's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency. The summary is not exhaustive of all possible income tax considerations and, except for the Tax Proposals, does not otherwise take into account or anticipate any changes in the law, whether by way of legislative, governmental or judicial action, or in the administrative practices or assessing policies of the Canada Revenue

Agency, nor does it take into account the tax laws of countries other than Canada or any relevant provincial tax legislation or considerations. **The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the particular circumstances of the Holder thereof, including the provinces or territories in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser. Consequently, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Units based on their particular circumstances.**

Prospective Holders who propose to finance the acquisition of the Units should consult their own advisors as to the application of the Tax Proposals released on October 31, 2003 relating to the deductibility of interest and other expenses.

Defined terms in this section not otherwise defined in this short form prospectus have the respective meanings attributed to them in the AIF, incorporated by reference herein.

Status of the REIT

This summary assumes that the REIT qualifies, and will continue at all times to qualify, as a "mutual fund trust" for purposes of the Tax Act. To qualify as a "mutual fund trust", the REIT must be a "unit trust" as defined in the Tax Act, must be resident in Canada, must not be established or maintained primarily for the benefit of non-residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the REIT, or (iii) any combination of the activities described in (i) or (ii). In addition, the REIT must have at least 150 unitholders each of whom holds not less than one "block of units" of a class which has an aggregate fair market value of not less than $500. It must also be the case that units of such class are "qualified for distribution to the public" (within the meaning of the Regulations). It is understood that all Units are currently qualified for distribution to the public. If the REIT were not to qualify as a "mutual fund trust" at any particular time, the Canadian federal income tax considerations described herein would, in some respects, be materially and adversely different.

SIFT Rules

The Tax Act contains rules regarding the tax treatment of publicly traded trusts and partnerships (the "**SIFT Rules**") which effectively tax certain income of a publicly traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders. The SIFT Rules apply only to "SIFT trusts", "SIFT partnerships" and their investors.

Where the SIFT Rules apply, distributions of a SIFT trust's "non-portfolio earnings" are not deductible in computing the SIFT trust's net income. "Non-portfolio earnings" are generally defined as income (other than certain dividends) from, and net taxable capital gains realized from the disposition of, "non-portfolio properties", as defined. The SIFT trust is itself liable to pay an income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the general tax rate applicable to taxable Canadian corporations.

A trust resident in Canada is generally a SIFT trust if (a) "investments" in the trust are listed or traded on a stock exchange or other public market, (b) the trust holds one or more "non-portfolio properties", and (c) the trust is not an "excluded subsidiary entity". However, a trust will not be considered a SIFT trust for a taxation year if it qualifies as a "real estate investment trust" for the year (the "**REIT Exception**").

REIT Exception

A trust that satisfies the REIT Exception is excluded from the definition of a SIFT trust in the Tax Act and is therefore not subject to the SIFT Rules. On December 16, 2010, Tax Proposals relating to the rules to qualify for the REIT Exception were released for public comment. If enacted as proposed, the amendments, which are generally relieving in nature, will be effective for the 2011 and subsequent taxation years and also on an elective basis for earlier taxation years.

Assuming that the Tax Proposals are enacted as proposed, the following five criteria must be met in order for a trust to qualify for the REIT Exception in a taxation year subsequent to 2010, as well as prior to 2011 if the trust elects in the prescribed manner and within the prescribed time:

(i) at each time in the taxation year, the total fair market value at that time of all “non-portfolio properties” that are “qualified REIT properties” held by the trust must be at least 90% of the total fair market value at that time of all “non-portfolio properties” held by the trust;

(ii) not less than 90% of the trust’s “gross REIT revenue” for the taxation year must be derived from one or more of the following: “rent from real or immovable properties”, interest, capital gains from the dispositions of “real or immovable properties”, dividends, royalties and gains from dispositions of “eligible resale properties”;

(iii) not less than 75% of the trust’s “gross REIT revenue” for the taxation year must be derived from one or more of the following: “rent from real or immovable properties”, interest from mortgages, or hypothecs, on “real or immovable properties”, and capital gains from dispositions of “real or immovable properties”;

(iv) at each time in the taxation year an amount, that is equal to 75% or more of the “equity value” of the trust at that time, is the total fair market value of properties comprised of “real or immovable properties”, cash, deposits (within the meaning of the *Canada Deposit Insurance Corporation Act* or with a branch in Canada of a bank), deposit with a credit union, indebtedness of Canadian corporations represented by banker’s acceptances, and debt issued or guaranteed by the Canadian government or issued by a province, municipal government or certain other qualifying public institutions; and

(v) “investments” in the trust must be, at any time in the taxation year, listed or traded on a stock exchange or other public market.

The SIFT Rules contains a look-through rule under which a trust may qualify for the REIT Exception where it holds its real properties indirectly through intermediate entities, provided that each such entity, assuming it were a trust, would satisfy the REIT Exception.

The REIT Exception in the SIFT Rules (both as currently enacted and as amended pursuant to the Tax Proposals) contains a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made at the end of that taxation year.

Based on representations as to certain factual matters from an officer of the REIT, following the internal reorganization of the REIT effective October 31, 2010, the REIT has continuously qualified for the REIT Exception under the SIFT Rules as currently enacted and management of the REIT has advised counsel that the REIT expects to continue to qualify under the REIT Exception, as proposed to be amended, throughout 2012 and subsequent taxation years. The balance of this summary assumes this to be the case. The REIT also advised counsel that the REIT did not exceed the “normal growth guidelines” released by the Department of Finance on December 15, 2006, as amended, which permitted an existing SIFT to increase its capital within certain limits.

If the REIT does not so qualify or ceases to qualify as a real estate investment trust under the REIT Exception the Canadian federal income tax considerations described below would, in some respects, be materially different.

Taxation of the REIT

The taxation year of the REIT is the calendar year. In each taxation year, the REIT will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

The REIT's income will be determined under the Tax Act for each taxation year. The REIT's income will include its share of the income of Retrocom LP for each fiscal period of Retrocom LP ending in or coincidentally with the year-end of the REIT. The REIT generally will not be subject to tax on any amount received as a return of capital on its interest in Retrocom LP (provided that the amount of capital returned, if any, does not exceed the cost amount of such interest). If Retrocom LP were to incur losses for tax purposes, the REIT's ability to deduct such losses may be limited by certain rules under the Tax Act.

An *in specie* redemption of any Units and the transfer by the REIT of securities held by the REIT to redeeming Unitholders will each be treated as a disposition by the REIT of such securities for proceeds of disposition equal to the fair market value thereof. The REIT will realize a capital gain (or a capital loss) to the extent that the proceeds from these dispositions exceed (or are less than) the adjusted cost base of the transferred securities, as the case may be, and any reasonable costs of disposition. The REIT will not be considered to dispose of its own debt securities it issues to a redeeming Unitholder.

In computing its income for purposes of the Tax Act, the REIT may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income. The REIT may also deduct from its income for the year a portion of the reasonable expenses incurred by the REIT to issue Units pursuant to the Offering. The portion of the issue expenses deductible by the REIT in a taxation year is 20% of the total issue expenses, *pro-rated* where the REIT's taxation year is fewer than 365 days.

Losses of the REIT cannot be allocated to Unitholders but may be deducted by the REIT in future years, subject to and in accordance with the detailed rules in the Tax Act in that regard.

Counsel has been advised that the REIT intends to deduct in computing its income for purposes of the Tax Act the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined so that the REIT will generally not be liable in such year for income tax under Part I of the Tax Act.

The REIT will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**Capital Gains Refund**"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset the REIT's tax liability for such taxation year.

The Declaration of Trust provides that all or a portion of the income, including the taxable portion of any capital gains, realized by the REIT arising on or in connection with an *in specie* redemption of Units may, at the discretion of the Trustees, be paid or payable to, and as applicable designated as a taxable capital gain of, the redeeming Unitholders. Any amount so paid or payable must be included in the income of the redeeming Unitholders and will be deductible by the REIT.

Taxation of Retrocom LP

Retrocom LP will not be subject to tax under the Tax Act. Each partner of Retrocom LP, including the REIT, will be required to include in computing the partner's income the partner's share of the income or loss of Retrocom LP for its fiscal period ending in or coincidentally with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of Retrocom LP will be computed for each fiscal year as if Retrocom LP were a separate person resident in Canada. In computing the income or loss of Retrocom LP, deductions will be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income from business or property and available capital cost allowances. The income (including taxable capital gains) or loss of Retrocom LP for a fiscal period will be allocated to the partners of Retrocom LP, including the REIT, on the basis of their respective share of such income or loss, subject to the detailed rules in the Tax Act in that regard.

Taxation of Holders of Units

Distributions Subject to SIFT Tax

In general, where a distribution paid or made payable by the REIT to a Holder of Units results in the REIT being subject to tax under the SIFT Rules described above, the amount of the distribution received (whether received in cash, additional Units or otherwise) by a Holder of Units will be deemed to be an "eligible dividend" paid by a taxable Canadian corporation. Eligible dividends received or deemed to be received by an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the enhanced gross-up and dividend tax credit rules applicable under the Tax Act. Such dividends, if received by a corporation will be included in computing the corporation's income and will generally be deductible in computing its taxable income. A corporation that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, may be liable under Part IV of the Tax Act to pay a refundable tax at a rate of 33 1/3% on such dividends to the extent that such dividends are deductible in computing the corporation's taxable income. The refundable tax is generally refunded when such corporate Holder pays taxable dividends at a rate of $1 of refund for every $3 of taxable dividends paid while it is a "private corporation" (as defined in the Tax Act). Distributions that do not result in the REIT being subject to the SIFT Rules will be taxed as described below.

Distributions Not Subject to SIFT Tax

A Holder of Units will generally be required to include in income for a particular taxation year the portion of the net income of the REIT for a taxation year, including net realized taxable capital gains, that is paid or payable to the Holder in the particular taxation year (and that the REIT deducts in computing its income), whether such portion is received in cash, additional Units or otherwise.

The Declaration of Trust provides that income and net taxable capital gains for purposes of the Tax Act will be allocated to Holders of Units in the same proportion as distributions received by Holders, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances.

Provided that appropriate designations are made by the REIT, such portion of its net taxable capital gains as is paid or payable to a Holder of Units will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act.

The non-taxable portion of any net realized capital gains of the REIT paid or payable to a Holder of Units in a taxation year will not be included in computing the Holder's income for the year. Any other amount in excess of the net income of the REIT that is paid or payable to a Holder of Units in such year including the further bonus Units received under the DRIP (otherwise than as proceeds of disposition of the Units) will not generally be included in the Holder's income for the year. However, such amount will reduce the adjusted cost base of the Units held by the Holder.

To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the absolute value of such negative amount will be deemed to be a capital gain realized by the Holder from the disposition of the Unit and will be added to the adjusted cost base of the Unit so that the adjusted cost base will be re-set to zero.

The cost to a Holder of any additional Units received in lieu of a cash distribution of income will be the amount of income paid in additional Units.

Purchasers of Units

Since the net income of the REIT is distributed on a monthly basis, a purchaser of a Unit may become taxable on a portion of the net income of the REIT accrued or realized by the REIT in a month before the time the Unit was purchased but which was not paid or made payable to Holders until the end of the month and after the time the Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized by the REIT in a year before the time the Unit was purchased but which is paid or made payable to Holders at year end and after the time the Unit was purchased.

Dispositions of Units

On the disposition or deemed disposition of a Unit, including on the redemption of the Unit, the Holder will realize a capital gain (or capital loss) equal to the amount by which the Holder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Holder of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount that is otherwise required to be included in the Holder's income (such as an amount designated as payable by the REIT to a redeeming Holder out of the capital gains or income of the REIT as described above).

For the purpose of determining the adjusted cost base to a Holder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property immediately before that time. The cost of Units acquired on the reinvestment of distributions pursuant to the DRIP will be the amount of distributions reinvested in Units. The cost to a Holder of Units so acquired will be averaged with the adjusted base of all other Units held by the Holder as capital property immediately before such acquisition for the purpose of determining the adjusted cost base of each Unit held by the Holder. There will be no net increase or decrease in the adjusted cost base of all of the Holder's Units as a result of the receipt of bonus Units under the DRIP. However, the receipt of bonus Units will result in a per Unit reduction of the adjusted cost base of Units to the Holder.

Where Units are redeemed by the distribution of property of the REIT, or the issuance of securities of the REIT, to the redeeming Holder, the proceeds of disposition to the Holder of the Units will be equal to the fair market value of such property of the REIT so distributed, or of the securities of the REIT so issued, less, in the case of property distributed by the REIT, any income or capital gain realized by the REIT as a result of or in connection with such distribution which is paid or payable by the REIT to the redeeming Holder. Where income or a capital gain is realized by the REIT upon or in connection with an *in specie* distribution of property on a redemption of Units and such income or gain is paid or payable by the REIT to a redeeming Holder, the Holder will be required to include the income, or the taxable portion of the capital gain, designated by the REIT, in the Holder's income. The cost to a Holder of any property of the REIT distributed by the REIT (or of any security issued by the REIT) to the Holder upon a redemption of Units will be equal to the fair market value of such property at the time of the distribution or of such securities at the time of issuance, as the case may be.

Capital Gains and Capital Losses

Generally, one-half of any capital gain realized by a Holder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the REIT in respect of a Holder will be included in the Holder's income as a taxable capital gain. One-half of any capital loss (an "**allowable capital loss**") realized by a Holder on a disposition, or deemed disposition, of Units, must generally be deducted only from taxable capital gains of the Holder in the year of disposition. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including amounts in respect of net taxable capital gains. The refundable tax is generally refunded when such corporate Holder pays taxable dividends at a rate of $1 of refund for every $3 of taxable dividends paid while it is a "private corporation" (as defined in the Tax Act).

Alternative Minimum Tax

In general, net income of the REIT paid or payable to a Holder of Units who is an individual (other than certain trusts) that is designated as net taxable capital gains and capital gains realized on the disposition of Units by such a Holder may increase the Holder's liability for alternative minimum tax.

RISK FACTORS

An investment in the Units involves a number of risks, including those set forth in the AIF and management's discussion and analysis of financial condition and results of operations of the REIT for the three and nine month periods ended September 30, 2011. Prospective investors should give careful consideration to these risks before purchasing Units.

Dilution

While the net proceeds of this Offering are expected to be applied towards the uses specified in "Use of Proceeds", to the extent that any of the net proceeds of this Offering remain uninvested pending their use, or are used to pay down indebtedness with a low interest rate, this Offering may result in dilution, on a per Unit basis, to the REIT's net income and other measures used by the REIT.

Canadian Federal Income Tax Considerations

There can be no assurance that the Units will continue to be qualified investments under the Tax Act for Registered Plans. The Tax Act imposes tax consequences for the acquisition or holding of non-qualified investments for Registered Plans.

Canadian federal income tax laws may be changed in a manner that may adversely affect the amount of cash available to be distributed to Unitholders. 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 Unitholders. If the REIT ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations would, in some respects, be materially and adversely different.

No assurance can be given that Canadian federal income tax laws respecting the taxation of income trusts and other flow-through entities will not be further changed in a manner that adversely affects the REIT and the Unitholders.

INTEREST OF EXPERTS

The matters referred to under "Certain Canadian Federal Income Tax Considerations" and "Eligibility for Investment", as well as certain other legal matters relating to the issue and sale of the Units, will be passed upon on behalf of the REIT by Fasken Martineau DuMoulin LLP and on behalf of the Underwriters by Torys LLP. As at the date hereof, the partners and associates of Fasken Martineau DuMoulin LLP, as a group, and the partners and associates of Torys LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the REIT.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the REIT is KPMG LLP, Chartered Accountants, Toronto, Ontario. CIBC Mellon Trust Company at its principal offices in Toronto, Ontario is the transfer agent and registrar for the Units.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the preliminary short form prospectus of Retrocom Mid-Market Real Estate Investment Trust (the "**REIT**") dated January 20, 2012 relating to the sale and issue of 4,500,000 trust units of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference, in the above mentioned preliminary short form prospectus of our report to the Unitholders of the REIT on the consolidated balance sheets of the REIT as at December 31, 2010 and 2009 and the consolidated statements of operations, comprehensive income, unitholders' equity and cash flows for the years ended December 31, 2010 and 2009. Our report is dated March 15, 2011.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

January 20, 2012

AUDITOR'S CONSENT

We have read the short form prospectus of Retrocom Mid-Market Real Estate Investment Trust (the "**REIT**") dated January ●, 2012 relating to the sale and issue of 4,500,000 trust units of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference, in the above mentioned short form prospectus of our report to the Trustees of Retrocom Mid-Market Real Estate Investment Trust on the combined balance sheet of Calloway Acquisition Properties as at December 31, 2010, and the combined statements of income and comprehensive income, equity in net assets and cash flows of Calloway Acquisition Properties for the year ended December 31, 2010. Our report is dated June 20, 2011.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

January ●, 2012

CERTIFICATE OF THE REIT

Dated: January 20, 2012

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST

(Signed) *Richard Michaeloff*
Chief Executive Officer

(Signed) *Thomas Wenner*
Chief Financial Officer

On behalf of the Trustees

(Signed) *Patrick J. Lavelle*
Trustee

(Signed) *Christopher J. Cann*
Trustee

CERTIFICATE OF THE UNDERWRITERS

Dated: January 20, 2012

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

TD SECURITIES INC.

By: (Signed) *Armen Farian*
Vice President & Director

CIBC WORLD MARKETS INC.

By: (Signed) *Allan Kimberley*
Vice Chairman

RBC DOMINION SECURITIES INC.

By: (Signed) *William Wong*
Managing Director

BMO NESBITT BURNS INC.

By: (Signed) *Jonathan Li*
Director

SCOTIA CAPITAL INC.

By: (Signed) *Stephen Sender*
Managing Director

MACQUARIE CAPITAL MARKETS CANADA LTD.

By: (Signed) *John Bartkiw*
Managing Director

DESJARDINS SECURITIES INC.

By: (Signed) *Mark Edwards*
Managing Director

CANACCORD GENUITY CORP.

By: (Signed) *Justin Bosa*
Managing Director

NATIONAL BANK FINANCIAL INC.

By: (Signed) *Andrew Wallace*
Director

DUNDEE SECURITIES LTD.

By: (Signed) *Onorio Lucchese*
Managing Director