



**Notice of Annual and Special Meeting
of Unitholders to be held on July 7, 2005**

- and -

Management Information Circular

Dated June 9, 2005

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**CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL AND SPECIAL MEETING OF HOLDERS OF UNITS
to be held on July 7, 2005**

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "Meeting") of the holders ("Unitholders") of units ("Units") of Calloway Real Estate Investment Trust ("Calloway" or the "Trust") will be held in the Quebec Room, Main Mezzanine Level, Fairmont Royal York Hotel located at 100 Front Street West, Toronto, Ontario, on July 7, 2005 at 9:00 a.m. (Toronto time) for the following purposes:

1. To receive and consider the consolidated financial statements of the Trust for the year ended December 31, 2004 and the auditor's report thereon;
2. To fix the number of trustees to be elected at the Meeting at not more than 9;
3. To elect the persons named as proposed trustees in the Management Information Circular accompanying this notice as trustees of the Trust for the ensuing year;
4. To appoint Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants as auditors of the Trust for the ensuing year and to authorize the trustees of the Trust to fix the remuneration of such auditors;
5. To consider and, if thought advisable, to approve and adopt, with or without modification, a resolution approving a deferred unit plan for the Trust, all as more particularly set forth in the Management Information Circular prepared for the purposes of the Meeting;
6. To consider and, if thought advisable, to approve and adopt, with or without modification, a resolution approving: (i) the acquisition (the "Acquisition") by Calloway of interests in 35 retail shopping centres and adjacent undeveloped lands (the "Centres") and 10 parcels of development lands (the "Development Lands" and together with the Centres, the "Centres V") from First Professional Realty Inc. and affiliated entities controlled directly or indirectly by Mr. Mitchell Goldhar ("FirstPro"), Wal-Mart Canada Realty Inc. and other minority owners (collectively, the "Vendors"); (ii) the issuance to the Vendors (except Wal-Mart) of up to 12.6 million class B units of a limited partnership to be set up by Calloway, each of which will be convertible into Units at the option of the holder; (iii) the creation and issuance to the Vendors (except Wal-Mart) of 12.6 million special voting units of Calloway ("Special Voting Units"); (iv) in connection with additional developments on the Centres V, the reservation of up to 11 million Units issuable to FirstPro, of which up to 8.5 million will be issuable on conversion of Class B units issuable to FirstPro in connection with additional development on those Centres and Development Lands to be acquired by the limited partnership; (v) the reservation of 8.5 million additional Special Voting Units issuable to FirstPro in connection with the additional Class B units issuable to FirstPro pursuant to (iv) above; and (vi) the issuance of such Units of Calloway as are required to fund the cash consideration required by Calloway to complete the acquisition from the Vendors (up to a maximum of 15,000,000 Units) pursuant to one or more private placements or public offerings, all as more particularly set forth in the Management Information Circular accompanying this Notice of Meeting;
7. To consider, and if thought advisable, pass a special resolution approving amendments to the declaration of trust constituting the Trust which have the effect of converting the Trust to an "open-end" mutual fund trust and implementing additional amendments contemplated or necessary in connection with the Acquisition, all as more particularly set forth in the Management Information Circular prepared for the purposes of the Meeting; and
8. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Management Information Circular. The record date for determination of Unitholders entitled to receive notice of and to vote at the Meeting is May 23, 2005. Only Unitholders whose names have been entered in the register of Unitholders at the close of business on that date and holders of Units issued by Calloway after such date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting; provided that, to the extent a Unitholder transfers the ownership of any Units after such date and the transferee of those Units establishes that such transferee owns the Units and demands, not later than 10 days before the Meeting, to be included in the list of Unitholders eligible to vote at the Meeting, such transferee will be entitled to vote those Units at the Meeting.

A Unitholder may attend the Meeting in person or may be represented by proxy. Unitholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be received by the Secretary of Calloway, c/o Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

DATED at the City of Calgary, in the Province of Alberta, this 9th day of June, 2005.

**BY ORDER OF THE BOARD OF TRUSTEES OF
CALLOWAY REAL ESTATE INVESTMENT TRUST**

(signed) J. Michael Storey

J. Michael Storey
President, Chief Executive Officer and a Trustee

**CALLOWAY REAL ESTATE INVESTMENT TRUST
MANAGEMENT INFORMATION CIRCULAR
For the Annual and Special Meeting of Unitholders to be held on July 7, 2005**

SOLICITATION OF PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Calloway Real Estate Investment Trust (“Calloway” or the “Trust”) to be used at the annual and special meeting (the “Meeting”) of the holders of Units (the “Unitholders”) of Calloway to be held on July 7, 2005 at 9:00 a.m. (Toronto Time) in the Quebec Room, Main Mezzanine Level, Fairmont Royal York Hotel located at 100 Front Street West, Toronto, Ontario, and at any adjournment thereof, for the purposes set forth in the enclosed Notice of Annual and Special Meeting. Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, telecopy or oral communication by directors, officers, employees or agents of Calloway who will be specifically remunerated therefor. All costs of the solicitation will be borne by Calloway. The information contained herein is given as of May 23, 2005 except where otherwise indicated.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are trustees or officers of Calloway. A Unitholder desiring to appoint a person (who need not be a Unitholder) to represent such Unitholder at the Meeting other than the persons designated in the accompanying form of proxy may do so either by inserting such person’s name in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, sending or delivering the completed proxy to the Secretary of Calloway c/o Computershare Trust Company of Canada, Attention: Corporate Trust, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1. A form of proxy must be received by Computershare Trust Company of Canada at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof. Failure to so deposit a form of proxy shall result in its invalidation.

A Unitholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by such Unitholder or by his attorney duly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the above mentioned office of Computershare Trust Company of Canada on or before the last business day preceding the day of the Meeting or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof. Notwithstanding the foregoing, if a registered Unitholder attends personally at the Meeting, such Unitholder may revoke the proxy and vote in person.

The Board of Trustees of Calloway has fixed the record date (“Record Date”) for the Meeting as at the close of business on May 23, 2005. Unitholders of Calloway of record as at the Record Date are entitled to receive notice of, to attend and to vote at the Meeting, except to the extent such Unitholder transfers any of such Unitholder’s Units after the Record Date and the transferee of those Units establishes that such transferee owns the Units and demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of Unitholders entitled to vote, in which case such transferee shall be entitled to vote such Units at the applicable Meeting.

Signature of Proxy

The form of proxy must be executed by the Unitholder or his attorney authorized in writing or, if the Unitholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person’s capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Calloway).

Voting of Proxies

The persons named in the accompanying form of proxy will vote the Units in respect of which they are appointed in accordance with the direction of the Unitholder appointing them. **In the absence of such direction, such Units will be voted in favour of the following resolutions:**

1. **Fixing the number of trustees to be elected at the meeting at not more than 9;**
2. **Electing the persons named as proposed trustees in this Management Information Circular as trustees of the Trust for the ensuing year;**
3. **Appointing Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants as auditors of the Trust for the ensuing year and to authorize the trustees of the Trust to fix the remuneration of such auditors;**
4. **Approving a deferred unit plan for the Trust;**
5. **Approving: (i) the acquisition (the "Acquisition") by Calloway of interests in 35 retail shopping centres and adjacent undeveloped lands (the "Centres") and 10 parcels of development lands (the "Development Lands" and together with the Centres, the "Centres V") from First Professional Realty Inc. and affiliated entities controlled directly or indirectly by Mr. Mitchell Goldhar ("FirstPro"), Wal-Mart Canada Realty Inc. and other minority owners (collectively, the "Vendors"); (ii) the issuance to the Vendors (except Wal-Mart) of up to 12.6 million class B units of a limited partnership to be set up by Calloway, each of which will be convertible into Units at the option of the holder; (iii) the creation and issuance to the Vendors (except Wal-Mart) of 12.6 million special voting units of Calloway ("Special Voting Units"); (iv) in connection with additional developments on the Centres V, the reservation of up to 11 million Units issuable to FirstPro, of which up to 8.5 million will be issuable on conversion of Class B units issuable to FirstPro in connection with additional development on those Centres and Development Lands to be acquired by the limited partnership, (v) the reservation of 8.5 million additional Special Voting Units issuable to FirstPro in connection with the additional Class B units issuable to FirstPro pursuant to (iv) above; and (vi) the issuance of such Units of Calloway as are required to fund the cash consideration required by Calloway to complete the acquisition from the Vendors (up to a maximum of 15,000,000 Units) pursuant to one or more private placements or public offerings, all as more particularly set forth in this Management Information Circular; and**
6. **Approving amendments to the declaration of trust constituting the Trust which have the effect of converting the Trust to an "open-end" mutual fund trust and implementing additional amendments contemplated in connection with the Acquisition, all as more particularly set forth in this Management Information Circular.**

Exercise of Discretion of Proxy

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and this Management Information Circular and with respect to other matters that may properly come before the Meeting. At the date of this Management Information Circular, management of Calloway ("Management") knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Advice to Beneficial Unitholders

The information set forth in this section is of significant importance to many Unitholders, as a substantial number of Unitholders do not hold Units in their own name. Unitholders who do not hold their Units in their names (referred to in this Management Information Circular as "Beneficial Unitholders") should note that only proxies deposited by Unitholders whose names appear on the records of Calloway as the registered holders of Units can be recognized and acted upon at the Meeting. If Units are listed in an account statement provided to a Unitholder by a broker, then in almost all cases, those Units will not be registered in the Unitholder's name on the records of Calloway. Such Units will more likely be registered under the name of the Unitholder's broker or an agent of that broker. Units held by brokers or their agents can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers or agents for that broker are prohibited from voting Units for their clients. **Therefore, Beneficial Unitholders should ensure that instructions respecting the voting of their Units are properly communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided to registered Unitholders; however, its purpose is limited to instructing the registered Unitholders how to vote on behalf of the Beneficial Unitholder. A Beneficial Unitholder receiving a proxy from an intermediary or broker cannot use that proxy to vote Units directly at the Meeting; rather, the proxy must be returned to the intermediary or broker well in advance of the Meeting in order to have the Units voted.

Although a Beneficial Unitholder may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of his or her broker (or an agent of the broker), a Beneficial Unitholder may attend at the Meeting as proxyholder for the registered Unitholder and vote the Units in that capacity. Beneficial Unitholders who wish to attend the Meeting and indirectly vote their Units as proxyholder for the registered Unitholder should enter their own names in the blank space on the form of proxy provided to them by their broker and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or broker's agent), well in advance of the Meeting.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the various securities commissions or similar authorities in the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Management Information Circular:

- (a) the Annual Information Form of the Trust dated March 22, 2005;
- (b) the audited consolidated financial statements of the Trust as at and for the years ended December 31, 2004 and December 31, 2003 together with the notes thereto and the auditors' report thereon;
- (c) management's discussion and analysis of financial condition and results of operations of the Trust for the year ended December 31, 2004;
- (d) the unaudited interim comparative consolidated financial statements of the Trust for the three month periods ended March 31, 2005 and 2004;
- (e) management's discussion and analysis of financial condition and results of operations of the Trust for the three month period ended March 31, 2005;
- (f) the audited schedules of combined net operations for certain prior acquisitions of the Trust for the years ended December 31, 2003, 2002 and 2001 together with the notes thereto and the auditors report thereon, all of which can be found at pages F-20 to F-24 (the "Centres") and pages F-26 to F-31 (the "Centres II") of the Trust's prospectus dated April 30, 2004;
- (g) the audited schedules of combined net operations for certain prior acquisitions (the "Phase I Centres") of the Trust for the years ended December 31, 2003 and 2002 together with the notes thereto and the auditors report thereon and the unaudited interim comparative schedules of combined net operations for such acquisitions for the nine month periods ended September 30, 2004 and 2003, all of which can be found at pages 19 to 24 of the Trust's business acquisition report dated February 11, 2005;
- (h) the audited schedules of combined net operations for certain prior acquisitions (the "Phase II Centres") of the Trust for the years ended December 31, 2004 and 2003 together with the notes thereto and the auditors report thereon, all of which can be found at pages 6 to 10 of the Trust's business acquisition report dated May 10, 2005;

- (i) the material change report of the Trust dated February 16, 2005 relating to (i) an increase in the monthly distributions of the Trust; and (ii) the reaching of an agreement for the Trust to raise approximately \$60 million by the issuance of subscription receipts;
- (j) the material change report of the Trust dated February 24, 2005 relating to the closing of the Trust's previously announced private placement of subscription receipts for gross proceeds of approximately \$60 million;
- (k) the material change report of the Trust dated March 14, 2005 relating to the completion of the acquisition of the Phase II Centres;
- (l) the material change report of the Trust dated April 19, 2005 relating to the receipt of the approval of the Board of Trustees of the Trust and the conditional agreements for the acquisition of the Centres and Development Lands;
- (m) the material change report of the Trust dated May 16, 2005 relating to amendments to the FirstPro conditional agreements for the acquisition of certain interest in the Centres and Development Lands; and
- (n) the material change report of the Trust dated June 3, 2005 relating to an agreement of the Trust to raise up to \$175 million by the issuance of subscription receipts.

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 Management Information Circular 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 Management Information Circular.

All documents incorporated by reference in this Management Information Circular may be found on SEDAR at www.sedar.com. Further, upon request, Calloway will promptly provide a copy of any such document free of charge to a securityholder of Calloway.

AUDITORS' CONSENTS

Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants

We have read the Management Information Circular of Calloway Real Estate Investment Trust (the "Trust") dated June 9, 2005 with respect to certain annual and special business of the Trust including consideration of a proposed acquisition of certain assets by the Trust and certain proposed amendments to the declaration of trust of the Trust. 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 Management Information Circular of our report dated February 19, 2005 (except Note 22 which is dated March 2, 2005) to the Unitholders of the Trust on the consolidated balance sheets of the Trust as at December 31, 2004 and 2003 and the consolidated statements of income, unitholders' equity and cash flows for the years ended December 31, 2004 and 2003.

We also consent to the use in the above-mentioned Management Information Circular of our compilation report dated June 9, 2005 on the unaudited pro forma consolidated balance sheet of the Trust as at March 31, 2005 and the

unaudited pro forma consolidated statements of income for the three months ended March 31, 2005 and for the year ended December 31, 2004.

Calgary, Alberta June 9, 2005	(Signed) Kenway Mack Slusarchuk Stewart LLP Chartered Accountants
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KPMG LLP, Chartered Accountants

We have read the management information circular of Calloway Real Estate Investment Trust (the "Trust") dated June 9, 2005 with respect to certain annual and special business of the Trust including consideration of a proposed acquisition of certain assets by the Trust and certain proposed amendments to the declaration of trust of the Trust. 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 management information circular of our reports to the Partners of the Wal-Mart-First Pro Realty Partnership on the schedules of combined net operations relating to The Centres and The Centres II for the years ended December 31, 2003, 2002 and 2001. Our reports are dated March 26, 2004.

We also consent to the use through incorporation by reference in the above-mentioned management information circular of our report to the Partners of the Wal-Mart-First Pro Realty Partnership on the schedules of combined net operations relating to the Phase I Centres for the years ended December 31, 2003 and 2002. Our report is dated February 10, 2005.

We also consent to the use through incorporation by reference in the above-mentioned management information circular of our report to the Co-owners of the Wal-Mart-First Pro Realty Co-ownerships on the schedules of combined net operations relating to the Phase II Centres for the years ended December 31, 2004 and 2003. Our report is dated April 29, 2005.

We also consent to the use in the above-mentioned management information circular of our report to the Co-owners of the Wal-Mart-First Pro Realty Co-ownerships on the schedules of combined net operations relating to the Centres V Phase I for the years ended December 31, 2004 and 2003. Our report is dated April 29, 2005.

We also consent to the use in the above-mentioned management information circular of our report to the Co-owners of the Wal-Mart-First Pro Realty Co-ownerships on the schedules of combined net operations relating to the Centres V Phase II for the years ended December 31, 2004 and 2003. Our report is dated April 29, 2005.

Toronto, Ontario June 9, 2005	(Signed) KPMG LLP Chartered Accountants
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The Sacks Partnership, Chartered Accountants

We have read the Management Information Circular of Calloway Real Estate Investment Trust (the "Trust") dated June 9, 2005 with respect to certain annual and special business of the Trust including consideration of a proposed acquisition of certain assets by the Trust and certain proposed amendments to the declaration of trust of the Trust. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned Management Information Circular of our report to the Owners of the Centres V Phase III (as defined in the pro forma financial statements of the Trust included in the above-mentioned Management Information Circular) on the schedule of combined net operations relating to the Centres V Phase III for the years ended December 31, 2004 and 2003. Our report is dated May 17, 2005.

Toronto, Ontario June 9, 2005	(Signed) The Sacks Partnership Chartered Accountants
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INFORMATION RESPECTING CALLOWAY REAL ESTATE INVESTMENT TRUST

General

Calloway Real Estate Investment Trust (“Calloway” or the “Trust”) is an unincorporated closed-end real estate investment trust established by the declaration of trust dated December 4, 2001, as most recently amended and restated as of January 16, 2004 (the “Declaration of Trust”), and governed by the laws of the Province of Alberta. Calloway was created to invest in income-producing rental properties located in Canada. Calloway intends to invest primarily in large format, unenclosed retail centres which are geographically diversified. Although Calloway is a “mutual fund trust” as defined in the Income Tax Act (Canada), Calloway is not a “mutual fund” as defined in applicable securities legislation. The principal and head office of Calloway is located at 310, 855 – 8th Avenue S.W., Calgary, Alberta T2P 3P1.

Trust Units

Calloway’s authorized capital consists of an unlimited number of Units. As of May 31, 2005, there were 36,904,570 Units issued and outstanding.

The Declaration of Trust provides that Units or rights to acquire Units may be issued at times, to the persons, for the consideration and on the terms and conditions that the Trustees determine. Each Unit represents an equal fractional undivided beneficial interest in any distributions from, and in any net assets of, Calloway in the event of termination or winding-up of Calloway. All Units are of the same class with equal rights and privileges. Each Unit is transferable, entitles the holder thereof to participate equally in distributions, including the distributions of net income and net realized capital gains of Calloway and distributions on liquidation, is fully paid and non-assessable and entitles the holder thereof to one vote at all meetings of Unitholders for each Unit held.

Principal Unitholders

To the knowledge of Calloway, as at May 23, 2005, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of Calloway carrying more than 10% of the voting rights attached to any class of voting securities of Calloway except as set out below:

<u>Unitholder</u>	<u>Type of Ownership</u>	<u>Number of Units</u>	<u>Percentage of Units</u>
Mitchell Goldhar ⁽¹⁾	Beneficial	6,048,513	16.4%

Note:

(1) These Units are held by CWT Investments Limited, a company controlled by Mitchell Goldhar.

Trustees of Calloway

The following table sets forth the name, municipality of residence, office held with Calloway, experience and principal occupation during at least the last five (5) years and the approximate number of Units of Calloway beneficially owned or controlled by each of the current Trustees of Calloway and each of the individuals to be nominated for election as a Trustee of Calloway at the Meeting or to be appointed by FirstPro, each of whom shall take office from and after the Acquisition. In the event that the Acquisition does not close the current Trustees of Calloway rather than the proposed Trustees of Calloway will be deemed to have been nominated for election as Trustees of Calloway at the Meeting. Trustees elected at the Meeting will hold office from and after the closing of the Acquisition until the conclusion of the next meeting of Unitholders held to elect Trustees, unless re-elected at that meeting.

<u>Name and Municipality Of Residence</u>	<u>Current Office In Calloway</u>	<u>Principal Occupation</u>	<u>Units Beneficially Owned or Controlled</u>
J. Michael Storey ⁽¹⁾ Calgary, Alberta	President, Chief Executive Officer, Trustee and Proposed Trustee	President, Chief Executive Officer and a Trustee of Calloway Real Estate Investment Trust since December 4, 2001. President, Chief Executive Officer and a Director of Calloway Properties Inc.	137,311

<u>Name and Municipality Of Residence</u>	<u>Current Office In Calloway</u>	<u>Principal Occupation</u>	<u>Units Beneficially Owned or Controlled</u>
		from May 1, 1997 to January 22, 2002. Vice-President, Corporate Development at Princeton Developments Limited from November 2001 to April 2002.	
David M. Calnan ⁽³⁾ Calgary, Alberta	Secretary, Trustee and Proposed Trustee	Partner of Shea Nerland Calnan, Barristers and Solicitors, from 1990 to present. Secretary and a Trustee of Calloway Real Estate Investment Trust since December 4, 2001. Secretary, Chief Financial Officer and a Director of Calloway Properties Inc. from May 1, 1997 to January 22, 2002. Currently a director of each of Badger Income Fund, a utility services income trust listed on The Toronto Stock Exchange (March 2004 to present), Ripper Oil and Gas Inc., an oil and gas company listed on the TSX Venture Exchange (October 2000 to present), Rocky Old Man Energy Inc., an oil and gas company listed on the TSX Venture Exchange (June 2001 to present) and IMC2 Corporation, a capital pool company listed on the TSX Venture Exchange (March 2004 to present).	212,175
Jamie M. McVicar ⁽²⁾⁽⁴⁾ Canmore, Alberta	Trustee and Proposed Trustee	Chief Financial Officer at Devonian Properties Ltd. from October 2000 to present. President of Newell Post Developments Ltd. from June 1998 to June 2000. Legal counsel for Oxford Development Group from 1988 to June 1998. Trustee of Calloway Real Estate Investment Trust since December 4, 2001. Director of Calloway Properties Inc. from May 1, 1997 to January 22, 2002.	45,000
Kevin B. Pshebniski ⁽²⁾⁽³⁾ Calgary, Alberta	Trustee and Proposed Trustee	Vice President with Hopewell Group of Companies from January 1996 to September 1997. Chief Operating Officer of Hopewell Development Corporation from September 1997 to September 1998. President of Hopewell Development Corporation from September 1998 to present. Vice President of Exeter Financial Corp., a private mortgage finance company, from 1995 to present. Director of ST Systems Corp., a technology company which was listed on the TSX Venture Exchange, since 1996. Trustee of Calloway Real Estate Investment Trust since December 4, 2001. Director of Calloway Properties Inc. from May 1, 1997 to January 22, 2002.	57,273
Ken Delf ⁽³⁾⁽⁴⁾⁽⁶⁾ Calgary, Alberta	Trustee	President of several private commercial real estate development and investment companies based in Calgary, Alberta including Project 58 Inc. since 1990, Vista Square Inc. since 1995, Stonepines, Inc. since 1998 and 221-239 Tenth Avenue Inc. since 2001. Also, President of Delf Holdings Inc., a commercial real estate development and investment company based in Arizona. Masters of Business Administration Degree from the Richard Ivey School of Business at the University of Western Ontario in 1969. Bachelor of Arts Degree from the	4,500

<u>Name and Municipality Of Residence</u>	<u>Current Office In Calloway</u>	<u>Principal Occupation</u>	<u>Units Beneficially Owned or Controlled</u>
		University of Calgary in 1967. Trustee of Calloway Real Estate Investment Trust since September 24, 2002.	
David Carpenter ⁽²⁾⁽⁴⁾⁽⁶⁾ Lethbridge, Alberta	Trustee	Mayor of Lethbridge, Alberta from 1986 to 2001. Alberta representative on the board of the Federation of Canadian Municipalities from 1999 to 2000. Fellow of the Institute of Chartered Accountants since 1989. Former publisher of several Western Canadian newspapers. Chairman of the board of WCB-Alberta. Trustee of Calloway Real Estate Investment Trust since July 2003.	177,500
Simon Nyilassy ⁽¹⁾⁽³⁾⁽⁴⁾ Toronto, Ontario	Trustee and Proposed Trustee	Executive Vice-President Finance and Treasury of FirstPro Shopping Centres group of companies commencing from November 2000 to present. Prior to that Mr. Nyilassy was a finance consultant from August 1998 to November 2000. Trustee of Calloway Real Estate Investment Trust since November, 2003. Mr. Nyilassy is a Chartered Accountant and has a Bachelor of Science degree from the University of Warwick (1976).	17,500
Michael Young ⁽⁴⁾⁽⁵⁾⁽⁷⁾	Trustee and Proposed Trustee	President of Quadrant Capital Partners, a private real estate investment firm with offices in Toronto and Dallas since November 2003. From 1994 through October 2003, Managing Director and Head of Real Estate Investment Banking for CIBC World Markets. Mr. Young was appointed Global Head of Real Estate for CIBC World Markets in 1997. Mr. Young also serves as a trustee of Boardwalk Real Estate Investment Trust, a trustee of IPC U.S. Income REIT and a director of Brookfield Homes Corporation. Trustee of Calloway Real Estate Investment Trust since November 11, 2003.	350,000
Al Mawani ⁽²⁾⁽³⁾ Toronto, Ontario	Trustee and Proposed Trustee	Mr. Mawani is currently president of Exponent Capital Partners Inc., a private equity firm. Prior to January 31, 2004, Mr. Mawani was a Vice-President of Industrial Promotion Services Ltd., another private equity firm. Prior thereto, Mr. Mawani was Executive Vice-President of Business Development for one year and Senior Vice-President and Chief Financial Officer for 10 years at Oxford Properties Group Inc., one of Canada's largest real estate companies. Mr. Mawani is a Chartered Accountant and has a Masters in Business Administration from the University of Toronto. He is a member of the Financial Executives Institute and is a trustee of IPC US Real Estate Investment Trust and Boardwalk Real Estate Investment Trust.	1,000
Mitchell Goldhar ⁽⁷⁾ Toronto, Ontario	Proposed Trustee	President and Chief Executive Officer of First Pro Group of Companies, a Toronto property developer, since 1999.	6,048,513

Name and Municipality Of Residence	Current Office In Calloway	Principal Occupation	Units Beneficially Owned or Controlled
Peter Forde ⁽⁷⁾ Richmond Hill, Ontario	Proposed Trustee	Executive Vice-president Finance and Administration of FirstPro since 1998, Vice-president and Chief Financial Officer of Nexacor Realty Management Inc. (real estate subsidiary of Bell Canada) from January 1996 to October 1998. Mr. Forde is a Chartered Accountant and has a Bachelor of Business Administration degree from York University (1977).	nil

Notes:

- (1) Effective following the closing of the Acquisition as contemplated and discussed herein, Simon Nyilassy will replace J. Michael Storey as President and Chief Executive Officer of Calloway.
- (2) Member of the Audit Committee. For further details on the Audit Committee, please refer to the section entitled "Audit Committee" in the Annual Information Form of Calloway dated March 22, 2005 and for the financial year ended December 31, 2004.
- (3) Member of the Investment Committee.
- (4) Member of Compensation, Nominating and Governance Committee.
- (5) Mr. Young has been retained by Calloway as a consultant to provide services connected to financing activities of Calloway.
- (6) Will not be standing for re-election at the Meeting in the event that the Acquisition closes.
- (7) FirstPro appointee in the event that the Acquisition closes.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, to the best of the knowledge of Management no person or company who is a proposed Trustee of Calloway:

- (a) is, as at the date of this Management Information Circular or has been, within the 10 years before the date of this Management Information Circular, a director or executive officer of any company, that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Sable Technologies, Inc., a California based company of which Kevin Pshebniski was a director, filed bankruptcy protection documentation in California on August 12, 2001. Bramalea Limited, a company of which Simon Nyilassy was Senior Vice-President, Finance, filed for bankruptcy protection in 1995.

Governance

In 1995, the Toronto Stock Exchange (“TSX”) adopted a series of recommendations and guidelines (the “TSX Guidelines”) from the Report of the TSX Committee on Corporate Governance in Canada (the “TSX Report”). The TSX Guidelines deal with the constitution of boards of directors and board committees, their functions, their independence from management and other means of addressing governance practices. The TSX has, in accordance with the recommendations in the TSX Report, imposed a disclosure requirement on every TSX listed company incorporated in Canada to disclose on an annual basis its approach to governance with reference to the TSX Guidelines in either its annual report or the Management Information Circular for its annual meeting.

The board of trustees of Calloway (the “Board”) believes that sound governance practices are essential to achieve the best long-term interests of Calloway and the enhancement of value for all security holders. Regulatory changes to governance that have occurred, or will occur, are continually monitored by the Board and the Board has taken, or will take, appropriate action as regulatory changes occur. Listed below are the current TSX Guidelines and a brief discussion of Calloway’s compliance with each guideline.

GUIDELINE	COMPLIANCE	COMMENTS:
1. The Board should explicitly assume responsibility for the stewardship of the Trust.	Yes	The Board supervises management of the Trust with the goal of enhancing long term Unitholder value. Management, in turn, is responsible for the day-to-day management of the business and affairs of the Trust and its subsidiaries. The Board approves all significant decisions that affect the Trust before they are implemented, supervises the implementation and reviews the results.
a) The Board should adopt a strategic planning process.	Yes	Management is responsible for establishing strategic planning initiatives for the Trust. The Board assists in the development of these goals and strategies by acting as a sounding board and contributing ideas. The Board ultimately approves the strategic plan, taking into account the risks and opportunities of the business of the Trust.
b) The Board should identify the principal risks of the Trust’s business and ensure the implementation of appropriate systems to manage these risks.	Yes	In conjunction with Management, the Board regularly identifies, assesses, discusses and manages the principal risks to the operations of the Trust. The Audit Committee and the Board as a whole review market risks, liquidity risks and interest rate risks.
c) The Board should assume responsibility for succession planning, including appointing, training and monitoring senior management.	Yes	The Board, through the Compensation, Nominating and Governance Committee, has responsibility for succession planning, including appointing, training and monitoring senior management of the Trust. The Compensation, Nominating and Governance Committee at least annually reviews, reports and, where appropriate, provides recommendations to the Board in respect of senior officers and their performance, as well as existing management resources.
d) The Board should establish a communications policy for the Trust.	Yes	The Board has adopted a disclosure policy to disseminate material information in a timely manner to all interested parties in accordance with applicable securities laws. Material disclosure documents such as annual reports, annual financial statements, quarterly financial statements, management’s discussion and analysis on financial results, proxy circulars, and annual information forms are reviewed and approved by the

GUIDELINE	COMPLIANCE	COMMENTS:
		Board, in each case before they are distributed. Specified officers of the Trust are authorized to make ongoing disclosure and to respond to inquiries from Unitholders and other stakeholders.
e) The Board should assume responsibility for integrity of the Trust's internal control and management information systems.	Yes	The Board, through the Audit Committee, oversees the integrity of the Trust's financial reporting, internal control and management information systems. The Board has adopted a mandate for the Audit Committee which details the responsibilities and authority of the Audit Committee. At each Audit Committee meeting, the Audit Committee receives information and consults with management to satisfy itself with the integrity of these systems. In addition, the Audit Committee affords the external auditors the opportunity of expressing on a confidential basis their views respecting the integrity of these systems.
2. The Board shall be constituted with a majority of individuals who qualify as unrelated trustees.	Yes	The Board is composed of nine trustees. The Board has determined, after reviewing the roles and relationships of each of the trustees, that six (6) of the trustees, namely David M. Calnan, Jamie M. McVicar, Ken Delf, Kevin Pshebniski, David Carpenter and Al Mawani are unrelated. In the event that the Acquisition closes five (5) of the proposed trustees, namely David M. Calnan, Jamie M. McVicar, Kevin Pshebniski, Al Mawani and Mike Storey will be unrelated, although Mr. Storey will not be an "independent" director under the TSX guidelines by virtue of the fact that he has been an officer of Calloway within the past three years. The Board has determined that the Trust does not have a "significant unitholder", being a unitholder with the ability to exercise the majority of votes for the election of trustees.
3. The Board is required to disclose its analysis of the application of the principles supporting the conclusion in item 2.	Yes	An "unrelated trustee" is a trustee who is independent of management and is free from any interest and any other business or other relationship which 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 or relationships arising from holding units of the Trust. The Board has determined that three (3) of the current trustees and four (4) of the proposed trustees are related trustees. J. Michael Storey is the President and Chief Executive Officer of Calloway and is therefore currently a "related trustee". Following the Acquisition Mr. Storey will be an "unrelated" trustee. However, Mr. Storey will not be considered independent under applicable securities regulations since he was an executive officer of the Trust within the last three years. Simon Nyilassy is the Executive Vice President of the FirstPro Shopping Centres group of companies which provides property management services to Calloway and is beneficially owned and controlled by the largest unitholder of Calloway and is therefore a "related trustee". In addition, Mr. Nyilassy will assume the position of President and Chief Executive Officer following the Acquisition. Michael Young has been retained by Calloway as a consultant to provide services connected

GUIDELINE	COMPLIANCE	COMMENTS:
		to financing activities of Calloway and is therefore a “related trustee”. Kevin Pshebniski is the President of a company with which Calloway has a development agreement but this is not considered material to Calloway and he is therefore considered an “unrelated trustee”. David Calnan is a partner in a law firm that provides legal services to Calloway but, after a review, has been determined by the trustees to be an “unrelated trustee”. Mr. Calnan’s interest in the legal fees payable to the law firm are not material to him while Mr. Calnan’s interest in Units of Calloway are material to him. Mr. Calnan is not “independent” under applicable securities regulations related to audit committees. Mitchell Goldhar holds a controlling equity interest in the FirstPro Shopping Centres Group of Companies and thus will be considered a “related trustee”. Peter Forde is Executive Vice President, Finance and Administration of FirstPro and is therefore considered a “related trustee”.
4. The Board should appoint a committee of trustees composed exclusively of outside trustees (i.e. non-management), a majority of whom are unrelated trustees, with the responsibility for proposing to the full Board new nominees to the Board and for assessing trustees on an ongoing basis.	Yes	The Board has appointed the Compensation, Nominating and Governance Committee which is responsible for, among other items: (i) reviewing the size and composition of the Board; (ii) recommending candidates for election to the Board; (iii) reviewing credentials of nominees for re-election; and (iv) recommending candidates for filling vacancies on the Board. All members of the Compensation, Nominating and Governance Committee are outside trustees and a majority are unrelated.
5. The Board should implement a process for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual trustees.	Yes	The Compensation, Nominating and Governance Committee reviews the effectiveness of the Board, its committees and individual trustees. The mandate of the Compensation, Nominating and Governance Committee includes, among other items: (i) assessing the effectiveness of the Board in fulfilling its responsibilities and duties; (ii) reviewing the performance of individual trustees; and (iii) reviewing the composition of the Board and its various committees and making recommendations to the Board on matters such as their size, composition and structure.
6. Existence of an orientation and education program for new trustees.	Yes	The Board and Management have established an informal orientation and education program for new trustees and new committee members. Existing Board members have historically provided orientation and education to new members on an ad hoc and informal basis in light of the particular needs of each new member. Every member of the Board has access to management and relevant business information. Management makes regular presentations to the Board on the main areas of the Trust’s business.

GUIDELINE	COMPLIANCE	COMMENTS:
7. The Board should examine the size of the Board and the impact of the number upon effectiveness.	Yes	The Board reviews its size and composition from time to time to determine their impact on its effectiveness. The Board believes that a board of nine (9) trustees is an appropriate size for a public entity with a capitalization and business of the Trust's size. The Board believes that its current trustees comprise an appropriate mix of individuals with real estate, accounting, financial, legal and general business experience.
8. The Board should review the adequacy and form of the compensation of trustees and ensure the compensation realistically reflects the responsibilities and risks involved in being an effective trustee.	Yes	The Board, through its Compensation, Nominating and Governance Committee, periodically reviews the adequacy and form of compensation of its trustees. The committee considers the time commitment, risks and responsibilities of trustees and takes into account the types of compensation and the amounts paid to directors and/ or trustees of comparable publicly traded Canadian companies.
9. Committees of the Board should generally be composed of outside trustees, a majority of whom are unrelated trustees.	Yes	The Board has three committees: an Audit Committee, a Compensation, Nominating and Governance Committee and an Investment Committee. All members of the Audit Committee are outside trustees and unrelated trustees. All members of the Compensation, Nominating and Governance Committee are outside trustees and a majority are unrelated trustees. All members of the Investment Committee are outside trustees and a majority are unrelated trustees.
10. The Board should assume responsibility for, or a committee of the Board should be assigned general responsibility for, developing the Trust's approach to governance issues.	Yes	The Board, through the Compensation, Nominating and Governance Committee, is responsible for the Trust's approach to corporate governance issues. This committee discharges its responsibility through review and consideration of the Trust's governance principles and brings forth recommendations to the Board regarding necessary changes to those principles arising pursuant to regulatory changes or otherwise.
11. The Board, together with the Chief Executive Officer ("CEO"), should develop position descriptions for the Board and the CEO, involving the definition of the limits to Management's responsibilities. In addition, the Board should approve or develop the corporate objectives which the CEO is responsible for meeting and assess the CEO against these objectives.	Yes	The Board has responsibility for: (i) participating in the development of a corporate strategic plan; (ii) identifying and managing business risks; (iii) ensuring the integrity and adequacy of Calloway's internal controls and management information systems; (iv) defining the roles and responsibilities of Management; (v) reviewing and approving the business and investment objectives to be met by Management; (vi) assessing the performance of Management and the performance of its subsidiaries; (vii) succession planning; (viii) ensuring effective and adequate communication with Calloway's Unitholders and other stakeholders as well as the public at large; and (ix) establishing committees of the board of Trustees, where required, and defining their mandates. In addition, the Board has adopted a mandate which expands upon its objectives and responsibilities. The Board has developed a position description for the CEO involving the definition of the limits to the CEO's responsibilities. The Board has developed objectives which the CEO is responsible for meeting and the Board assesses the CEO against those objectives.

GUIDELINE	COMPLIANCE	COMMENTS:
12. The Board should have structures and procedures for ensuring that the Board can function independently of Management.	Yes	The Board meets independently of Management on an ongoing basis. During some meetings, the Board and its committees conduct “in camera” sessions, at which no management trustees or members of management are present. In matters which require the independence of the Board, only the unrelated Board members take part in the decision-making responsibilities and evaluations.
13. a) The Audit Committee of the Board should be composed only of outside trustees. b) 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. c) The Audit Committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. d) The Audit Committee duties should include oversight responsibility for Management reporting on internal control and should ensure that Management has designed and implemented an effective system of internal control.	Yes Yes Yes Yes	The Audit Committee is comprised entirely of unrelated Trustees who are also all outside trustees. The Audit Committee has adopted a mandate which specifically defines its roles and responsibilities which include the review of annual and quarterly financial statements, review of accounting practices and policies, ongoing reviews with and of the Trust’s auditors including the scope of the audit, and the role, independence and fees of the external auditors. The Audit Committee is responsible for the Trust’s financial reporting processes and the quality of its financial reporting. In fulfilling this responsibility, the Audit Committee oversees the terms of engagement and relationship between the Trust and its external auditors. The Audit Committee is free to communicate directly with the external auditors of the Trust without the presence of Management. The Trust’s external auditors have a direct line of communication with the Audit Committee at all times and meet with the committee without management present at least once each quarter. The Audit Committee’s duties include oversight responsibility for Management reporting on internal control and ensuring that Management has designed and implemented an effective system of internal control.
14. The Board should implement a system which enables an individual trustee to engage an outside advisor at the expense of the Trust in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate Committee of the Board.	Yes	The Board and its committees may retain outside advisors as they deem necessary. Individual trustees may also retain outside advisors, at the expense of the Trust, upon approval of the Compensation, Nominating and Governance Committee.

Executive Compensation

Composition of the Compensation, Nominating and Governance Committee

The Compensation, Nominating and Governance Committee of the Board of Trustees of Calloway during the most recently completed financial year of Calloway consisted of Jamie M. McVicar, Ken Delf, David Carpenter, Simon Nyilassy and Michael Young. Mr. McVicar was the Chairman of the Compensation, Nominating and Governance Committee during the most recently completed financial year of Calloway.

Compensation Policy

As set forth below under the heading “Employment Agreements”, each of J. Michael Storey, Mark Suchan and Keith McRae have entered into Employment Agreements with Calloway. In determining the appropriate terms of the Employment Agreements, the Compensation, Nominating and Governance Committee of Calloway considered the following objectives:

- (a) obtaining the executives critical to the success of Calloway and the enhancement of Unitholder values;
- (b) providing fair and competitive compensation;
- (c) balancing the interests of management and Unitholders of Calloway; and
- (d) reviewing performance, both on an individual basis and with respect to the business of Calloway in general.

To achieve these objectives, the compensation paid to each of J. Michael Storey, Mark Suchan and Keith McRae consists of the following three primary components:

- (a) base salary;
- (b) annual bonus incentives;
- (c) long-term incentive in the form of Unit options granted in accordance with the Unit Option Plan of Calloway; and
- (d) long-term incentive in the form of deferred units granted in accordance with the Deferred Unit Plan of Calloway.

Base Salary

The base salary of each of J. Michael Storey, Mark Suchan and Keith McRae was determined by assessment of the Compensation, Nominating and Governance Committee of such executive’s performance, consideration of competitive compensation levels in entities similar to Calloway, and the role such executive is expected to play in the performance of Calloway.

Bonus Incentives

Annual cash bonus incentive awards are based upon the ability of Calloway to meet the targeted annual distribution levels set out at the commencement of each fiscal year. This establishes a direct link between executive compensation and Calloway’s performance.

In addition, from time to time, the Board of Trustees may declare an additional cash bonus in favour of one or more members of Calloway’s management team in circumstances where it is determined that the executive(s) in question have made an exceptional contribution to the performance of Calloway during the fiscal year. The Board of Trustees has determined that a special bonus should be payable in the event that the Acquisition is completed, the details of which are discussed the section titled “Executive Compensation - Employment Agreements” below.

Long-term Incentive

Calloway provides a long-term incentive by granting options and deferred units to trustees, executive officers and employees through the Unit Option Plan and the Deferred Unit Plan, respectively. The objective of granting options and deferred units is to encourage trustees, executive officers and employees to acquire an ownership interest in Calloway over a period of time which acts as a financial incentive for such persons to consider the long-term interests of Calloway and its Unitholders.

Compensation of Executive Officers

The following table provides a summary of all compensation paid to Calloway's three executive officers (the "Named Executive Officers") for the periods indicated. No other executive officer of Calloway received compensation in excess of \$150,000 during the financial year ended December 31, 2004.

Name and Principal Position	Year Ended	Annual Compensation			Long Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$) ⁽¹⁾	Awards	Payouts	All Other Compensation (\$)	
					Options to Purchase Common Shares (#)	Restricted Shares or Restricted Share Units (\$)	Deferred Unit Plan Payouts (\$)	
J. Michael Storey, President & CEO	2004	254,808	150,000	14,906	Nil	N/A	150,000	N/A
	2003	125,000	150,000	12,375	195,000	N/A	N/A	N/A
	2002	101,923	Nil	1,385	Nil	N/A	N/A	N/A
Mark Suchan, CFO	2004	162,885	80,000	4,015	Nil	N/A	80,000	N/A
	2003 ⁽²⁾	95,793	30,000	2,009	65,000	N/A	N/A	N/A
	2002 ⁽²⁾	8,654	10,000	Nil	Nil	N/A	N/A	N/A
Keith McRae, Director of Operations	2004	102,885	50,000	8,596	Nil	N/A	50,000	N/A
	2003	75,000	30,000	7,787	65,000	N/A	N/A	N/A
	2002	63,654	10,000	692	Nil	N/A	N/A	N/A

Notes:

- (1) Represents car and health club allowance and premiums for health, dental, life and accidental death insurance.
(2) Employed part time for a portion of the year.

The following table sets forth, in respect of the Named Executive Officers, details of the options granted during the financial year ended December 31, 2004:

Aggregated Option Issuances During the Most Recently Completed Financial Year

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Options on the Date of Grant (\$/Security)	Expiration Date
J. Michael Storey	Nil	Nil	Nil	Nil	N/A
Mark Suchan	Nil	Nil	Nil	Nil	N/A
Keith McRae	Nil	Nil	Nil	Nil	N/A

The following table sets forth, in respect of the Named Executive Officers, details of the options exercised in the financial year ended December 31, 2004 and the financial year-end number and value of unexercised options on an aggregate basis:

Financial Year-End Option Values

Name	Securities Acquired on Exercise (# Units)	Aggregate Value Realized ⁽¹⁾ (\$)	Unexercised Options at December 31, 2004 (#) Exercisable/Unexercisable	Value of Unexercised in-the- Money Options at December 31, 2004 ⁽²⁾ (\$) Exercisable/Unexercisable
J. Michael Storey	30,000	180,000	135,000/30,000	1,181,250/262,500
Mark Suchan	26,600	117,400	23,400/15,000	204,750/131,250
Keith McRae	20,000	111,520	30,000/15,000	262,500/131,250

Notes:

- (1) This amount was determined by multiplying the number of Units issued upon the exercise of options by the closing price of the Units on the Toronto Stock Exchange on the date of exercise and subtracting therefrom the product of the number of such units and the exercise price thereof.
- (2) For the purposes of calculating the value of unexercised “in-the-money” options, for each option the exercise price was subtracted from the \$18.75 closing price per Unit on the Toronto Stock Exchange (the “TSX”) on December 31, 2004, the last trading day of the most recently completed financial year.

Employment Agreements

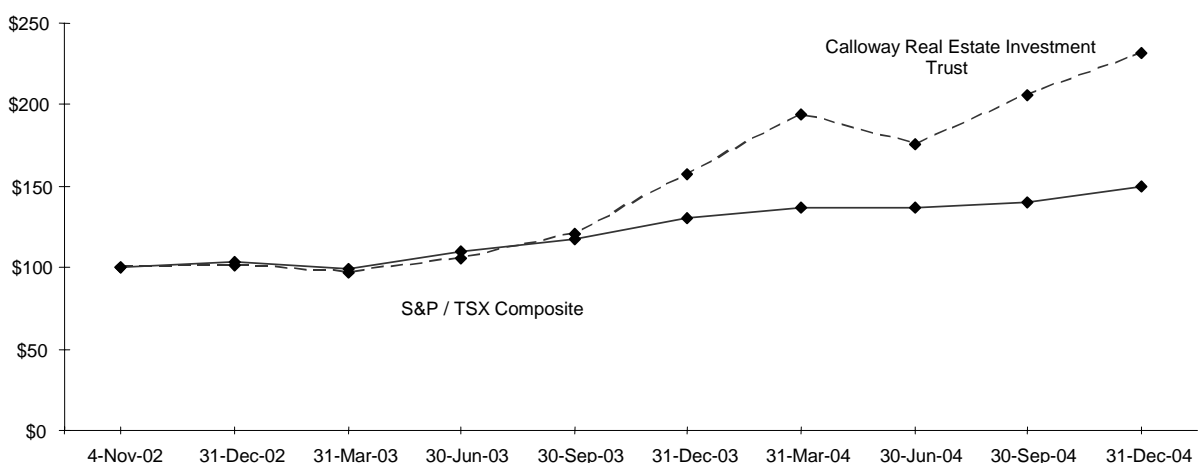
Each of J. Michael Storey, Mark Suchan and Keith McRae has entered into employment agreements (the “Employment Agreements”) with Calloway. The current annual compensation payable to each of J. Michael Storey, Mark Suchan and Keith McRae under the Employment Agreements is \$350,000 plus a bonus of up to \$200,000, \$200,000 plus a bonus of up to \$100,000, and \$125,000 plus a bonus of up to \$75,000, respectively. Each agreement will continue indefinitely, subject to termination by either party upon notice. Each agreement provides for the executive management individual’s base salary and for benefits in accordance with benefit plans for employees established from time to time by Calloway. Each agreement provides for the executive management individual to receive an amount if the agreement is terminated other than for cause. For J. Michael Storey, if he is terminated following the Acquisition, this termination amount will be 1.5 times the sum of one year’s base salary plus targeted maximum 2005 bonus, or \$825,000. For Mark Suchan and Keith McRae, if they are terminated following the Acquisition, this amount will be one year’s base salary plus targeted maximum 2005 bonus, or \$300,000 and \$200,000 respectively. Based on an analysis of the attributes of the Acquisition and its beneficial impact on Calloway, the Trustees have agreed to award an additional bonus of \$200,000, \$100,000 and \$75,000 to Messrs. Storey, Suchan and McRae respectively contingent upon the closing of the Acquisition, termination of each following the closing of the Acquisition and confirmation by the Compensation and Governance Committee that the final terms of the Acquisition continue to represent a favourable transaction for Calloway. None of the amounts payable to senior management on termination of their employment, including the contingent special award connected to the completion of the Acquisition, is eligible for participation in the Deferred Unit Plan.

Compensation of Trustees

The Trustees are entitled to compensation for services rendered to Calloway in their capacities as Trustees. Compensation for the Trustees, other than J. Michael Storey who is also the President and Chief Executive Officer of Calloway and is compensated in that capacity, is currently set at \$18,000 per year plus an additional \$1,000 for each meeting of Trustees or committee meeting attended and an additional annual fee of \$2,500 for the Chairman of each committee of the Board. Mr. Storey is not entitled to receive any compensation for services rendered to Calloway as a Trustee. The Trustees are also entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Trustees or any committee thereof in connection with their services as Trustees. For the year ended December 31, 2004, the Trustees earned an aggregate of \$218,700 for their services. Further, Michael Young provides consulting services to Calloway in consideration for a fee calculated as between 10 and 15 basis points multiplied by the amount raised by Calloway in any public financing. For the year ended December 31, 2004, Mr. Young earned an additional \$481,475 for the provision of these services.

Unit Performance Graph

The following graph compares the cumulative total unitholder returns (assuming an investment of \$100.00 on November 4, 2002, the date the Units of Calloway were listed for trading on the Toronto Stock Exchange, and assuming the reinvestment of cash distributions into Units on the date of payment of such distributions) on Calloway’s Units during the period November 4, 2002 to December 31, 2004 with the cumulative return of the Toronto Stock Exchange S&P/TSX Composite Index during the same period. The price performance of the Calloway’s Units as set out on the graph does not necessarily indicate future price performance.



Note:

- (1) Calloway paid cumulative distributions of \$2.5603 per Unit between November 4, 2002 and December 31, 2004.

Indebtedness of Trustees and Officers

As of the date of this Management Information Circular, none of the trustees or executive officers of Calloway, or any associate or affiliate of any of the trustees or executive officers of Calloway is indebted to Calloway.

Equity Compensation Plan Information.

The following table summarizes certain information as of May 23, 2005 regarding compensation plans of Calloway under which equity securities of Calloway are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders ⁽¹⁾	228,400	\$10.00	2,000
Equity compensation plans not yet approved by securityholders ⁽²⁾	49,218	\$19.31	200,782
Total	277,618		202,782

Notes:

- (1) See the paragraphs below under the heading "Unit Option Plan" for a description of the Unit Option Plan of Calloway.
 (2) See the paragraphs below under the heading "Deferred Unit Plan" for a description of the Deferred Unit Plan of Calloway.

Unit Option Plan

Calloway currently has an incentive unit option plan (the "Unit Option Plan") which has been previously approved by the Unitholders. The Unit Option Plan is administered by the Board of Trustees of Calloway, or by a special

committee of the Trustees appointed from time to time by the Board of Trustees of Calloway pursuant to rules of procedure fixed by the Board of Trustees of Calloway. Pursuant to the terms of the Unit Option Plan, trustees, directors, officers, consultants, and employees of Calloway or its subsidiaries are eligible for selection to participate in such incentive Unit Option Plan (such persons hereinafter collectively referred to in this section as "Participants"). The Board of Trustees of Calloway shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Units to be subject to each option. The purpose of Unit Option Plan is to advance the interests of Calloway by encouraging Participants to acquire Units in the capital of Calloway, thereby increasing their proprietary interest in Calloway, encouraging them to remain associated with Calloway and furnishing them with additional incentive in their efforts on behalf of Calloway in the conduct of its affairs.

As of May 31, 2005, Calloway has 36,904,570 Units outstanding. The maximum number of Units reserved for issuance under the Unit Option Plan is 562,000, or approximately 1.5% of the currently outstanding Units of Calloway. An aggregate of 331,600 Units, or approximately 0.9% of the currently outstanding Units of Calloway, have been issued upon the exercise of options granted pursuant to the Unit Option Plan. Options to acquire a further 228,400 Units, or approximately 0.6% of the currently outstanding Units of Calloway, have been granted pursuant to the Unit Option Plan.

The Unit Option Plan provides that the number of Units reserved for issuance pursuant to the Unit Option Plan in respect of all options granted to any one Participant, together with any other previously established or proposed share compensation arrangement of Calloway, at any one time shall not exceed five percent (5%) of the outstanding Units in the capital of Calloway from time to time. The Unit Option Plan also provides that the number of Units reserved for issuance pursuant to the Unit Option Plan in respect of all options granted to all insiders of Calloway (as that term is defined in the *Securities Act* (Ontario)) ("Insiders"), together with any other previously established or proposed share compensation arrangement of Calloway, at any one time shall not exceed ten percent (10%) of the outstanding Units in the capital of Calloway from time to time. The Unit Option Plan also provides that the number of Units that may be issued to Insiders of Calloway within a one year period pursuant to the Amended Option Plan or any other previously established or proposed share compensation arrangement of Calloway shall not exceed (10%) of the outstanding Units in the capital of Calloway from time to time. The Unit Option Plan also provides that the number of Units that may be issued to any one Insider, and associates (as that term is defined in the *Securities Act* (Ontario)) of such Insider ("Associates"), pursuant to the Unit Option Plan or any other previously established or proposed share compensation arrangement of Calloway within a one year period shall not exceed five percent (5%) of the outstanding Units in the capital of Calloway from time to time.

The exercise price of the Units subject to each option shall be determined by the Board of Trustees of Calloway at the time any option is granted. In no event shall such exercise price be lower than the closing price of the Units on the Toronto Stock Exchange on the first date preceding the date of grant on which the Units traded on such exchange. Once the exercise price has been determined by the Board of Trustees of Calloway and accepted by the Toronto Stock Exchange, the exercise price of an option may be reduced upon receipt of approval of the Board of Trustees of Calloway, provided that in the case of options held by Insiders of Calloway, the exercise price of an option may be reduced only if disinterested Unitholder approval is obtained.

Subject to earlier termination upon certain events as hereinafter described, each option and all rights thereunder granted pursuant to the Unit Option plan shall expire on the date determined by the Board of Trustees, provided that in no circumstances shall the duration of an option exceed 10 years.

If a Participant shall cease to be a trustee, director, officer, consultant, employee of Calloway, or its subsidiaries, for any reason (other than death), such Participant may then only exercise his or her option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a trustee, director, officer, consultant, employee of Calloway, or its subsidiaries.

In the event of the death of a Participant, the option previously granted to him or her shall be exercisable only within the first year after such death and then only: (a) by the person or persons to whom the Participant's rights under the

option shall pass by the Participant's will or the laws of descent and distribution; and (b) if and to the extent that such Participant was entitled to exercise the option at the date of his or her death.

Subject to any vesting restrictions imposed by the relevant exchange upon which the Units of Calloway are listed, the Board of Trustees of Calloway may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Unit Option Plan shall not be transferable or assignable. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

The Board of Trustees of Calloway has the power to amend, modify, suspend or terminate the Unit Option Plan, subject to any necessary regulatory and Unitholder approvals. Subject to the receipt of any necessary regulatory or Unitholder approvals, the Board of Trustees may also at any time amend or revise the terms of any options granted under the Unit Option Plan from time to time. The TSX will generally not require its listed issuers to obtain security holder approval for the following types of amendments: (a) amendments of a "housekeeping" nature; (b) change to the vesting provisions of a security or a plan; (c) a change to the termination provisions of a security or a plan which does not entail an extension beyond the original expiry date; and (d) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the plan reserve. The TSX will generally require its listed issuers to obtain security holder approval for the following types of amendments: (a) any amendment to the number of securities issuable under the plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage; (b) any change to the eligible participants which would have the potential of broadening or increasing insider participation; (c) the addition of any form of financial assistance; (d) any amendment to a financial assistance provision which is more favourable to participants; (e) the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the plan reserve; and (f) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the issuer.

Deferred Unit Plan

The Board of Trustees of Calloway has adopted a deferred unit plan (the "Deferred Unit Plan"), subject to the approval of such plan by the Unitholders at the Meeting and by the Toronto Stock Exchange. If such approvals are obtained, the effective date of the Deferred Unit Plan will be January 1, 2004 or such other date as the Board of Trustees may determine. The Deferred Unit Plan is administered by the Compensation Committee of the Board of Trustees. A copy of the full text of the Deferred Unit Plan is attached as Schedule A hereto.

The purpose of the Deferred Unit Plan is to promote a greater alignment of interests between the Trustees, officers and employees of Calloway and/or its subsidiaries ("Eligible Participants") and the Unitholders.

Each Eligible Person is given the right to elect to be a participant (a "Participant") of the Deferred Unit Plan. An Eligible Person who elects to be a Participant shall be paid between sixty percent (60%) and one hundred percent (100%) of:

- (i) in respect of a Trustee, the annual retainer paid by Calloway to that Trustee in a calendar year for service on the Board of Trustees, together with committee fees, attendance fees and additional fees and retainers to committee chairs; and
- (ii) in respect of an officer or employee, the annual bonus paid by Calloway to that officer or employee in a calendar year;

(the "Elected Amount") in the form of deferred Units ("Deferred Units") in lieu of cash provided that Calloway shall match the Elected Amount for each Participant such that the number of Deferred Units issued to each Participant shall be equal in value to two (2) times the Elected Amount.

The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Deferred Unit Plan will be calculated by dividing (i) two (2) times the dollar amount of the Elected Amount allocated to the Participant by (ii) the Market Value (as defined below) of a Unit on the award date. "Market Value" at any date in respect of the Units means the volume weighted average price of all Units traded on the Toronto Stock Exchange for the ten trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the Toronto Stock Exchange, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Board of Trustees). In the event that such Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board of Trustees in its sole discretion.

Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements (other than as set out below) or rights on liquidation. One (1) Deferred Unit is equivalent to one (1) Unit. Fractional Units are permitted under the Deferred Unit Plan.

Generally speaking, Deferred Units granted to Participants pursuant to the Deferred Unit Plan shall vest in accordance with the following schedule:

- (a) 50% of the Deferred Units shall vest on the third anniversary of the grant;
- (b) 25% of the Deferred Units shall vest on the fourth anniversary of the grant; and
- (c) 25% of the Deferred Units shall vest on the fifth anniversary of the grant.

Notwithstanding the foregoing, the Board of Trustees shall have the discretion to vary the manner in which Deferred Units vest for any Participant.

The Deferred Units credited to a Participant's Deferred Unit account that have vested may be redeemable in whole or in part on the date in which the Participant files a written notice of redemption with Calloway (the "Redemption Date"). The Deferred Units credited to a Participant's Deferred Unit account shall vest immediately and be redeemable by the Participant (or, where the Participant has died, his or her estate) following an event, including termination other than for cause, retirement or death, causing the Participant to be no longer an Eligible Person (the "Termination Date"). Where the Participant has been terminated for cause, the Deferred Units credited to the Participant's Deferred Unit account shall be redeemable by the Participant in accordance with the aforementioned vesting schedule excepting only that a minimum of 50% of such Deferred Units shall be deemed vested. The Participant shall receive, within five (5) business days after the Termination Date or Redemption Date, as applicable, a whole number of Units from Calloway equal to the whole number of Deferred Units then recorded in the Participant's Deferred Unit account, net of any applicable withholding taxes. Calloway shall also make a cash payment, net of any applicable withholding taxes, to the Participant with respect to the value of fractional Deferred Units standing to the Participant's credit after the maximum number of whole Units have been issued by Calloway, calculated by multiplying (i) the number of such fractional Deferred Units by (ii) the Market Value of such fractional Deferred Units on the Termination Date or Redemption Date, as applicable. Upon payment in full of the value of the Deferred Units, the Deferred Units shall be cancelled.

Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit account. The number of such additional Deferred Units shall be calculated by dividing (i) the amount determined by multiplying (a) the number of Deferred Units in such Participant's Deferred Unit account on the record date for the payment of such distribution by (b) the distribution paid per Unit, by (ii) 97% of the Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two decimal places. Such additional Deferred Units shall vest on the basis as the initial Deferred Units granted from the date of grant of same.

As of May 31, 2005, Calloway has 36,904,570 Units outstanding. The aggregate number of Units authorized for issuance upon the redemption of all Deferred Units granted under the Deferred Unit Plan shall not exceed 250,000, or approximately 0.7% of the currently outstanding Units of Calloway, or such greater number of Units as may be

determined by the Board of Trustees and approved by the Unitholders and, if required, by any relevant stock exchange or other regulatory authority; provided, however, that: (i) at no time shall the number of Units reserved for issuance to insiders of Calloway pursuant to outstanding Deferred Units, together with the number of Units reserved for issuance to such persons pursuant to any other compensation arrangements, exceed 10% of the then outstanding Units, as calculated immediately prior to the issuance in question; and (ii) the number of Units issued to insiders of Calloway pursuant to outstanding Deferred Units together with the number of Units issued to such persons pursuant to any other compensation arrangements, within any one year period, shall not exceed 10% of the then outstanding Units. To date, no Units have been issued upon the redemption of Deferred Units issued under the Deferred Unit Plan. Further, to date Calloway has not issued any Deferred Units under the Deferred Unit Plan. However, subject to receipt of regulatory and Unitholder approval to the Deferred Unit Plan, on March 8, 2005 the Trustees of Calloway authorized the issuance upon conclusion of the meeting of an aggregate of 49,218 Deferred Units, or approximately 0.13% of the currently outstanding Units of Calloway, pursuant to the Deferred Unit Plan to the Trustees (20,224 Deferred Units) and officers of Calloway (28,994 Deferred Units) at a Market Value of \$19.31 per Deferred Unit, being the Market Value of the Units of Calloway on March 8, 2005.

In no event may the rights or interests of a Participant under the Deferred Unit Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or by the laws of succession and distribution.

The administration of the Deferred Unit Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Should the Compensation Committee, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of Deferred Units in Units, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by Calloway equal to the Market Value of the Units that would otherwise be delivered to a Participant in settlement of Deferred Units on the redemption date (less any applicable withholding taxes).

The Board of Trustees of Calloway has the power to amend, modify, suspend or terminate the Deferred Option Plan, subject to any necessary regulatory and Unitholder approvals. Subject to the receipt of any necessary regulatory or Unitholder approvals, the Board of Trustees may also at any time amend or revise the terms of any Deferred Units granted under the Deferred Option Plan from time to time. The TSX will generally not require its listed issuers to obtain security holder approval for the following types of amendments: (a) amendments of a "housekeeping" nature; (b) a change to the vesting provisions of a security or a plan; (c) a change to the termination provisions of a security or a plan which does not entail an extension beyond the original expiry date; and (d) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the plan reserve. The TSX will generally require its listed issuers to obtain security holder approval for the following types of amendments: (a) any amendment to the number of securities issuable under the plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage; (b) any change to the eligible participants which would have the potential of broadening or increasing insider participation; (c) the addition of any form of financial assistance; (d) any amendment to a financial assistance provision which is more favourable to participants; (e) the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the plan reserve; and (f) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the issuer.

Interests of Management and Others In Material Transactions

Except as set out in the paragraphs below and elsewhere in this Management Information Circular, no Trustee, officer or insider of Calloway or any associate or affiliate of any of the foregoing persons has or had any material interest in any material transaction with Calloway since the commencement of Calloway's last financial period which has not been previously disclosed in an information circular of Calloway.

On October 13, 2004, Calloway entered into agreements to purchase interests in 14 retail properties from Wal-Mart-First Pro Realty Partnership (the "Partnership") and from the Wal-Mart-FirstPro Realty Co-ownership (the "Co-

ownership”). On November 30, 2004, Calloway completed the acquisition from the Partnership of 6 of the 14 properties (the “Phase I Centres”). The purchase price of the Phase I Centres was \$71.5 million including costs of acquisition. The purchase price, net of adjustments, was satisfied via new debt financing totalling \$36.1 million, by the vendors providing a non-interest bearing mortgage totalling \$5.7 million, and by the payment of the balance in cash. The 6 centres included in the Phase I Centres comprised approximately 516,000 square feet of leased area and included adjacent lands with the potential future development of approximately 206,000 square feet of retail space, for a total potential area of 722,000 square feet. Upon closing of the transaction Wal-Mart, which leases space in 3 of the 6 centres, made up approximately 32.2% of Calloway’s gross rental revenue. As stated earlier, as at May 31, 2005, Mitchell Goldhar of Toronto, Ontario beneficially owns, directly and indirectly, approximately 16.4% of the outstanding Units of Calloway. First Professional Realty Inc., one of the partners of the Partnership, is controlled by Mitchell Goldhar and is affiliated with FirstPro. First Professional Realty Inc. had a 40% interest in the Partnership while Wal-Mart Canada Realty Inc. had a 60% interest in the Partnership.

Concurrently with the closing of the acquisition of the Phase I Centres, Calloway entered into development agreements with the Partnership for the undeveloped lands on each of the Phase I Centres (the “Phase I Development Agreements”). Pursuant to the Phase I Development Agreements, the Partnership assumed responsibility for managing the development of the land on the Phase I Centres and has been granted the right for a period of five years from the date of the acquisition to earn additional proceeds from Calloway on the completion and rental of additional space on these lands. The purchase price for the additional developments will be calculated by a formula using the net operating rents and predetermined capitalization rates. First Pro has the right, at its option, to receive up to 40% of the proceeds for any new developments in Units of Calloway at a purchase price of \$17.80 per unit (for an aggregate of approximately 345,000 Units). The Partnership agreed to provide financing to Calloway for the development costs of the additional developments. Calloway provided first mortgages, assignments of rents and leases, and general security agreements on two properties acquired from the Partnership and Co-ownership as security for the development loans for the Phase I Centres. The Partnership assigned its interest in financing development costs to the Wal-Mart-FirstPro Realty Partnership II (the “Partnership II”) on February 1, 2005.

During 2004, Calloway completed the purchase of an additional 147,381 square feet of developed space from the FirstPro and the Partnership for \$25.3 million (including land value of \$5.8 million) under the terms of the development agreements with those entities. The consideration paid consisted of: the issuance to FirstPro of 139,311 Units at a price of \$10.00 per Unit, 30,773 Units at a price of \$10.50 per Unit, 210,574 Units at a price of \$14.00 per Unit and 335,959 Units at a price of \$15.25 per Unit; assumption of development loans and accounts payable; and the balance in cash. In addition, Calloway repaid acquisition and development loans provided by the Partnership.

On March 10, 2005, Calloway completed the acquisition from the Co-ownership of the remaining eight properties it agreed to purchase on October 13, 2004 (the “Phase II Centres”). The purchase price of the Phase II Centres was approximately \$230 million including costs of acquisition. The purchase price, net of adjustments, was satisfied via new debt financing totalling \$155.2 million, by the vendors providing a non-interest bearing mortgage totalling \$6 million, and by the payment of the balance in cash. The 8 additional centres included in the Phase II Centres comprised approximately 2,097,000 square feet of leased area and included adjacent lands with the potential future development of approximately 258,000 square feet of retail space, for a total potential area of 2,355,000 square feet. Upon closing of the transaction Wal-Mart, which leases space in all 8 of the centres, made up approximately 34.2% of Calloway’s gross rental revenue. As stated earlier, as of May 23, 2005, Mitchell Goldhar of Toronto, Ontario beneficially owns, directly and indirectly, approximately 16.4% of the outstanding Units of Calloway. First Professional Realty Inc., one of the co-owners of the Co-ownership, is controlled by Mitchell Goldhar and is affiliated with FirstPro. First Professional Realty Inc. had a 40% interest in the Phase II Centres while Wal-Mart Canada Realty Inc. had a 60% interest in the Phase II Centres.

Concurrently with the closing of the acquisition of the Phase II Centres, Calloway entered into development agreements with the Partnership II for the undeveloped lands on each of the Phase II Centres (the “Phase II Development Agreements”). Pursuant to the Phase II Development Agreements, the Partnership II has assumed responsibility for managing the development of the land on the Phase II Centres and has been granted the right for a period of five years from the date of the acquisition to earn additional proceeds from Calloway on the completion and rental of additional space on these lands. The purchase price for the additional developments will be calculated by a formula using the net operating rents and predetermined capitalization rates. An affiliate of FirstPro has the

right, at its option, to receive up to 40% of the proceeds for any new developments in Units of Calloway at a purchase price of \$19.60 per unit (for an aggregate of approximately 225,000 Units). The Partnership II will provide financing to Calloway for the development costs of the additional developments. Calloway has provided a first mortgage, assignment of rents and leases, and a general security agreement on one property acquired from the Co-ownership as security for the development loans.

Additional Information

Additional information relating to Calloway may be found on SEDAR at www.sedar.com including additional financial information which is provided in Calloway's consolidated comparative financial statements and management's discussion and analysis for its most recently completed financial year. Unitholders may contact Calloway at any time to receive a copy of Calloway's consolidated comparative financial statements and management's discussion and analysis for its most recently completed financial year. Any such request should be made to the Chief Financial Officer of Calloway, 310, 855 – 8th Ave. SW, Calgary, Alberta T2P 3P1 and facsimile 403-266-6522.

THE ACQUISITION

Calloway has entered into separate conditional agreements with each of FirstPro and Wal-Mart Canada Realty Inc. ("Wal-Mart") dated May 11, 2005 and April 8, 2005 respectively (the "Purchase Agreements") to acquire (i) interests in 35 recently completed, large-format shopping centres and adjacent undeveloped lands with future development potential (the "Centres"), including a 60% interest in 8 of such centres from Wal-Mart and (ii) development properties for 10 new shopping centres, totalling approximately 11.2 million square feet on completion (the "Development Lands"), for consideration of approximately \$1.135 billion (the "Acquisition") (the "Centres" and "Development Lands" are hereinafter collectively called the "Centres V"). Under the terms of the Purchase Agreements, Calloway has also agreed to relocate its operations to Toronto from Calgary, take on part of FirstPro's leasing and development operations and appoint a new senior management team with Simon Nyilassy (now at First Pro) in the role of President and Chief Executive Officer. The termination payments disclosed at page 18 will be triggered as a result of these changes. Calloway intends to hire externally as well as offer employment to a number of employees of FirstPro to implement and manage the development process connected with 13 of the Centres and the Development Lands. This group will initially be responsible for approximately 2.0 million square feet of new development associated with the Centres V. The Acquisition is expected to close by July 15, 2005 and is subject to due diligence, Unitholder approval and other customary conditions. FirstPro will continue to manage all of the Centres.

The Centres V are located in 8 of Canada's 10 provinces. Sixty percent of the 35 Centres exceed 300,000 square feet in leaseable area and 25% of the Centres exceed 500,000 square feet. Wal-Mart operates a department store in 32 of the 35 Centres and comprises approximately 3.9 million square feet of the Centres with a weighed average remaining initial term of over 16 years. Calloway's share of rents generated from Wal-Mart leases will represent approximately 31% of the rents from Calloway's total portfolio after closing. Calloway expects that the Development Lands will, following completion of development, also be anchored by Wal-Mart and/or other large Canadian retailers. These properties are expected to achieve substantial completion within the next 1 to 3 years and will add a further 1.2 million square feet to Calloway's portfolio on completion.

In order to complete the Acquisition and as a condition of the Acquisition, Calloway intends to reorganize its affairs as follows:

1. Amend the Declaration of Trust to add a fair market value redemption feature to the publicly traded units, thus becoming an "open-ended" mutual fund trust. The terms and conditions of this redemption right are set out below in the section "Fourth Amended and Restated Declaration of Trust" at page 49 below;
2. Amend the Declaration of Trust to provide for the issuance of special voting units (the "Special Voting Units") to FirstPro. These Special Voting Units will be entitled to one vote per Special Voting Unit but will not be entitled to any distributions payable to Unitholders. The rights and restrictions associated with these

Special Voting Units are set out below in the section “Fourth Amended and Restated Declaration of Trust” at page 49 below;

3. Form a new trust (the “Calloway Holdings Trust”) with Calloway holding all of its units; and
4. Calloway Holdings Trust will form a limited partnership (“Calloway LP”).

Calloway LP shall have three classes of units: (i) class A units, entitled to distributions equal to such amount as Calloway Holdings Trust shall determine from time to time (the “Class A Units”) subject to ensuring that adequate provision has been made for distributions payable on other classes of Calloway LP units; (ii) class B units, entitled to distributions in the same amount and coincident with Units (in priority to distributions on Class A Units) and convertible at any time at the option of the holder into Units (“Class B Units”); and (iii) class C units which are entitled to nominal distributions and which are replaced by Class B Units at the option of the holder following the completion of certain earn-out events associated with developments on the Centres V (“Class C Units”) as more particularly discussed in “Access to Development Projects on Centres and Undeveloped Lands” at page 46 below. The holder of Class B Units will be entitled to one Special Voting Unit of Calloway for each Class B Unit held. Following the Acquisition, Calloway Holdings Trust will be the holder of all of the issued Class A Units. Distributions paid by Calloway LP to Calloway Holdings Trust and FirstPro will be treated partly as income and partly as return of capital in such ratio as is determined by agreement between Calloway and FirstPro.

The Purchase Agreements provide that certain of the Centres V will be acquired by Calloway LP while others will be acquired by Calloway. The base purchase price for the Centres V will be approximately \$1.135 billion (the “Purchase Price”), subject to adjustment as contemplated in the Purchase Agreement. The Purchase Price will be satisfied as follows:

- (a) by issuing an interest free mortgage in the amount of approximately \$13 million to Wal-Mart (the “Wal-Mart Mortgage”);
- (b) by payment of approximately \$271 million in cash to Wal-Mart;
- (c) by issuing interest free mortgages to FirstPro in the amount of approximately \$18 million (the “FirstPro Mortgages”);
- (d) by way of the issuance of approximately 12.6 million Class B Units at \$19.85 per Class B Unit, approximately 8.5 million Class C Units and approximately 12.6 million Special Voting Units to the Vendors excluding Wal-Mart, representing consideration in an amount equal to approximately \$250 million;
- (e) by way of assumption of existing mortgage debt on the Centres in the amount of approximately \$345 million (including a mark to market adjustment of \$22 million); and
- (f) by the payment of the balance in cash to the Vendors excluding Wal-Mart.

In addition to the Purchase Price, Calloway expects to incur approximately \$21 million in costs for an aggregate total cost to Calloway of approximately \$1.156 billion. Pursuant to the Purchase Agreements, Calloway will place \$1,000,000 (the “Deposit”) in trust with its legal counsel as a deposit towards payment of the Purchase Price. The Deposit may be forfeited and remitted to the Vendors if the Acquisition is not completed under certain circumstances.

Calloway intends to fund the cash component of the Purchase Price and its costs by obtaining debt financing of approximately \$329 million and by issuing Units pursuant to one or more arms length private placements or public offerings of Units which is expected to be completed prior to or concurrently with the closing for aggregate gross proceeds of approximately \$225 million. On June 2, 2005 Calloway agreed to issue up to 8,820,000 subscription receipts pursuant to the private placements at \$19.85 per subscription receipt pursuant to the terms of an agency agreement entered into with a syndicate of agents led by CIBC World Markets Inc. On June 9, 2005 Calloway

agreed to increase the private placement to 11,336,000 subscription receipts, at \$19.85 each, for gross proceeds of \$225,019,600. This private placement is expected to close on June 22, 2005. Each subscription receipt entitles the holder to one Calloway Unit on closing of the Acquisition. If there is a significant increase in the Purchase Price as a result of adjustments Calloway may issue additional units pursuant to one or more private placements or public offerings. Calloway will issue a maximum of 15,000,000 Units pursuant to all private placements or public offerings with the precise number issued to be determined by the final adjusted Purchase Price. The pricing of any additional private placements or public offering will be determined based on market conditions and will be subject to the approval of the Toronto Stock Exchange.

Calloway is acquiring a 60% interest in eight of the Centres from Wal-Mart. Calloway is acquiring the balance of the Centres and the Development Lands from FirstPro. All of the Centres V will be acquired either by Calloway or indirectly by Calloway LP. Mitchell Goldhar owns, directly or indirectly, 6,048,513 Units of Calloway (or approximately 16.4% of the outstanding Units). The Vendors (excluding Wal-Mart) will acquire up to approximately 12.6 million Special Voting Units in addition to approximately 12.6 million Class B Units and 8.5 million Class C Units of Calloway LP. If Calloway issues the Units (or subscription receipts) pursuant to the private placement at \$19.85 per Unit for gross proceeds of \$225 million and if there is no significant increase in the Purchase Price as a result of adjustments and if Mr. Goldhar directly or indirectly receives 12.6 million Class B Units, Mr. Goldhar will control, directly or indirectly, 6,048,513 Units of Calloway and 12.6 million Class B Units (or approximately 30.7% of the outstanding Units and Class B Units combined) as well as 12.6 million Special Voting Units of Calloway. As a result, Mr. Goldhar will control, directly and indirectly approximately 30.7% of the votes at any meeting of Unitholders. None of FirstPro, Mr. Goldhar or their affiliates will be entitled to vote Units held by them at the Meeting in connection with the resolution to approve the Acquisition.

As additional conditions to the Acquisition, Calloway will further amend its Declaration of Trust to provide for the following:

1. To the extent that FirstPro holds at least 25% of the total aggregate issued and outstanding Units and Special Voting Units of Calloway, Calloway's board of trustees shall be composed of nine trustees and FirstPro shall be entitled to appoint three of such trustees;
2. To the extent that FirstPro holds at least 15% but less than 25% of the total aggregate issued and outstanding Units and Special Voting Units of Calloway, Calloway's board of trustees shall be composed of eight trustees and FirstPro shall be entitled to appoint two of such trustees;
3. To the extent that FirstPro holds at least 5% but less than 15% of the total aggregate issued and outstanding Units and Special Voting of Calloway, Calloway's board of trustees shall be composed of eight trustees and FirstPro shall be entitled to appoint one of such trustees; and
4. To the extent that FirstPro holds less than 5% of the total aggregate issued and outstanding Units and Special Voting Units of Calloway, FirstPro shall not be entitled to any board representation rights.

The Purchase Agreement with FirstPro also provides that the composition of the board of directors of Calloway GP together with FirstPro's right to nominate directors shall be the same as those relating to Calloway's board of trustees as set out above. Finally, the Purchase Agreement with FirstPro provides that if in any given 365 day period the average weighted aggregate number of Special Voting Units and Units held or controlled by FirstPro is equal to or greater than 15,000,000 and provided that Mitchell Goldhar remains a Trustee, then so long as FirstPro and its affiliates directly or indirectly beneficially own or control less than 25% of the voting rights attached to all voting securities of Calloway, Calloway shall for a period of 5 years commencing on Closing, issue such number of additional Special Voting Units (the "Additional Special Voting Units") which will entitle FirstPro to cast 25% of the votes at a meeting of the holders of Calloway Units. FirstPro's entitlement to a 25% minimum voting right shall extend for an additional five year period should FirstPro, its affiliates and partners sell in aggregate at least \$800,000,000 in freehold assets (including freehold interests in assets sold under development arrangements) to Calloway or its affiliates during the initial 5 year period provided that Mr. Goldhar remains on the Board of Trustees of Calloway at all relevant times and further provided that the average weighted aggregate number of Special Voting Units and Units which must be held or controlled by FirstPro during this extended 5 year period shall be increased to

the lesser of 20,000,000 or 20% of the aggregate of issued Units and Special Voting Units then outstanding. The chief executive officer of Calloway shall be selected on an annual basis and with the consent of greater than 75% of the board of trustees of Calloway. The terms and conditions of the amendment set out above amends the Declaration of Trust set out above are described in detail in the section “Fourth Amended and Restated Declaration of Trust” at page 49 below.

The Centres include 3 properties in which Calloway will acquire a leasehold interest. The term of the ground leases will be 35 years. FirstPro will have the right to terminate the three ground leases after ten years on payment to Calloway of the market value of a 35 year leasehold interest in the properties at that time and will have the right to terminate the three ground leases at any time in the event that any third party acquires 20% of the aggregate of the Units and Special Voting Units of Calloway by repayment to Calloway of the unamortized balance of any prepaid rent paid by Calloway to FirstPro. Calloway intends to prepay its 35 year rental obligation under the ground leases for the 3 properties at the Closing in the amount of approximately \$184.7 million.

There are no prior valuations within the contemplation of OSC Rule 61-501 (as defined below) that would reasonably be expected to affect the decision of a Unitholder to vote for or against the Acquisition.

Management believes that the Acquisition will benefit Calloway by increasing its asset base, net operating income and market capitalization each by approximately 100%, providing Calloway with a more diversified portfolio of properties, extending Calloway’s lease renewal dates and extending its debt maturity dates, all of which are expected to contribute to enhanced stability of income and distributions and reduce credit risks. Further issuance of additional Units for the purposes of the Acquisition is expected to provide greater liquidity for Unitholders. The Acquisition results in Wal-Mart’s status as Calloway’s largest tenant being maintained. The Acquisition continues to increase the proportion of Calloway’s income derived from newly constructed retail space. Calloway believes that the rental income from the Centres will provide sufficient cash to at least maintain its distributions at current levels after the issuance of all Units necessary to close the Acquisition.

The Special Committee

The Board of Trustees of Calloway established a special committee (the “Special Committee”) comprised of Kevin Pshebniski (Chairman), Al Mawani, Ken Delf and David Carpenter to assess the Acquisition as a result of the relationship of FirstPro to Calloway and the Partnership. The Board of Trustees of Calloway provided the Special Committee with a mandate to oversee and supervise compliance by the Trust with the requirements of Rule 61-501 of the Ontario Securities Commission (“OSC Rule 61-501”) and Policy Q-27 of the Autorité des marchés financiers (“Policy Q-27”) in connection with the Acquisition.

Deliberations of the Special Committee

Following its formation, the Special Committee retained the services of Bennett Jones LLP to act as its legal counsel. With the assistance and advice of its legal advisors, the members of the Special Committee concluded that each of them was independent of Calloway management and FirstPro. On April 25, 2005, the Special Committee held a meeting with its legal advisors. During that meeting, the Special Committee's legal advisors made a presentation to the Special Committee with respect to the role and obligations of the Special Committee in evaluating the Acquisition. The Special Committee determined that in accordance with OSC Rule 61-501 and Policy Q-27 it was necessary to: (i) obtain independent valuations (the “Valuations”) of the properties that Calloway agreed to acquire from FirstPro (the “FirstPro Properties”) and the non-cash consideration involved in the acquisition of the FirstPro Properties (the “FirstPro Acquisition”); and (ii) seek the approval of the Acquisition by minority Unitholders. The Special Committee also determined, independent of the requirements of OSC Rule 61-501 and Policy Q-27, to seek the advice and expertise of an independent financial advisor in connection with preparing the Valuations and its review of the FirstPro Acquisition.

After considering numerous candidates, the Special Committee selected RBC Dominion Securities Inc. (“RBC”), a member company of RBC Capital Markets, to prepare the Valuations and to provide additional guidance to the Special Committee in forming its opinion as to whether the consideration to be paid by Calloway under the FirstPro

Acquisition is fair from a financial point of view to Calloway (the “Fairness Opinion”). The Special Committee selected RBC based principally on RBC’s overall institutional strength, expertise and experience in valuing assets such as those forming part of the Acquisition. In retaining RBC, the Special Committee concluded that, as required by OSC Rule 61-501, RBC was independent of all interested parties to the Acquisition, including FirstPro, and that RBC possessed the appropriate qualifications to conduct the Valuations. RBC was paid a flat fee of \$1,500,000 by Calloway for preparing the Valuations and the Fairness Opinion.

In meetings held during April, May and June 2005, with the assistance of its legal advisors, the Special Committee conducted a review of the terms and conditions of the FirstPro Acquisition. The Special Committee also discussed with RBC the value of the non-cash assets involved in the FirstPro Acquisition, including the non-cash consideration to be paid by Calloway.

At the request of the Special Committee, throughout May 2005 Calloway management provided the Special Committee with updates on the status of the Acquisition and discussed with the Special Committee the potential benefits and risks connected with the Acquisition.

On June 7, 2005, the Special Committee received from RBC advice that, and subject to the assumptions and qualifications contained therein, the fair market value of the FirstPro Properties to be purchased by Calloway pursuant to the FirstPro Acquisition is in the range of \$821.3 million to \$860.5 million and the fair market value of the consideration to be paid by Calloway pursuant to the FirstPro Acquisition is in the range of \$853.9 million to \$873.4 million. RBC also provided the Special Committee with a financial analysis of the Acquisition and an oral opinion, which was subsequently confirmed in writing, to the effect that, as of June 7, 2005, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by RBC, that the consideration to be paid by Calloway under the FirstPro Acquisition is fair, from a financial point of view, to Calloway. A copy of the Valuations and the Fairness Opinion is attached as Schedule “C” to this Management Information Circular.

Recommendation of the Special Committee

On June 7, 2005, the Special Committee, after consulting with its legal and financial advisors and considering the Valuations and the Fairness Opinion in respect of the FirstPro Acquisition, determined unanimously that the Acquisition is fair to and in the best interests of Calloway and unanimously recommended that the Calloway Board of Trustees authorize the Acquisition and recommend to Calloway Unitholders that they vote in favour of the Acquisition, subject to satisfactory completion of relevant conditions, including:

- (a) regulatory approvals;
- (b) approval of the Acquisition by a majority of the disinterested Unitholders;
- (c) due diligence;
- (d) appropriate debt or equity financing; and
- (e) formal documentation.

In reaching its determinations, approvals and recommendations, the Special Committee considered the following:

- (a) as determined in the Valuations, the fair market value of consideration to be paid by Calloway for the FirstPro Properties is within the range of fair market values of the FirstPro Properties;
- (b) the Fairness Opinion of RBC;
- (c) the terms of the Purchase Agreements;

- (d) management's view that Calloway will be able to maintain its current distribution level following the Acquisition;
- (e) a review of anticipated synergies to be derived from the Acquisition;
- (f) the anticipated value to be obtained from the development properties to be acquired as part of the Acquisition;
- (g) an increase of Calloway's exposure in existing strong geographic markets and a greater geographic diversification of portfolio assets afforded through the Acquisition;
- (h) that the Acquisition extends Calloway's existing average lease renewal and debt maturity dates; and
- (i) that it is anticipated the Acquisition will strengthen income and distribution stability and reduce Calloway's cost of capital.

Recommendation of the Board of Trustees

On June 7, 2005, at a meeting of Calloway's Board of Trustees held immediately after the meeting of the Special Committee, the Board of Trustees considered the recommendation of the Special Committee, the Valuations and the Fairness Opinion. Following further discussion, the Board of Trustees of Calloway voted unanimously to authorize the execution of such agreements as are necessary to complete the Acquisition. Simon Nyilassy, a Trustee of Calloway and the Executive Vice President Finance and Treasury of FirstPro declared his conflict of interest to the Board of Trustees in respect of the FirstPro Acquisition and did not vote in respect of the approval of the Acquisition. Michael Young disclosed his interest in connection with the fees payable to him relating to any public offering of Units in connection with the Acquisition and did not, and will not, vote on those aspects of the Acquisition.

RBC Valuations and Fairness Opinion

The Valuations indicate that, subject to the assumptions and qualifications contained therein, the fair market value of the FirstPro Properties to be purchased by Calloway pursuant to the FirstPro Acquisition is in the range of \$821.3 million to \$860.5 million and the fair market value of the consideration to be paid by Calloway pursuant to the FirstPro Acquisition is in the range of \$853.9 million to \$873.4 million.

The Fairness Opinion states that, subject to the assumptions and qualifications contained therein, RBC is of the opinion that, as of the date of the Valuations and the Fairness Opinion, the consideration to be paid by Calloway under the FirstPro Acquisition is fair, from a financial point of view, to Calloway.

A copy of the Valuations and the Fairness Opinion of RBC dated June 7 2005 is attached as Schedule "C" to this Management Information Circular. Unitholders should carefully review and consider the Valuations and the Fairness Opinion in their entirety. The Valuations and the Fairness Opinion are subject to the assumptions and limitations contained therein.

Independent Appraisal of the Centres V

Calloway engaged Altus Helvar and Colliers International (the "Appraisers") to provide a qualified and independent portfolio appraisal of the market value of the Centres V (the "Appraisals"). Given their respective reputations, experience and professional certifications, Calloway management determined the Appraisers to be qualified to prepare the Appraisals. Further, given that the Appraisers do not have and have never had a material financial interest in Calloway, FirstPro, Wal-Mart or the Partnership other than with respect to the provision of professional services on a fee-for-services basis, the Trustees determined that the Appraisers are independent of Calloway, FirstPro, Wal-Mart and the Partnership. The Appraisers were paid fees of \$209,000 by Calloway for the Appraisals. The Appraisals were prepared in conformity with the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal

Institute of Canada and are dated June 1, 2005. The Appraisal Institute of Canada defines market value as “the most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimuli”. Whenever the definition of market value is employed, or its precise wording is used, the following conditions are always assumed: (i) competitive market conditions; (ii) an informed buyer and seller; (iii) no pressure on either party; (iv) “rational” or prudent economic behaviour by both buyer and seller; (v) a reasonable turnover period; and (vi) payment consistent with the standards of behaviour of the market.

The estimated value of the Centres V, as a portfolio, was determined by using a discounted cash flow approach and a direct capitalization method. The Appraisers gave appropriate consideration to a forecast of income for each of the Centres V in terms of market rental rates, growth levels, vacancy rates, tenant rollovers, future tenant inducements, realty commissions and the lease termination rights of significant tenants. Appropriate valuation parameters were used, having due regard to an assessment of the income characteristics, current market conditions, terms of the leases and prevailing economic and industry information. The highest and best use for each of the Centres V was considered by the Appraisers to be the current use.

In determining the approximate market value of the Centres V, the Appraisers relied on operating and financial data provided by First Pro and Wal-Mart, including detailed rent rolls and projected operating results. Based on its review, and other relevant factors, the Appraisers considered such data to be reasonable and supportable.

In appraising the Centres V, the Appraisers assumed that title to each centre is good and marketable and did not take into account engineering, environmental, zoning, planning or related issues.

Collectively, the Appraisals indicate estimated approximate market value of the Centres V on a portfolio basis, as at June 1, 2005 to be between \$1,126,000,000 and \$1,157,000,000.

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Appraisal is based on various assumptions of future expectations and while the Appraiser’s forecast of income is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by the Appraisal.

A copy of the Appraisal may be inspected during ordinary business hours at the registered office of Calloway. Further, a copy of the Appraisal will be sent to any Unitholder without charge on request to the Secretary of Calloway at 310, 855 – 8th Avenue SW, Calgary, Alberta, T2P 3P1, fax number: (403) 266-6522. The Appraisers have consented to the filing of the Appraisals with the Ontario Securities Commission and to the inclusion of this summary of the Appraisals in this document.

The Centres V

A summary of the Centres V to be acquired under the Acquisition is as follows:

Property Summary

Property	Location	Owner- ship Interest	Net Rentable Area	Net Rentable Area (100% Interest)	Upon Completion	Occupancy	Year Built	Major Retailers
Ontario - Greater Toronto Area								
1. Brampton East Wal-Mart Centre ⁽⁷⁾	Brampton, ON	100%	227,055	227,055	319,045	100.00%	1998	Wal-Mart, Winners, Staples

Property	Location	Owner- ship Interest	Net Rentable Area	Net	Upon Completion	Occupancy	Year Built	Major Retailers
				Rentable Area (100% Interest)				
2. Etobicoke Wal-Mart Centre ⁽²⁾⁽³⁾⁽⁴⁾	Etobicoke, ON	100%	293,670	293,670	293,670	100.00%	2002	Wal-Mart, Home Depot ¹ , Linens 'N Things, Best Buy
3. Markham Woodside Centre ⁽⁷⁾	Markham, ON	50%	162,901	325,801	325,801	100.00%	1993	Home Depot, Chapters, Staples, Michael's
4. Markham Woodside Centre (II and III) ⁽⁷⁾	Markham, ON	50%	6,750	13,500	33,500	100.00%	2004	LCBO
5. Mississauga Erin Mills Wal-Mart Centre	Mississauga, ON	60%	169,570	282,617	282,617	97.48%	2004	Wal-Mart, Loblaws, Shoppers Drug Mart
6. Pickering Wal-Mart Centre	Pickering, ON	60%	306,058	510,097	510,097	96.62%	2000	Wal-Mart, Sam's Club, Canadian Tire ¹ , Sobeys
7. Scarborough Morningside Northwest Wal-Mart Centre	Scarborough, ON	100%	220,839	220,839	232,239	100.00%	2003	Wal-Mart, Cineplex Odeon, LCBO
8. Vaughan Sevenbridge Wal-Mart Centre	Vaughan, ON	85%	166,983	196,451	523,968	94.99%	1997	Wal-Mart, Home Outfitters, Future Shop
9. Whitby North Wal-Mart Centre ⁽⁶⁾⁽⁷⁾	Whitby, ON	40%	92,708	231,771	231,771	100.00%	2003	Wal-Mart, Loblaws ¹ , LCBO
10. Woodbridge Centre ⁽⁷⁾	Woodbridge, ON	35%	146,785	419,386	430,471	97.57%	1998	Canadian Tire ¹ , Fortino's (Loblaws) ¹ , Best Buy, Sportchek
Ontario – Other								
11. Barrie South Wal-Mart Centre ⁽²⁾⁽³⁾⁽⁷⁾	Barrie, ON	100%	359,137	359,137	369,137	100.00%	1994	Wal-Mart, Sobeys, Winners, Michael's
12. Bolton Wal-Mart Centre ⁽⁶⁾⁽⁷⁾	Bolton, ON	40%	72,640	183,600	183,600	100.00%	2004	Wal-Mart, Loblaws ¹
13. Cambridge Wal-Mart Centre ⁽²⁾⁽³⁾	Cambridge, ON	100%	499,706	499,706	649,232	97.36%	1998	Wal-Mart, RONA, Canadian Tire ¹
14. Chatham Wal-Mart Centre ⁽⁷⁾	Chatham, ON	50%	91,642	183,284	239,724	98.6%	2004	Wal-Mart, Winners, Loblaws ¹
15. Hanover Wal-Mart Centre ⁽⁷⁾	Hanover, ON	100%	8,993	8,993	25,393	61.08%	2003	Wal-Mart ¹ , Loblaws ¹ , Marks Work Wearhouse
16. Kenora Wal-Mart Centre ⁽⁶⁾⁽⁷⁾	Kenora, ON	50%	40,441	80,881	80,881	100.00%	2005	Wal-Mart, Canadian Tire ¹
17. London North Wal-Mart Centre	London, ON	50%	117,515	235,030	546,842	100.00%	2003	Wal-Mart, Winners, Linens 'N Things, Old Navy
18. Midland Wal-Mart Centre ⁽⁷⁾	Midland, ON	100%	5,989	5,989	107,654	100.00%	2003	Wal-Mart ¹ , Boston Pizza
19. Ottawa South Keys Wal-Mart Centre ⁽⁷⁾	Ottawa, ON	50%	233,691	467,382	467,382	100.00%	1996	Wal-Mart, Loblaws, Future Shop, Chapters, Winners
20. Renfrew Wal-Mart Centre ⁽⁷⁾	Renfrew, ON	100%	10,971	10,971	19,971	100.00%	2003	Wal-Mart ¹ , Canadian Tire ¹
Quebec - Greater Montreal Area								
21. Laval West Wal-Mart Centre ⁽⁶⁾⁽⁷⁾	Laval (W), QC	50%	274,665	549,330	549,330	100.00%	2001	Wal-Mart, RONA, IGA ¹ , Home Outfitters, Canadian Tire ¹
22. Montreal Decarie Wal-Mart Centre ⁽⁷⁾	Montreal, QC	50%	112,360	224,720	267,720	100.00%	1999	Wal-Mart, Marks Work Wearhouse
23. Saint-Jerome Wal-Mart Centre ⁽⁶⁾⁽⁷⁾	Saint-Jerome, QC	50%	-	-	160,762	0.00%	2005	Wal-Mart ¹ , Home Depot ¹
24. Montreal North Wal-Mart Centre	Montreal, QC	100%	196,352	196,352	288,861	100.00%	2002	Wal-Mart, Winners, Marks Work Wearhouse
Quebec – Other								
25. Drummondville Wal-Mart Centre ⁽⁷⁾	Drummondville, QC	100%	47,543	47,543	50,793	100.00%	2003	Wal-Mart ¹ , Loblaws ¹ , CIBC
26. Hull Wal-Mart Centre ⁽⁷⁾	Hull, QC	49.9%	122,718	245,928	245,928	100.00%	1997	Wal-Mart, Cineplex Odeon ¹ , Staples
27. Saint-Constant Wal-Mart Centre ⁽⁶⁾	Saint-Constant, QC	40%	116,945	292,363	312,363	96.39%	2002	Wal-Mart, Home Depot ¹ , Metro Richelieu

Property	Location	Owner-ship Interest	Net Rentable Area	Net Rentable Area (100% Interest)	Upon Completion	Occupancy	Year Built	Major Retailers
British Columbia								
28. New Westminster Wal-Mart Centre	New Westminster, BC	100%	292,546	292,546	419,737	100.00%	2003	Wal-Mart, Home Outfitters, Best Buy
29. Prince George Wal-Mart Centre	Prince George, BC	100%	181,448	181,448	291,627	100.00%	2002	Wal-Mart, Canadian Tire ¹ , Home Depot ¹
Alberta								
30. Calgary Southeast Wal-Mart Centre	Calgary, AB	100%	215,399	215,399	219,218	100.00%	2002	Wal-Mart, London Drugs, Marks Work Wearhouse
Saskatchewan								
31. Regina East Wal-Mart Centre ⁽⁶⁾	Regina, SK	40%	148,230	370,575	374,638	100.00%	2000	Wal-Mart, Winners Home, Loblaws ¹ , RONA ¹
Manitoba								
32. Winnipeg (Southwest) Wal-Mart Centre ⁽⁶⁾	Winnipeg, MB	40%	175,582	438,955	568,955	96.08%	2000	Wal-Mart, Safeway, Home Outfitters, Winners
Nova Scotia								
33. Bridgewater Wal-Mart Centre ⁽⁷⁾	Bridgewater, NS	100%	-	-	97,675	0.00%	2005	Wal-Mart ¹ , Canadian Tire ¹
34. Halifax - Bayers Lake Power Centre ⁽⁶⁾⁽⁷⁾	Halifax, NS	51%	79,242	155,377	155,377	100.00%	1998	Wal-Mart ¹ , Loblaws ¹ , Winners, Future Shop
Newfoundland								
35. St. John's (Kenmount) Wal-Mart Centre ⁽⁶⁾⁽⁷⁾	St John's, NL	50%	-	-	113,050	0.00%	2005 ₅	Wal-Mart ¹ , Home Depot ¹ , Canadian Tire ¹
Total Retail Centres			5,197,074	7,966,696	9,987,027	98.83%		

Retail Development Properties	Province	Owner-ship Interest	Area Upon Completion	Acres	Year Built	Potential/Major Retailers
1. Cambridge Sam's Club Centre ⁽⁷⁾	Ontario	100%	47,019	4.73	2004 ₅	Sam's Club ¹ , Home Depot ¹
2. Dunnville Centre ⁽⁷⁾	Ontario	100%	104,323	15.64	2006 ₅	To Be Announced
3. Fort Erie Wal-Mart Centre ⁽⁷⁾	Ontario	100%	17,705	1.68	2005 ₅	To Be Announced
4. London Sam's Club Centre ⁽⁷⁾	Ontario	100%	173,347	15.6	2004	Sam's Club ¹
5. Napanee Centre ⁽⁷⁾	Ontario	100%	122,349	22.3	2006 ₅	To Be Announced
6. St. Catharines Forth Avenue Centre ⁽⁷⁾	Ontario	100%	134,359	11.14	2006	To be Announced
7. Welland Centre ⁽⁷⁾	Ontario	100%	258,270	26.31	2005 ₅	To be Announced
8. Dawson Creek Wal-Mart Centre ⁽⁷⁾	British Columbia	100%	63,000	5.78	2003	Wal-Mart ¹
9. Quesnel Wal-Mart Centre ⁽⁷⁾	British Columbia	100%	89,810	8.29	2003	Wal-Mart ¹
10. Gander Centre ⁽⁷⁾	Newfoundland	100%	183,402	23.61	2005 ₅	To Be Announced
Total Retail Development Properties			1,193,584	135.08		

Notes:

- (1) Site is owned by others and no rent is paid to vendor by it
- (2) Includes leasehold interests – Calloway may prepay annual lease payments due over 35-year term
- (3) Vendor will have right to cancel lease under certain conditions
- (4) 60% Freehold and 40% Leasehold
- (5) Anticipated Opening
- (6) Calloway already owns or has an option to acquire remaining interest
- (7) Calloway to assume responsibility for future leasing and development

A summary of the 35 Centres and their respective primary tenants and development potential, as well as a description of the 10 parcels of Development Land, is as follows:

Barrie South Wal-Mart Centre – 35 Molson Park Drive, Barrie, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	126,165	35.13%	23.51%
Sobey's	58,562	16.31%	15.89%

Barrie South Wal-Mart Centre is currently a 359,137 square foot development that is situated on approximately 32.77 acres at Highway 400 and Molson Park Drive in Barrie, Ontario. A 126,165 square foot Wal-Mart and a 58,562 square foot Sobey's anchor the site. National tenants include Winners, Michael's, and Mark's Work Warehouse. Approximately 10,000 square feet of development potential remains and the site can also accommodate a 30,000 square foot expansion of the Wal-Mart store.

Brampton East Wal-Mart Centre – 30 Coventry Road, Brampton, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	130,702	57.56%	45.52%

Brampton East Wal-Mart Centre is currently a 227,055 square foot development that is situated on approximately 32.74 acres at the intersection of Queen Street (Highway 7) and Airport Road in Brampton, Ontario. A 130,702 square foot Wal-Mart store anchors the site. Other national tenants include Mark's Work Warehouse, Winners and Staples / Business Depot. Approximately 91,990 square feet of development potential remains on the site. The site can also accommodate a 50,000 square foot expansion of the Wal-Mart store.

Cambridge Wal-Mart Centre – 22 Pinebush Road, Cambridge, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
RONA	125,077	24.14%	21.50%
Wal-Mart	105,315	20.33%	13.46%
Canadian Tire	39,720	-	-

Cambridge Wal-Mart Centre is currently a 518,080 square foot development that is situated on approximately 67.85 acres at the intersection of Highway 401 and Hespeler Road (Highway 24) in Cambridge, Ontario. A 105,315 square foot Wal-Mart store and a 125,077 square foot RONA anchor the site. A 39,720 square foot Canadian Tire is operating on lands immediately adjacent to the site. Other national tenants include Staples / Business Depot, Old Navy and Future Shop. Approximately 144,851 square feet of development potential remains and a 30,000 square foot expansion of the Wal-Mart store can also be accommodated on the site.

Drummondville Wal-Mart Centre - 355 Boulevard St-Joseph, Drummondville, QC

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	130,224	-	-
Loblaws	115,000	-	-

Drummondville Wal-Mart Centre is currently a 47,543 square foot development that is situated on approximately 5.08 acres at the intersection of Boulevard Rene Levesque & Boulevard St-Joseph in Drummondville, Quebec. L'Equipeur (Mark's Work Warehouse), La Difference and Reitmans are amongst the national retailers currently operating on site. Operating on lands immediately adjacent to the site are an approximately 130,224 square foot Wal-Mart store as well as an approximately 115,000 square foot Loblaws. Remaining development potential on the site is estimated at 3,250 square feet. The Wal-Mart store site can accommodate 50,000 square feet of expansion.

Halifax Bayer's Lake Centre – 194 Chain Lake Drive, Halifax, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Future Shop	35,483	22.84%	21.04%

Halifax Bayer's Lake Centre is a 155,377 square foot development that is situated on approximately 16.31 acres at Chain Lake Drive and Lacewood Drive, Halifax, Nova Scotia. A 35,483 square foot Future Shop anchors the site. National tenants include Winners, Roots and Reitmans.

Hanover Wal-Mart Centre – 1100 10th Street, R.R #1 Hanover, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Loblaws	97,200	-	-
Wal-Mart	78,114	-	-

Hanover Wal-Mart Centre is currently a 10,254 square foot development that is situated on approximately 3.98 acres at Highway 4 and Highway 28 in Hanover, Ontario. A 5,002 square foot Mark's Work Warehouse store is currently operating on the site. A 97,200 square foot Loblaws location is scheduled for construction on lands immediately adjacent to the site in 2006 and a 78,114 Wal-Mart store is currently operating on adjacent lands. Approximately 16,400 square feet of development potential remains on the site. The Wal-Mart store site can accommodate 30,000 square feet of expansion.

Laval West Wal-Mart Centre – 700 Autoroute Chomedey Ouest, Laval, QC

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	127,951	23.29%	15.62%
RONA	125,022	22.76%	19.78%
Canadian Tire	84,000	-	-
IGA	40,000	-	-

Laval West Wal-Mart Centre is a 549,362 square foot development that is situated on approximately 53.83 acres at Autoroute Chomedey and Boulevard Samson in Laval, Quebec. A 127,951 square foot Wal-Mart store, and a 125,022 square foot RONA anchor the site. An 84,000 square foot Canadian Tire and a 40,000 square foot IGA operate on lands adjacent to the site. Other national tenants include Home Outfitters, Winners, Future Shop, and Staples/ Business Depot. A 30,000 square foot expansion of the Wal-Mart store can also be accommodated on the site.

Midland Wal-Mart Centre – 16845 Highway 12, Midland, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	108,528	-	-

Midland Wal-Mart Centre is situated on approximately 12.70 acres at Highway 12 and King Street in Midland, Ontario. A 108,528 square foot Wal-Mart operates on lands adjacent to the site. The site currently houses an operating Tim Horton's. Approximately 101,665 square feet of development potential remains on the site.

Renfrew Wal-Mart Centre – O'Brien Road, Renfrew, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	84,939	-	-
Canadian Tire	32,250	-	-

Renfrew Wal-Mart Centre is a 9,471 square foot development that is situated on approximately 2.01 acres at O'Brien Road and Wrangler Road in Renfrew, Ontario. An 84,939 square foot Wal-Mart and a 32,250 square foot Canadian Tire operate on lands adjacent to the site. National tenants include Mark's Work Warehouse, Payless Shoes and

First Choice Haircutters. Approximately 9,000 square feet of development potential remains on the site. The Wal-Mart store site can accommodate 40,000 square feet of expansion.

St. Jerome Wal-Mart Centre – 1030 Du Grand-Heron Boulevard, St. Jerome, QC

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	133,683	-	-
Home Depot	119,300	-	-

St. Jerome Wal-Mart Centre is situated on approximately 17.70 acres at Boulevard Jean-Baptiste-Rolland & Rue Brière in St. Jerome, Quebec. A 133,683 square foot Wal-Mart and a 119,300 square foot Home Depot operate on lands adjacent to the site. Leases have been executed with EB Games (1,500 sf.), Boston Pizza (5,900 sf.), and HFC Financial (2,500 sf.). Approximately 160,762 square feet of development potential remains on the site.

Vaughan Sevenbridge Wal-Mart Centre – 101 Edgeley Boulevard, Vaughan, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	129,066	63.19%	56.24%

Vaughan Sevenbridge Wal-Mart Centre is currently a 204,260 square foot development that is situated on approximately 47.59 acres at Highway 7 and Jane Street in Vaughan, Ontario. A 129,066 square foot Wal-Mart anchors the site. National tenants include Future Shop and Home Outfitters. Approximately 327,517 square feet of development potential remains and the site can also accommodate a 30,000 square foot expansion of the Wal-Mart store.

Kenora Wal-Mart Centre – 1305 Miikana Way, Kenora, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	80,881	100%	100%
Canadian Tire	58,496	-	-

Kenora Wal-Mart Centre is currently a 80,881 square foot development that is situated on approximately 8.96 acres at Miikana Way and Highway 17 in Kenora, Ontario. An 80,881 square foot Wal-Mart anchors the site. A 58,486 square foot Canadian Tire operates on lands adjacent to the site. The site can accommodate a 30,000 square foot Wal-Mart expansion.

Bridgewater Wal-Mart Centre – New Pine Grove Road, Bridgewater, NS

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	80,860	-	-
Canadian Tire	69,073	-	-

Bridgewater Wal-Mart Centre is situated on approximately 15.27 acres at New Pine Grove Road and Route 10 in Bridgewater, Nova Scotia. An 80,860 square foot Wal-Mart and a 69,073 square foot Canadian Tire operate on lands adjacent to the site. Leases have been executed with EB Games (1,500 sf.), Boston Pizza (5,975 sf.), Pets Unlimited (4,000 sf.) and Swiss Chalet (5,000 sf.). Approximately 97,675 square feet of development potential remains on the site.

St. John's Kenmount Wal-Mart Centre – 75 Kelsey Drive, St. John's, NF

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	133,554	-	-
Home Depot	106,000	-	-
Canadian Tire	71,300	-	-

St. John's Kenmount Wal-Mart Centre is situated on approximately 17.28 acres at Kelsey Drive and Kenmount Road in St. John's, Newfoundland. A 133,554 square foot Wal-Mart, a 106,000 square foot Home Depot and a 71,300 square foot Canadian Tire operate on lands adjacent to the site. Approximately 113,050 square feet of development potential remains on the site.

Bolton Wal-Mart Centre – 150 McEwan Drive East, Bolton, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	109,639	59.85%	43.78%
Loblaws	160,000	-	-

Bolton Wal-Mart Centre is currently a 183,183 square foot development that is situated on approximately 18.87 acres at Highway 50 (Queen Street) and McEwan Drive East in Bolton, Ontario. A 109,639 square foot Wal-Mart store anchors the site. Construction on an approximately 160,000 square foot Loblaws store is expected to be commenced on lands immediately adjacent to the site in 2006. Tenants include Mark's Work Wearhouse, Reitmans and LCBO locations. The site can accommodate a 50,000 square foot expansion of the Wal-Mart store.

Regina East Wal-Mart Centre - 2150 Prince of Wales Drive, Regina, SK

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	129,094	34.84%	22.49%
Winners/Home Sense	53,864	14.54%	15.49%
London Drugs	39,670	10.71%	12.55%
Real Canadian Superstore (Loblaws)	130,000	-	-
RONA	88,681	-	-

Regina East Wal-Mart Centre is currently a 370,574 square foot development that is situated on approximately 31.33 acres at the intersection of Quance Street and Prince of Wales Drive in Regina, Saskatchewan. A 129,094 square foot Wal-Mart, a 53,864 square foot Winners/Home Sense and a 39,670 square foot London Drugs anchor the site. A 130,000 square foot Real Canadian Superstore (a Loblaws owned grocery chain) as well as an 88,681 square foot RONA operate on lands immediately adjacent to the site. Other national tenants include Home Outfitters, Best Buy and Michael's. Approximately 4,063 square feet of development potential remains on the site. The site can also accommodate a 30,000 square foot expansion of the Wal-Mart store.

Saint-Constant Wal-Mart Centre - 500 Voie de Desserte, rue NR 132, Saint-Constant, QC

Major Tenants/ Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	123,474	40.71%	24.72%
Home Depot	95,000	-	-
Metro Richelieu	44,761	14.76%	19.08%

Saint-Constant Wal-Mart Centre is currently a 303,300 square foot development that is situated on approximately 31.01 acres at the intersection of Route 132 and Rue Macon in Saint-Constant, Quebec. A 123,474 square foot Wal-Mart store, and a 44,761 square foot Metro Richelieu anchor the site. A 95,000 square foot Home Depot operates on lands immediately adjacent to the site. Other national tenants include L'Equipeur and Blockbuster. Approximately

20,000 square feet of development potential remains on the site. A 30,000 square foot expansion of the Wal-Mart store can also be accommodated.

Whitby North Wal-Mart Centre – 4100 Baldwin Street South, Whitby, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	132,724	57.27%	38.10%
Loblaws	164,000	-	-

Whitby North Wal-Mart Centre is currently a 231,771 square foot development that is situated on approximately 24.87 acres at the intersection of Brock Street South and Taunton Road West in Whitby, Ontario. A 132,724 square foot Wal-Mart store anchors the site. A 164,000 square foot Loblaws operates on lands immediately adjacent to the site. Other tenants include Mark's Work Wearhouse and LCBO. The site can accommodate a 50,000 square foot expansion of the Wal-Mart store.

Winnipeg Southwest Wal-Mart Centre - 1665 Kenaston Boulevard, Winnipeg, MB

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	129,298	28.30%	18.98%
Safeway	47,374	10.37%	12.14%
Home Outfitters	39,429	8.63%	9.07%

Winnipeg Southwest Wal-Mart Centre is currently a 456,873 square foot development that is situated on approximately 48.22 acres at the intersection of Kenaston Boulevard and McGillvray Boulevard in Winnipeg, Manitoba. A 129,298 square foot Wal-Mart store, a 47,374 square foot Safeway, and a 39,429 square foot Home Outfitters anchor the site. Other national tenants include Danier, Roots, and Reitmans. Approximately 130,000 square feet of development potential remains and a 65,000 square foot expansion of the Wal-Mart store can also be accommodated on the site.

Chatham Wal-Mart Centre – 801 St. Clair Street, Chatham, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	132,805	72.46%	73.38%
Zehr's (Loblaws)	65,653	-	-

Chatham Wal-Mart Centre is currently a 183,276 square foot development that is situated on approximately 24.87 acres at the intersection of St. Clair Street and Pioneer Line in Chatham, Ontario. A 132,805 square foot Wal-Mart store anchors the site. An 89,000 square foot Zehr's (Loblaws) store is currently under construction on lands immediately adjacent to the site which will replace an existing 65,653 square foot store on site. Other national tenants include Winners and BMO. Approximately 56,440 square feet of development potential remains and a 50,000 square foot expansion of the Wal-Mart store can also be accommodated on the site.

Hull Wal-Mart Centre - 35 Boulevard du Plateau, Hull, QC

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	105,612	42.96%	34.29%
Cineplex Odeon	84,600	-	-
Super C	45,117	-	-

Hull Centre is currently a 245,855 square foot development that is situated on approximately 29.68 acres at Boulevard du Plateau and Rue de la Montagne in Hull, Quebec. A 105,612 square foot Wal-Mart store anchors the site. An 84,600 square foot Cineplex Odeon and a 45,117 square foot Super C food operate on lands adjacent to the site. National tenants include Staples/Business Depot, Reitmans, and Mark's Work Wearhouse. A 30,000 square foot expansion of the Wal-Mart store can also be accommodated on the site.

London North Wal-Mart Centre – 1280 Fanshawe Park Road West, London, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	130,589	52.50%	36.23%

London North Wal-Mart Centre is currently a 248,732 square foot development that is situated on approximately 54.70 acres at the intersection of Hyde Park Road and Fanshawe Park Road in London, Ontario. A 130,589 square foot Wal-Mart anchors the site. Other national tenants include Winners and Old Navy. Approximately 311,812 square feet of development potential remains on the site. The site can also accommodate a 65,000 square foot expansion of the Wal- Mart store.

Markham Woodside Centre (I) – 3155 Highway 7 East, Markham, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Home Depot	130,393	40.02%	35.01%
Longo's	38,000	-	-

Markham Woodside Centre (I) is currently a 325,801 square foot development that is situated on approximately 26.80 acres at the intersection of Woodbine Avenue and Highway 7 East in Markham, Ontario. A 130,393 square foot Home Depot anchors the site. An approximately 38,000 square foot Longo's location is operating on lands immediately adjacent to the site. Other national tenants include Pets Mart, Winners and Staples/Business Depot.

Markham Woodside Centre (II and III) – 3075 Highway 7 East, Markham, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
LCBO	13,500	100%	100%

Markham Woodside Centre (II and III) is currently a 13,500 square foot development that is situated on approximately 6.73 acres at the intersection of Woodbine Avenue and Highway 7 East in Markham, Ontario. A 13,500 square foot LCBO store is currently operating on the site. Approximately 20,000 square feet of development potential remains on the site.

Montreal Decarie Wal-Mart Centre – Rue Jean Talon Ouest, Montreal, QC

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	128,207	57.04%	36.80%

Montreal Decarie Wal-Mart Centre is a 224,766 square foot development that is situated on approximately 24.54 acres at Rue Jean Talon and Boulevard Decarie in Montreal, Quebec. A 128,207 square foot Wal-Mart store anchors the site. Other national tenants include Mark's Work Warehouse, Pier 1 Imports, and Tim Horton's. Approximately 43,000 square feet of development potential remains and the site can also accommodate a 30,000 square foot expansion of the Wal-Mart store.

Ottawa South Keys Wal-Mart Centre - 2210 Bank Street, Ottawa, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	128,987	27.60%	18.69%
Loblaws	58,983	12.62%	13.18%

Ottawa South Keys Wal-Mart Centre is currently a 467,382 square foot development that is situated on approximately 56.00 acres at the intersection of Bank Street and Hunt Club Road in Ottawa, Ontario. A 128,987 square foot Wal-Mart store and a 58,983 square foot Loblaws store anchor the site. Other national tenants include Cineplex Odeon, Staples / Business Depot and Mark's Work Warehouse. The site can accommodate a 30,000 square foot expansion of the Wal-Mart store.

Woodbridge Centre – 3900 Highway 7 – Woodbridge, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Linens 'N Things	34,085	7.35%	8.04%
Best Buy	30,820	7.53%	6.79%
Canadian Tire	75,000	-	-
Fortinos	67,073	-	-

Woodbridge Centre is currently a 419,414 square foot development that is situated on approximately 37.00 acres at the intersection of Weston Road and Highway 7 in Woodbridge, Ontario. A 30,820 square foot Best Buy store anchor the site. A Canadian Tire store that is approximately 75,000 square feet and a Fortinos store that is approximately 67,073 square feet operate on lands immediately adjacent to the site. Other national tenants operating on the site include Chapters, Reitmans, The Beer Store, LCBO, CIBC, Michael's, SportChek and Linens N' Things. Approximately 11,085 square feet of development potential remains on the site.

Calgary Southeast Wal-Mart Centre - 4705 - 130th Avenue Southeast, Calgary, AB

Major Tenants/ Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	130,032	60.37%	40.66%
London Drugs	39,145	18.17%	23.33%

Calgary Southeast Wal-Mart Centre is currently a 215,399 square foot development that is situated on approximately 19.94 acres at the intersection of Deerfoot Trail and 130th Avenue Southeast in Calgary, Alberta. A 130,032 square foot Wal-Mart store and a 39,145 square foot London Drugs location anchor the site. Other national tenants include Mark's Work Wearhouse, Penningtons and Reitmans. Approximately 3,819 square feet of development potential remains and the site can accommodate a 30,000 square foot expansion of the Wal-Mart store.

Etobicoke Wal-Mart Centre – 165 North Queen Street, Etobicoke, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	131,730	44.86%	28.36%
Home Depot	135,000	-	-
Best Buy	35,327	12.03%	15.25%

Etobicoke Wal-Mart Centre is currently a 293,670 square foot development that is situated on approximately 23.72 acres at North Queen Street and The Queensway in Etobicoke, Ontario. A 131,730 square foot Wal-Mart and a 35,327 square foot Best Buy anchor the site. A Home Depot that is approximately 135,000 square feet operates on lands adjacent to the site. National tenants include Linens 'N Things, Old Navy, and Mark's Work Wearhouse.

Mississauga Erin Mills Wal-Mart Centre – 2150 Burnamthorpe Road West, Mississauga, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	129,186	44.56%	34.96%
No Frills (Loblaw's)	42,787	14.76%	13.86%

Mississauga Erin Mills Wal-Mart Centre is currently a 289,916 square foot development (including enclosed mall area) that is situated on approximately 23.95 acres at Burnamthorpe Road and Erin Mills Parkway in Mississauga, Ontario. A 129,186 square foot Wal-Mart store and a 42,787 square foot No Frills (Loblaws) anchor the site. National tenants include Shoppers Drug Mart, Bank of Montreal and EB Games. The aforementioned tenants are located in the newer unenclosed mall portion of the development. The centre also contains an enclosed mall area that is occupied by national tenants such as Carlton Cards and Pet Valu.

Montreal North Wal-Mart Centre – 6140 Boulevard Henri Bourassa, Montreal, QC

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	128,758	65.58%	50.78%

Montreal North Wal-Mart Centre is a 196,352 square foot development that is situated on approximately 23.24 acres at Boulevard Henri Bourassa and Boulevard Lacordaire in Montreal, Quebec. A 128,758 square foot Wal-Mart store anchors the site. Other national tenants include Winners, Mark's Work Wearhouse, and Payless Shoes. Approximately 92,509 square feet of development potential remains on the site.

New Westminster Wal-Mart Centre – 800 Boyd Street, New Westminster, BC

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	131,770	45.04%	33.14%

New Westminster Wal-Mart Centre is currently a 292,546 square foot development that is situated on approximately 35.06 acres at the intersection of Boyd Street and Queensborough Bridge in New Westminster, British Columbia. A 131,770 square foot Wal-Mart store anchors the site. Other national tenants include Home Outfitters, Best Buy, and Petcetera. Approximately 127,191 square feet of development potential remains on the site.

Pickering Wal-Mart Centre – 1899 Brock Road, Pickering, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	127,945	24.24%	18.89
Sam's Club	129,881	24.60%	24.06%
Canadian Tire	82,000	-	-
Sobeys	48,608	9.21%	9.75%

Pickering Wal-Mart Centre is currently a 527,925 square foot development that is situated on approximately 48.34 acres at Highway 401 and Brock Road in Pickering, Ontario. A 127,945 square foot Wal-Mart store, a 129,881 square foot Sam's Club and a 48,608 square foot Sobeys anchor the site. An approximately 82,000 square foot Canadian Tire operates on lands immediately adjacent to the site. Other national tenants include Winners Petsmart and Mark's Work Wearhouse. The site can also accommodate a 30,000 square foot expansion of the Wal-Mart.

Prince George Wal-Mart Centre – 6565 Southridge Avenue, Prince George, BC

Major Tenants/ Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	133,020	69.66%	57.30%
Home Depot	108,171	-	-
Canadian Tire	96,076	-	-

Prince George Wal-Mart Centre is currently a 190,951 square foot development that is situated on approximately 31.42 acres at the intersection of Yellowhead Highway 16 West and Domano Boulevard in Prince George, British Columbia. A 133,020 square foot Wal-Mart store anchors the site. A 96,076 square foot Canadian Tire and a 108,171 square foot Home Depot are operating on lands immediately adjacent to the site. Other national tenants include Mark's Work Wearhouse, Hallmark and Reitmans. Approximately 110,179 square feet of development potential remains and a 30,000 square foot expansion of the Wal-Mart store can also be accommodated on the site.

Scarborough Morningside Northwest Wal-Mart Centre - 799 Milner Ave.
Scarborough, ON

Main Tenants / Anchors	GLA (sf)	% of Owned & Leased GLA	% of Gross Rents
Wal-Mart	131,847	59.70%	48.41%
Cineplex Odeon	44,340	20.08%	26.52%

Scarborough Morningside Northwest Wal-Mart Centre is currently a 220,839 square foot development that is situated on approximately 18.73 acres at Morningside Avenue and Highway 401 in Scarborough, Ontario. A 131,847 square foot Wal-Mart store and a 44,340 square foot Cineplex Odeon location anchor the site. Tenants include Reitmans, Sleep Country and LCBO. Approximately 11,400 square feet of development potential remains on the site.

Gander Centre – Gander, NF

Gander Centre is a development property that is situated on approximately 23.61 acres at the intersection of Cooper Boulevard and Roe Avenue in Gander, Newfoundland. The site has been zoned for commercial uses and has approximately 183,402 square feet of developable area. A major anchor has given its approval for a potential parcel purchase of approximately 10.46 acres.

Napanee Centre – Napanee, ON

Napanee Centre is a development property that is situated on approximately 22.30 acres at the intersection of Kimmitt Boulevard and Mcpherson Drive in Napanee, Ontario. The site has approximately 122,349 square feet of developable area. The site is expected to be Wal-Mart anchored as Wal-Mart Canada has approved the site for a future store location.

Cambridge Sam's Club Centre – Cambridge, ON

Cambridge Sam's Club Centre is a development property that is situated on approximately 4.73 acres at the intersection of Hespeler Road and Pinebush Road (south side) in Cambridge, Ontario. The site has been zoned for commercial uses and has approximately 47,019 square feet of developable area. The site is contiguous with existing, owner operated Home Depot and Sam's Club locations. Directly across Pinebush Road (on the north side) is Calloway REIT's Cambridge Wal-Mart Centre, one of the 35 centres being acquired by Calloway as part of the Transaction. Cambridge Wal-Mart Centre is a 518,080 square foot development that is anchored by Wal-Mart and RONA as well as an owner operated Canadian Tire.

Fort Erie Wal-Mart Centre – Fort Erie, ON

Fort Erie Wal-Mart Centre is a development property that is situated on approximately 1.68 acres at the intersection of Garrison Road and Thompson Road in Fort Erie, Ontario. The site has been zoned for commercial uses and has approximately 17,705 square feet of developable area. Both Wal-Mart and No-Frills (Loblaws) are currently operating on lands immediately adjacent to the site. The Wal-Mart store site can accommodate 30,000 square feet of expansion.

London Sam's Club Centre – London, ON

London Sam's Club Centre is a development property that is situated on approximately 15.60 acres at the intersection of Hyde Park Road & Fanshawe Park Road (north side) in London, Ontario. The site has been zoned for commercial uses and has approximately 173,347 square feet of developable area. Early demand for space in the

centre has resulted in executed deals having already been put in place with such national tenants as Kelsey's, East Side Mario's and Designer Depot. A Sam's Club is currently operating on lands immediately adjacent to the site. Directly across Fanshawe Park Road is the London North Wal-Mart Centre in which Calloway will be acquiring a 50% interest as part of the Transaction. London North Wal-Mart Centre is a 248,732 square foot development that is anchored by a 130,589 Wal-Mart.

Welland Centre – Welland, ON

Welland Centre is a development property that is situated on approximately 26.31 acres at the intersection of Highway 406 and Woodlawn Road in Welland, Ontario. The site has been zoned for commercial uses and has approximately 258,270 square feet of developable area. The site is expected to be anchored by a major national retailer. Another major national retailer has also expressed interest in the site and negotiations regarding the sale of an approximately 6.88 acre parcel to the major national retailer are ongoing.

Dawson Creek Wal-Mart Centre – Dawson Creek, BC

Dawson Creek Wal-Mart Centre is a development property that is situated on approximately 5.78 acres at the intersection of Highway 2 and 8th Street in Dawson Creek, British Columbia. A Wal-Mart is currently operating on lands adjacent to the centre. The site has been zoned for commercial uses and has approximately 63,000 square feet of developable area. The Wal-Mart store site can accommodate 31,090 square feet of expansion.

Quesnel Wal-Mart Centre – Quesnel, BC

Quesnel Wal-Mart Centre is a development property that is situated on approximately 8.29 acres at Cariboo Highway and Maple Drive in Quesnel, British Columbia. The site has been zoned for commercial uses and has approximately 89,810 square feet of developable area. A Wal-Mart is currently in operation on lands immediately adjacent to the site.

St. Catharines Fourth Avenue Centre – St. Catharines, ON

St. Catharines Fourth Avenue Centre is a development property that is situated on approximately 11.14 acres at the intersection of Fourth Avenue (north side) and Louth Street in St. Catharines, Ontario. The site has been zoned for commercial uses and has approximately 134,359 square feet of developable area. Directly across Fourth Avenue (on the south side) is Calloway REIT's First Garden Centre. First Garden Centre is a 344,172 square foot development that is anchored by a 127,791 square foot Wal-Mart and has an operating Loblaws, Canadian Tire and RONA on lands adjacent to the centre.

Dunnville Centre – Dunnville, ON

Dunnville Centre is a development property that is situated on approximately 15.64 acres at Taylor Road between the intersection of Main Street and Forkes Road in Dunnville, Ontario. The site has approximately 104,323 square feet of developable area. A major anchor has given its approval for the potential purchase of a parcel covering approximately 11.41 acres.

Overview of the Property Portfolio

As at March 31, 2005, Calloway owned 63 commercial properties (the "Calloway Properties") comprising 97.65% retail and 2.35% industrial by gross rental revenue. Calloway's proportionate interest in the Calloway Properties comprise a total of 8,802,151 square feet of gross leasable area.

Upon closing of the Acquisition, the Centres V and the Calloway Properties (collectively, the "Property Portfolio") will consist of properties located in all ten Canadian Provinces. Following completion of the Acquisition, 99% of rental revenue from the Property Portfolio will be derived from retail properties containing an aggregate of 13,514,732 square feet; and approximately 1% of rental revenue will be derived from industrial properties containing an aggregate of 484,493 square feet. The occupancy rate for the Property Portfolio was 98.2% as at April 1, 2005.

The following table summarizes Calloway's proportionate interest in the Property Portfolio (assuming completion of the Acquisition) as at April 1, 2005:

	<u>Retail</u>	<u>Industrial</u>	<u>Total</u>
Number of Properties.....	84	7	91
Total Leasable Area (square feet) (excluding Undeveloped Lands).....	13,514,732	484,493	13,999,225
Occupancy.....	98.9%	81.5%	98.2%
Average Net Rent in Place.....	\$12.68	\$6.43	\$12.50

The following table illustrates the year in which the Property Portfolio was completed or substantially renovated (assuming completion of the Acquisition):

<u>Year Built/Renovated</u>	<u>Square Footage</u>	<u>% of total square footage of Property Portfolio</u>
1996 – 2004	13,374,227	95.5%
prior to 1996	624,998	4.5%

The following tables illustrate the top ten tenants for the Property Portfolio (assuming completion of the Acquisition) as at March 31, 2005, relative to the Calloway Properties in terms of their percentage contribution to gross rental revenues:

<u>Tenant</u>	<u>With Acquisition</u>		<u>Tenant</u>	<u>Without Acquisition</u>	
	<u>Gross Revenue \$</u>	<u>Percentage of Gross Rental Revenues</u>		<u>Gross Revenue</u>	<u>Percentage of Gross Rental Revenues</u>
Wal-Mart	82,390,728	31.13%	Wal-Mart	47,876,524	34.21%
Reitmans	10,428,318	3.94%	Reitmans	6,241,997	4.46%
Winners / Home Sense	10,255,715	3.87%	Winners / Home Sense	5,055,723	3.61%
Best Buy /Future Shop	9,598,228	3.63%	Mark's Work Wearhouse	4,502,329	3.22%
Mark's Work Wearhouse	8,325,736	3.15%	Best Buy / Future Shop	4,164,735	2.98%
HBC o/a Home Outfitters, Designer Depot or Zellers	6,739,601	2.55%	HBC o/a Home Outfitters, Designer Depot or Zellers	4,035,409	2.88%
Staples (Business Depot)	6,204,066	2.34%	Staples (Business Depot)	3,629,868	2.59%
Rona	5,432,821	2.05%	Sobey's / IGA	3,464,754	2.48%
Sobey's/IGA	5,237,346	1.98%	Cara	2,901,443	2.07%
Cara	4,525,333	1.71%	Payless Shoesource	1,826,127	1.30%

The following tables summarize the lease maturities for the Property Portfolio (assuming completion of the Acquisition) as at April 1, 2005 relative to the Calloway Properties in terms of their percentage contribution to net rental areas:

<u>Year</u>	<u>With Acquisition</u>		<u>Year</u>	<u>Without Acquisition</u>	
	<u>Net Rentable Area (Sq. ft.)</u>	<u>Expiry as % of Net Rentable Area</u>		<u>Net Rentable Area (Sq. ft.)</u>	<u>Expiry as % of Net Rentable Area</u>
2005	128,165	0.92%	2005	88,225	1.00%
2006	209,646	1.50%	2006	111,500	1.26%
2007	368,215	2.63%	2007	272,252	3.09%
2008	371,905	2.66%	2008	170,653	1.94%
2009	354,061	2.51%	2009	241,397	2.74%
2010	633,043	4.51%	2010	370,769	4.20%

Year	<u>With Acquisition</u>		Year	<u>Without Acquisition</u>	
	Net Rentable Area (Sq. ft.)	Expiry as % of Net Rentable Area		Net Rentable Area (Sq. ft.)	Expiry as % of Net Rentable Area
2011	660,700	4.72%	2011	370,451	4.20%
2012	676,666	4.85%	2012	459,909	5.22%
2013	1,040,288	7.43%	2013	637,897	7.23%
2014	1,147,878	8.21%	2014	695,230	7.88%
2015	465,574	3.36%	2015	193,662	2.20%
2016	306,382	2.19%	2016	206,589	2.34%
2017	468,558	3.35%	2017	183,925	2.09%
2018	370,681	2.65%	2018	104,069	1.18%
2019	1,194,997	8.53%	2019	937,442	10.63%
2020	1,131,929	8.08%	2020	749,131	8.50%
Beyond	4,217,020	30.09%	Beyond	2,764,344	31.52%
Vacant	253,517	1.81%	Vacant	244,706	2.78%
Total	13,999,225	100.00%	Total	8,802,151	100.00%

The following table summarizes the principal mortgage debt repayments (excluding capital lease obligations, convertible debentures and unsecured debt payable) on Calloway's Portfolio of income producing properties (assuming debt is not renewed on maturity) as at April 1, 2005 on a pro forma basis after giving effect to the Acquisition and other transactions associated with the completion of the Acquisition, including the addition of debt and equity financings required to fund the cash component of the Purchase Price.

Term Facilities	Payments of Principal (\$)	Debt Maturing During Year		% of Total	Weighted Average Interest Rate
		(\$)	Total (\$)		
Term Facilities					
2005	11,862,829	1,200,000	13,062,829	1.07%	5.71%
2006	21,944,669	16,543,971	38,488,640	3.15%	6.61%
2007	22,865,430	7,647,165	30,512,595	2.50%	4.95%
2008	24,101,692	10,910,692	35,012,384	2.86%	5.79%
2009	24,651,312	36,782,210	61,433,522	5.03%	5.69%
2010	25,554,453	26,070,478	51,624,931	4.23%	6.08%
2011	25,811,441	52,934,464	78,745,905	6.45%	6.49%
2012	25,569,977	7,547,585	33,117,562	2.71%	6.03%
2013	24,384,963	94,489,072	118,874,035	9.73%	6.48%
2014	23,581,655	70,653,529	94,235,184	7.71%	5.94%
2015	22,582,184	82,359,375	104,941,559	8.59%	6.07%
2016	22,083,744	51,073,731	73,157,475	5.99%	5.85%
2017	20,920,300	87,016,108	107,936,408	8.83%	5.83%
2018	16,208,570	48,674,537	64,883,107	5.31%	6.07%
2019	13,216,161	64,311,993	77,528,154	6.35%	5.93%
2020	8,769,054	51,171,689	59,940,743	4.91%	5.55%
2021	5,892,691	-	5,892,691	0.48%	5.75%
2022	5,996,124	13,475,277	19,471,401	1.59%	5.74%
2023	3,457,950	34,823,838	38,281,788	3.13%	5.71%
2024	990,293	-	990,293	0.08%	5.97%
2025	574,756	4,007,720	4,582,476	0.38%	6.02%
Development and Revolving Operating Facilities					
2005	-	63,936,558	63,936,558	5.23%	2.87%
2006	-	23,543,849	23,543,849	1.93%	2.04%
2007	-	9,927,050	9,927,050	0.81%	0.00%
2008	-	7,732,314	7,732,314	0.63%	0.00%
2009	-	3,866,157	3,866,157	0.32%	0.00%
TOTAL	351,020,248	870,699,362	1,221,719,610	100.00%	5.64%

Debt (excluding development and revolving facilities) as a percentage of Gross Book Value at Closing	45.81%
Debt (including development and revolving facilities) as a percentage of Gross Book Value at Closing	50.30%
Weighted average interest rate (including development and revolving facilities)	5.64%
Weighted average interest rate (excluding development and revolving facilities)	5.99%

Capital lease obligations relate to an income property which was acquired under the terms of a 35 year lease. A single payment of \$39.0 million was made on October 31, 2003 and a payment of \$10.0 million is due at the end of the lease to exercise a purchase option. The net present value of the purchase option payment is \$463,425, at an inherent interest rate of 9.18%, as at March 31, 2005.

Convertible debentures have a face value of \$53,569,000, bear interest at 6%, and are convertible at the holder's option at any time into trust units at \$17.00 per unit. They are redeemable at the option of Calloway in cash or units on or after June 28, 2010.

It is assumed that unsecured debt payable amounting to \$175 million will be issued to fund a portion of the Purchase Price. It is assumed that the unsecured debt payable will consist of \$75 million due in five years and \$100 million due in seven years with a weighted average interest rate of 5.05%.

Debt (including mortgages payable, capital lease obligations and unsecured debt payable but excluding convertible debentures) as a percentage of Gross Book Value at Closing will be 57.52%. Debt (including mortgages payable, capital lease obligations, unsecured debt payable and convertible debentures) as a percentage of Gross Book Value at Closing will be 59.65%.

Management of the Centres

Calloway intends to enter into a property management contract with FirstPro with respect to the Centres, which will include customary market terms and conditions, including the following:

- (a) leasing fees equal to \$3.00 per square foot on new leases entered into with respect to the Centres and \$1.00 per square foot for lease renewals (up to \$4.00 for new leases and up to \$2.00 for renewals if outside leasing agents are used by FirstPro);
- (b) property management fees equal to 2.5% of net rental revenues plus the administration fees paid by tenants under relevant leases; and
- (c) a term of five years, renewable, at the option of FirstPro, for a further five year term.

Access to Development Projects on the Centres and Development Lands

Calloway will have access to additional retail developments to be undertaken on 24 of the Centres and on the Development Lands. With respect to 11 of the Centres, the Vendors will be granted the right for a period of five years (the "Earn-Out Period") to earn additional proceeds (the "Earn-Out Proceeds") from Calloway on the completion and rental of additional buildings (the "Earn-Out Event") on the undeveloped lands adjacent to those Centres and on the Development Lands. Upon the occurrence of an Earn-Out Event, Calloway will agree to pay the Earn-Out Proceeds to the Vendor as calculated in the manner set out in the Purchase Agreement. The formula used to calculate the Earn-Out Proceeds for any new development uses net rents from the new development divided by the capitalization rate used to derive the portion of the Purchase Price allocated to the associated centre plus 12.5 basis points. An Affiliate of FirstPro will be provided the right, at its option, to subscribe for either Units or Class B Units of Calloway LP in an amount of up to 40% of the Earn-Out Proceeds at a purchase price per Unit or Class B Unit equal to \$20.10. Each Class B Unit issued as a result of an Earn-Out Event shall result in the cancellation of one Class C Unit of Calloway LP and the issuance of an additional Special Voting Unit of the Trust. Based on current projected rents and on potential buildable square feet on the 11 Centres, the Earn-Out Proceeds could be up to approximately \$211 million and result in the issuance to FirstPro of up to approximately 4.2 million additional Units

or Class B Units of Calloway LP (as well as additional Special Voting Units of the Trust equivalent to the number of Class B Units issued) at \$20.10 per Unit or Class B Unit of Calloway LP. Calloway expects that it will raise approximately 60% of any Earn-Out Proceeds by issuing mortgages secured against the property it acquires.

In the event that FirstPro does not elect to subscribe for the full amount of Units or Class B Units of Calloway LP to which it is entitled, Calloway intends to raise such portion of the Earn-Out Proceeds by the issuance of Units pursuant to one or more private placements or public offerings of such additional Units of Calloway, which will be priced at the then current ten day weighted average trading price for Units, subject to at most a 15% discount. The pricing for such private placement or public offering will be determined based on then prevailing market conditions and be subject to the approval of the Toronto Stock Exchange. To the extent that Calloway is able to sell its Units at the relevant time at \$20.10 per Unit and that the aggregate Earn-Out Proceeds are \$211 million, such private placements or public offerings could result in the issuance of up to 4.2 million additional Units of Calloway.

If an Earn-Out Event does not occur before the expiration of an Earn-Out Period (which may be extended by the Vendors) with respect to a new building, Calloway will not be required to pay any Earn-Out Proceeds in connection with such new building and will be required to repay only 85% of the proceeds it borrowed from the Vendors in relation to the acquisition and development of the Centres attributable to such new building (including the amount owing under the Mortgage, construction financing advances (if any) and interest thereon, all relative to the relevant Undeveloped Land).

With respect to a number of the Centres and the Development Lands, Calloway will conduct the development process. Calloway intends to hire externally as well as offer employment to a number of employees of FirstPro to implement and manage the development process connected with these 13 Centres and the Development Lands. FirstPro will be provided the right, at its option, to subscribe for additional Units or Class B Units of Calloway LP at a purchase price per Unit or Class B Unit equal to \$20.10 on the completion of any development of the 13 Centres or the Development Lands (a "Development Event") for an aggregate amount of up to 40% of the value of such development ("Development Proceeds") where value will be determined in a manner similar to the determination of Earn-Out Proceeds. Each Class B Unit issued as a result of a Development Event shall result in the cancellation of one Class C Unit and the issuance of an additional Special Voting Unit. Based on current projected rents and on potential buildable square feet on the 13 Centres and the Development Lands, the Development Proceeds could equal approximately \$342 million and result in the issuance of up to 6.8 million additional Units or Class B Units and additional Special Voting Units of the Trust equivalent to the number of Class B Units issued, to FirstPro to the extent that Calloway issues same at \$20.10 per Unit pursuant to the contemplated equity offering. Calloway expects it will raise approximately 60% of any Development Proceeds by issuing mortgages secured against the property on which it has completed a development.

In the event that FirstPro does not elect to take any portion of the Development Proceeds in Units or Class B Units, Calloway intends to raise such portion of the Development Proceeds by the issuance of Units pursuant to one or more private placements or public offerings of such additional Units of Calloway, which will be priced at the then current ten day weighted average trading price for Units, subject to at most a 15% discount. The pricing for such private placement or public offering will be determined based on then prevailing market conditions and be subject to the approval of the Toronto Stock Exchange. To the extent that Calloway is able to sell its Units at the relevant time at \$20.10 per Unit and that the aggregate Development Proceeds are \$342 million, such private placements or public offerings could result in the issuance of up to 6.8 million additional Units of Calloway.

Calloway and Calloway LP will issue a maximum of 11 million additional Units and Class B Units and the Trust will issue a maximum of 8.5 additional Special Voting Units to FirstPro in completing the acquisitions flowing from Earn-Out Events and refinancing properties following Development Events. The precise number of additional Class B Units and Special Voting Units issued will be determined by the applicable trading price of Units (in the event that FirstPro does not elect to subscribe for the full number of the Earn-Out Proceeds or Development Proceeds in Class B Units to which it is entitled) and by the actual amount of the Earn-Out Proceeds or Development Proceeds which will be based on the actual net rents that FirstPro and Calloway are able to achieve in the development of the undeveloped land adjacent to the Centres and Development Lands.

Financial Results for the Centres V

The audited Schedules of Combined Net Operations for the Centres V for the years ended December 31, 2004 and 2003 are summarized in the table below⁽¹⁾:

	Year ended December 31, 2004 (000s)	Year ended December 31, 2003 (000s)
Rental revenue from income properties	\$ 92,544	\$ 67,935
Expenses		
Property operating costs	29,442	21,846
Amortization of deferred expenses	7,173	5,581
	<u>36,615</u>	<u>27,427</u>
Net operations	<u>\$ 55,929</u>	<u>\$ 40,508</u>

Note:

- (1) See the audited Schedules of Combined Net Operations for the Centres V Phase I, Centres V Phase II and Centres V Phase III for the years ended December 31, 2004 and 2003 included in Schedule B to this Management Information Circular. These Schedules of Combined Net Operations exclude any net operations related to the Development Lands.

Calloway Pro Forma Consolidated Financial Statements

Calloway's unaudited Pro Forma Consolidated Balance Sheet as at March 31, 2005 and its unaudited Pro Forma Consolidated Statements of Income for the three months ended March 31, 2005 and for the year ended December 31, 2004 assuming the acquisition of the Centres V by Calloway are summarized below⁽¹⁾:

Pro Forma Consolidated Balance Sheet

	Pro Forma March 31, 2005 (000's)
Assets	
Real estate assets	
Income properties	\$ 2,181,308
Properties under development	114,857
Mortgages and loans receivable	47,914
Deferred leasing costs	468
Assets held for sale	9,173
	<u>2,353,720</u>
Deferred financing costs	8,396
Prepaid expenses and deposits	3,034
Accounts receivable	9,172
Cash and cash equivalents	25,850
	<u>\$ 2,400,172</u>
Liabilities	
Mortgages payable	\$ 1,216,447
Mortgages payable related to assets held for sale	5,273
Capital lease obligations	463
Convertible debentures	51,612
Unsecured debt payable	175,000
Accounts payable and accrued liabilities	29,963
	<u>1,478,758</u>
Unitholders' Equity	<u>921,414</u>
	<u>\$ 2,400,172</u>

Pro Forma Consolidated Statement of Income
(\$000's except per unit amounts)

	Pro Forma 3 months ended March 31, 2005	Pro Forma year ended December 31, 2004
Revenues		
Rental from income properties	\$ 62,302	\$ 221,100
Interest	1,119	2,355
	<u>63,421</u>	<u>223,455</u>
Expenses		
Property operating costs	20,809	69,087
Interest – mortgages and other	18,744	72,818
Interest - debentures	854	3,447
Amortization of income properties		
- tangible components	11,588	44,741
- intangible components	9,760	27,940
General and administrative	606	1,919
Amortization of deferred financing costs	140	741
Amortization of deferred leasing costs	162	481
	<u>62,663</u>	<u>221,174</u>
Income from continuing operations	758	2,281
Discounted operations	12,187	2,024
Net income	<u>\$ 12,945</u>	<u>\$ 4,305</u>
Net income per unit		
Basic		
Continuing operations	\$ 0.013	\$ 0.039
Discounted operations	<u>0.201</u>	<u>0.034</u>
Net income	<u>0.214</u>	<u>0.073</u>
Diluted		
Continuing operations	0.013	0.038
Discounted operations	<u>0.201</u>	<u>0.034</u>
Net income	<u>\$ 0.214</u>	<u>\$ 0.072</u>

Note:

- (1) See the unaudited pro forma consolidated financial statements assuming the completion of the acquisition of the Centres V included in Schedule B to this Management Information Circular.

FOURTH AMENDED AND RESTATED DECLARATION OF TRUST

Calloway is a closed-ended mutual fund trust governed by the laws of the Province of Alberta and created pursuant to a Declaration of Trust dated December 4, 2001, as amended and restated as of October 24, 2002, as further amended and restated as of October 31, 2003, and as further amended and restated as of February 16, 2004 (the "Third Amended and Restated Declaration of Trust"). Subject to regulatory approval, the Trustees propose to adopt a further amended and restated Declaration of Trust (referred to in this section as the "Fourth Amended and Restated Declaration of Trust"). The amendments to the Third Amended and Restated Declaration of Trust that are proposed include changing the Trust from a closed-end mutual fund trust to an open-end mutual fund trust, adding a provision for the issuance of special voting units to FirstPro and adding a provision such that FirstPro will have a right to obtain additional special voting units to maintain its votes at meetings of the Unitholders of Calloway at particular levels.

The primary reason for approving the reorganization is that it is a condition precedent to the completion of the Acquisition. Another benefit that the Trustees believe could be derived from this change is that it will provide Calloway with greater flexibility to more actively pursue value enhancing opportunities and acquisitions in businesses related to Calloway's operations if the Trustees determine this appropriate. The conversion to "open-end"

status would substantially reduce the investment restrictions applicable under the *Income Tax Act* (Canada) (the “Act”) and under Calloway's Declaration of Trust and therefore permit greater flexibility in the types of investments to be made by Calloway in the future. The conversion would also be consistent with recent trends in the industry as currently at least eight other Canadian publicly-traded real estate investment trusts are structured as open-end trusts, including the majority of the real estate investment trusts established over the last several years.

Background

Calloway is a “closed-end” investment trust formed under the laws of Alberta. Calloway currently qualifies, and must in the future continue to qualify, as a “unit trust” and as a “mutual fund trust” as those terms are defined in the Tax Act. This means that Calloway must restrict its activities to the making of passive investments (such as the ownership of Canadian real property) and must satisfy at least one of the following two conditions:

- (a) (i) at least 80% of Calloway's assets must consist of shares, cash or bonds, debentures, mortgages, notes or other similar obligations, marketable securities or Canadian real estate; (ii) not less than 95% of its income (computed without regard to any distributions) for the year must be derived from, or from the disposition of, investments described in (i); and (iii) not more than 10% of Calloway's assets may consist of shares, bonds or securities of any one corporation or debtor; or
- (b) Unitholders must possess a right of redemption with respect to their Units, meaning that Unitholders must be entitled to require Calloway to accept, on demand, the surrender of Units at prices determined and payable in accordance with conditions attached to the Units.

Through its ownership of Canadian real estate, Calloway qualifies as a “mutual fund trust” and a “unit trust” by satisfying condition (a). However, Calloway does not satisfy condition (b) as Calloway does not currently provide a right of redemption to Unitholders. If the conversion to open end status is approved by Unitholders and proceeded with, Calloway would qualify as a “mutual fund trust” and a “unit trust” by satisfying condition (b) by providing a right of redemption to Unitholders and would no longer be subject to the restrictions on the nature of its assets and income set out in condition (a).

In order to complete the Acquisition in accordance with the proposed terms, Calloway must amend its Declaration of Trust to be in compliance with condition (b) instead of condition (a).

In addition, Calloway's ability to effectively compete in the commercial real estate industry with other fully integrated real estate companies and ultimately to maintain and increase Unitholder value and distributions, is dependent in part on its ability to effectively pursue investing in opportunities in value enhancing businesses related to real property ownership. The conversion to open-end status would allow Calloway to expand its investments in these and other related areas without being constrained by the asset and income limits described in (a) above.

The conversion requires certain amendments to Calloway's Declaration of Trust described below.

Right of Redemption

The conversion to open-end status would necessitate an amendment to the Declaration of Trust to grant a right of redemption to Unitholders with respect to their Units. This will allow a Unitholder to require Calloway at any time on demand to redeem his or her Units. Upon such redemption, all of such Unitholder's rights to and under the Units tendered would be surrendered, and the Unitholder would be entitled to receive a price per Unit as determined by a market price formula, subject to a proposed monthly aggregate cash cap for all Trust Units tendered in such month of \$50,000. The redemption price payable by Calloway would be satisfied by way of a cash payment or, in certain circumstances, including where such payment would cause the monthly cash cap to be exceeded, by way of an in specie distribution (that is, a proportionate distribution of unsecured subordinated promissory notes of subsidiaries of Calloway or of Calloway). As with most other open-end trusts, it is anticipated that trading on the Toronto Stock Exchange and not the right of redemption would continue to be the primary mechanism for Unitholders to dispose of their Units. Any securities or other property of Calloway that may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop for such

securities or other property. Any securities so distributed may be subject to resale restrictions under applicable securities laws. For more detailed information regarding the right of redemption and the terms of the promissory notes, see the specific amendments to the Declaration of Trust described below.

Income Tax Considerations

Future investments or acquisitions permitted by the conversion to “open-end” status may result in dividend, interest or other forms of payments to Calloway and, in turn, distributions to Unitholders that may be wholly or in part taxable. In approving any future investment or acquisition, the Trustees would be required to consider the impact that such investments or acquisitions would have on anticipated after-tax distributions to Unitholders.

A redemption of Units in consideration for cash or other assets of Calloway, as the case may be, will be a disposition of such Units for proceeds of disposition equal to such cash or the value of such other assets, as the case may be. Unitholders exercising the right of redemption will consequently realize a capital gain, or sustain a capital loss, depending upon whether the amount received exceeds, or is exceeded by, the adjusted cost base of the Units so remitted for retraction. The receipt of securities or other property of Calloway in specie in substitution for Units may result in a change in the income tax characterization of distributions.

Calloway obtained an Advance Income Tax Ruling from Canada Revenue Agency (“CRA”) with respect to Calloway’s proposed conversion to open end status. CRA confirmed that the addition of the proposed redemption features and the creation of the Special Voting Units will not, in and of themselves, result in a disposition by existing Unitholders of their Units or result in a disposition by Calloway of its property or in a resettlement of Calloway.

Details of Amendments

Additional amendments to the Third Amended and Restated Declaration of Trust that are proposed include adding a provision for the issuance of special voting units to FirstPro and adding a provision such that FirstPro will have a right to obtain additional special voting units to maintain its votes at meetings of the Unitholders of Calloway at particular levels. A complete listing of the proposed amendments is as follows:

It is proposed that Article 1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust by changing the definition of “Distributable Income” to read as follows:

- 1.1.10 **“Distributable Income”** means, for any period, the consolidated net income of the Trust determined in accordance with Canadian generally accepted accounting principles, adjusted for: adding back decreases in rental from income properties from step leases on a straight line basis over the remaining life of the lease, amortization of buildings, amortization of tenant improvements, amortization of in place lease values, amortization of the differential between original and above market rents, amortization of customer relationship values, amortization of debenture liability accretion expense, losses on disposition of assets, and amortization of any net discount on long term debt assumed from vendors of properties at rates of interest less than fair value; deducting increase in rentals from income properties from step leases on a straight line basis over the remaining life of the lease, amortization of the differential between original and below market rents, gains on dispositions of assets and amortization of any net premium on long-term debt assumed from vendors of properties at rates of interest greater than fair value and to reflect any other adjustments determined by the Trustees in their discretion. Distributable Income may be estimated whenever the actual amount has not been fully determined, which estimates shall be adjusted as of the first Distribution Date by which the amount of such Distributable Income has been fully determined;

It is proposed that section 1.1.15 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to delete the following definition in its entirety:

- 1.1.15 “**Independent Trustee**” means a Trustee who is “unrelated” (as defined in the Toronto Stock Exchange Company Manual on corporate governance) to the Trust or any subsidiary thereof

It is proposed that Article 1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to add the following definitions:

- 1.1.12 “**Exchangeable Securities**” means any securities of any trust, limited partnership or corporation other than the Trust that are convertible or exchangeable directly for Units without the payment of additional consideration therefore;
- 1.1.22 “**Non-Resident**” means any person that is neither a Resident Canadian nor a Canadian partnership for the purposes of the *Income Tax Act* (Canada);
- 1.1.30 “**Special Unitholder**” means the holder of Special Voting Units;
- 1.1.31 “**Special Voting Unit**” means the non-participating, voting unit of the Trust, other than a Unit, that are more particularly described in section 6.1.3 that has been authorized and issued hereunder;

It is proposed that Article 1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust by changing the definition of “Gross Book Value” to read as follows:

- 1.1.13 “**Gross Book Value**” means, at any time, the consolidated book value of the assets of the Trust, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated amortization for buildings, tenant improvements, equipment, in place lease values, below and above market leases, and tenant relationship values shown thereon.

It is proposed that Article 1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust by changing the definition of “Real Property” to read as follows:

- 1.1.26 “**Real Property**” means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations, trusts, limited partnerships or other legal entities whose sole or principal purpose and activity is to invest in, hold and deal in real property;

It is proposed that Article 1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust by changing the definition of “Unit” to read as follows:

- 1.1.37 “**Unit**” means a participating unit interest in the Trust more particularly described in section 6.1.2 below issued from time to time in accordance with the provisions hereof and includes a fraction of a participating unit of the Trust;

It is proposed that the first sentence of section 2.7 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 2.7 The trust is an unincorporated open-end mutual fund trust.

It is proposed that section 2.9 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 2.9 The control and administration of the Trust Property and the right to conduct the affairs of the Trust are vested exclusively in the Trustees and the Unitholders and Special Unitholders shall have no rights therein other than the rights specifically set forth in this Declaration of Trust and they shall have no right to compel any partition, division, dividend or distribution of the Trust Property or any of the other assets of the Trust, except as specifically provided herein. The Units and Special Voting Units shall be movable property and shall confer upon the holders thereto only the interest and rights specifically set forth in this Declaration of Trust.

It is proposed that section 3.1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 3.1 There shall be no fewer than seven (7) nor more than twelve (12) Trustees. Subject to Section 3.11, the number of Trustees may be increased or decreased within such limits from time to time by the Trustees or the Unitholders, provided that the Trustees may not, between meetings of Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third of the number of Trustees in office immediately following the last annual meeting of Unitholders.

It is proposed that section 3.4 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to delete the following section 3.4 in its entirety:

3.4 Independent Trustees

A majority of the Trustees or of any committee of the Trustees must be Independent Trustees provided, however, that if at any time a majority of the Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with this requirement.

It is proposed that the first line of section 3.5 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to add the following:

- 3.5 Subject to sections 3.1, ...

It is proposed that section 3.10 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 3.10 The Trust may have a Chairman, a President, one or more Vice-Presidents and a Secretary and such other officers as the Trustees may appoint from time to time. One person may hold two or more offices. Any officer of the Trust may, but need not, be a Trustee. The Chairman, if not a Trustee, shall be entitled to receive notice of and attend all meetings of the Trustees but, unless he is a Trustee, shall not be entitled to vote at any such meeting. Officers of the Trust shall be appointed and discharged and their remuneration determined by the Trustees provided that the President shall be appointed on an annual basis and with the consent of not less than 75% of the Trustees.

It is proposed that section 3.11 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 3.11 For so long as Mitchell Goldhar, companies controlled by Mitchell Golhar or Affiliates of such companies (collectively referred to herein as "FirstPro") is the registered and

beneficial owner of in excess of 5% in aggregate of the issued and outstanding Units and Special Voting Units of the Trust, it shall be entitled to appoint one trustee to the Board of Trustees of the Trust and the number of trustees on the Board of Trustees shall be limited to eight; for so long as FirstPro is the registered and beneficial owner of in excess of 15% in aggregate of the issued and outstanding Units and Special Voting Units of the Trust, it shall be entitled to appoint a total of two trustees to the Board of Trustees of the Trust and the number of trustees on the Board of Trustees shall be limited to a maximum of eight; and for so long as FirstPro is the registered and beneficial owner of in excess of 25% in aggregate of the issued and outstanding Units and Special Voting Units of the Trust, it shall be entitled to appoint a total of three trustees to the Board of Trustees of the Trust and the number of trustees on the Board of Trustees shall be limited to a maximum of nine.

It is proposed that section 4.2.9 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 4.2.9 To possess and exercise all the rights, powers and privileges appertaining to the ownership of, or interest in, all or any mortgages or securities, issued or created by any person, forming part of the assets of the Trust, to the same extent that an individual might and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or action generally or for any particular meeting or action and may include the exercise of discretionary power;

It is proposed that section 4.2.11 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 4.2.11 To collect, sue for and receive sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;

It is proposed that section 4.2.16 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 4.2.16 To prepare, sign and file or cause to be prepared, signed and filed any prospectus, information circular, offering memorandum or similar document, and any amendment thereto, relating to or resulting from an offering of the Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto and any fees related thereto out of the property of the Trust whether or not such offering is or was of direct benefit to the Trust or those persons (if any) who were Unitholders or holders of Exchangeable Securities, immediately prior to such offering;

It is proposed that section 4.6 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 4.6 All determinations of the Trustees which are made in good faith with respect to any matters relating to the Trust, including, without limiting the generality of the foregoing, whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a registered retirement savings plan,

registered retirement income fund, deferred profit sharing plan or registered pension fund or plan as defined in the *Income Tax Act* (Canada), or such other fund or plan registered under the *Income Tax Act* (Canada), upon plan beneficiaries and plan holders past, present and future) and Special Unitholders and Units and Special Voting Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

It is proposed that section 4.7.10 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 4.7.10 Subject to subsections 4.7.8 and 4.7.9, where a Trustee or an officer of the Trust fails to disclose his interest in a material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this section, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and/or directing that such person account to the Trust for any profit or gain realized.

It is proposed that section 5.1.4 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.1.4 except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities, or in money market instruments of, or guaranteed by, a Schedule 1 Canadian chartered bank maturing prior to one year from the date of issue, the Trust may not hold securities other than securities of a trust or limited partnership formed for the purpose of holding Real Property, securities of a joint venture entity or an entity or corporation wholly owned by the Trust formed and operated for the purpose of holding a particular Real Property or real properties or for any other purpose relating to the activities of the Trust, and provided further that, notwithstanding anything contained in this Declaration of Trust to the contrary, the Trust may acquire securities of other real estate investment trusts;

It is proposed that section 5.1.5 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.1.5 except as otherwise prohibited in this Declaration of Trust, the Trust may invest in interests (including fee ownership and leasehold interests) in income-producing Real Property in Canada and the United States that is capital property of the Trust;

It is proposed that section 5.1.6 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.1.6 the Trust shall not acquire any single investment in real property (whether directly or indirectly through its interest in a trust or limited partnership) if the cost to the Trust of such acquisition (including encumbrances assumed) will exceed 20% of the Gross Book Value calculated following such purchase;

It is proposed that section 5.1.9 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.1.9 the Trust shall not acquire interests in general partnerships or limited partnerships provided that the Trust may invest in a general partnership or limited partnership if:

- 5.1.9.1 the general partnership or limited partnership is formed and operated solely for the purpose of acquiring, owning, maintaining, improving, developing, leasing or managing a particular Real Property or Real Properties or interest therein.
- 5.1.9.2 the Trust's interest in the limited partnership is not subject to any restriction on transfer other than a right of first offer or right of first refusal, if any, in favour of any other partner or any affiliate thereof;
- 5.1.9.3 the Trust has a right of first offer or right of first refusal to buy the interests of the other partners; and
- 5.1.9.4 the Trust has received a legal opinion to the effect that the investment (a) would not result in the Trust or any registered retirement savings plan, registered retirement income fund, deferred profit sharing plan or registered education savings plan being liable, under the Income Tax Act, to pay tax imposed as a result of holdings by the Trust of foreign property as defined in the Income Tax Act, (b) would not disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act, and (c) would not result in the Trust losing any status under the Income Tax Act that is otherwise beneficial to the Trust and its Unitholders,

provided that, notwithstanding the foregoing, the Trust may from time to time enter into any limited partnership arrangement which does not comply with any of subparagraphs 5.1.9.2 or 5.1.9.3 above if the Trustees determine that the investment is desirable for the Trust and otherwise complies with sections 5.1 and 5.2;

It is proposed that section 5.1.10 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.1.10 subject to Section 5.1.2, the Trust shall not invest directly in raw land for development except for properties adjacent to existing properties of the Trust for the purpose of (i) the renovation or expansion of existing facilities that are capital property of the Trust, or (ii) the development of new facilities which will be capital property of the Trust, provided that, notwithstanding the foregoing, this section shall not preclude the Trust from investing in general or limited partnerships that invest in raw lands for development purposes;

It is proposed that section 5.2.4 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.2.4 the limitation contained in subsection 5.2.3 shall not apply to the renewal or extension of a lease or sublease and shall not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed (or an indemnity has been given) by:

It is proposed that section 5.2.5 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.2.5 except for renovation or expansion of existing facilities and the development of new facilities on property adjacent to existing properties of the Trust as permitted under subsection 5.1.10, the Trust shall not engage directly in construction or development of property except as necessary to maintain its properties in good repair or to enhance the income producing ability of properties in which the Trust has an interest, provided that, notwithstanding the foregoing, this section shall not preclude the Trust from investing in general or limited partnerships that invest in raw lands for development purposes;

It is proposed that the initial paragraph of section 5.2.8 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.2.8 the Trust will not incur or assume any indebtedness if, after the incurring or assuming of the indebtedness, the total indebtedness of the Trust would be more than 60% of the Gross Book Value (65% if convertible debentures are outstanding). For the purposes of this subsection, the term “indebtedness” means (without duplication and excluding “non-controlling interests”) on a consolidated basis:

It is proposed that section 5.2.9 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.2.9 the Trust shall not incur debt aggregating more than 20% of Gross Book Value (other than unsecured trade payables, accrued expenses and distributions payable) at floating interest rates or having a maturity of less than one year, not including term debt falling due in the next twelve months or variable rate debt for which the Trust has entered into interest rate swap agreements to fix the interest rate for a one year period or greater;

It is proposed that section 5.2.10 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.2.10 the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party except:

5.2.10.1 indebtedness assumed or incurred under a mortgage by a corporation or other entity wholly-owned by the Trust or jointly by the Trust with joint venturers and operated solely for the purpose of holding a particular property or properties where such mortgage, if granted by the Trust directly, would not cause the Trust to otherwise contravene the restrictions set out in this section 5.2 and section 5.1, and, where such mortgage is granted by a joint venture entity, subject to a joint venturer being required to give up its interest in a property owned by the joint venture entity as a result of another joint venturer’s failure to honour its proportionate share of the obligations relating to such property, the liability of the Trust is limited strictly to the proportion of the mortgage loan equal to the Trust’s proportionate ownership interest in the joint venture entity;

5.2.10.2 indebtedness assumed or incurred under a mortgage by a general partnership or limited partnership in which the Trust has an interest in accordance with section 5.1.9 or by a corporation or other entity owned by such general partnership or limited partnership or by a corporation or other entity wholly-owned by a joint venturer and operated solely for the purpose of holding a particular property or properties where such mortgage, if granted by the Trust directly, would not cause the Trust to otherwise contravene the restrictions set out in this section 5.2 and section 5.1, and, where such mortgage is granted by an entity wholly owned by a joint venture entity and an entity wholly owned by the Trust, subject to a joint venturer being required to give up its interest in a property owned by the joint venture entity as a result of another joint venturer’s failure to honour its proportionate share of the obligations relating to such property, the liability of the Trust is limited strictly to the proportion of the mortgage loan equal to the Trust’s proportionate ownership interest in the joint venture entity;

It is proposed that section 5.2.11 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 5.2.11 The Trust shall not be obliged to obtain independent appraisals of properties it acquires but shall obtain an independent appraisal of any property that it acquires as is determined at the discretion of the Investment Committee.

It is proposed that section 6.1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

6.1 Units

- 6.1.1 The beneficial interests in the Trust shall be divided into interests of two classes, described and designated as “Units” and “Special Voting Units”, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein, and the interest of each Unitholder and Special Unitholder shall be determined by the number of Units and/or Special Voting Units registered in the name of the Unitholder or Special Unitholder.
- 6.1.2 Each Unit represents an equal undivided interest in the Trust. All Units outstanding from time to time shall be entitled to participate pro rata in any distributions by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust. All Units shall rank among themselves equally and rateably without discrimination, preference or priority.
- 6.1.3 No Special Voting Unit shall be entitled to any interest or share in the distributions or net assets of the Trust. Special Voting Units may be issued in series and shall only be issued in connection with or in relation to Exchangeable Securities on such terms and conditions as may be determined by the Trustee. A Special Voting Unit shall be issued in conjunction with Exchangeable Securities issued and shall be automatically cancelled on the issuance of Units on exercise, conversion or cancellation of Exchangeable Securities. Subject to Section 8.6.3, each Special Voting Unit shall entitle the Special Unitholder of record thereof to a number of votes at all meetings of Unitholders or in respect of any written resolution of Unitholders equal to the number of Units into which the Exchangeable Securities to which such Special Voting Unit relates are, directly or indirectly, exchangeable or convertible (other than in respect of Exchangeable Securities which have been so exchanged, converted or cancelled). For greater certainty, holders of Special Voting Units shall not be entitled to any distributions of any nature whatsoever from the Trust or have any legal or beneficial interests in any assets of the Trust on termination or winding-up of the Trust.
- 6.1.4 Concurrently with the issuance of any Exchangeable Securities and associated Special Voting Units, the Trust shall enter into such agreements, including voting and exchange trust agreements and Exchangeable Security support agreements, as may be necessary or desirable to properly provide for the terms of the Exchangeable Securities, including to provide for voting of such Special Voting Units;
- 6.1.5 If in any given 365 day period in the five year period from July 1, 2005 , the average weighted aggregate number of Special Voting Units plus Units held or controlled by the FirstPro is equal to or greater than 15,000,000, then so long as Mr. Mitchell Goldhar remains a Trustee and FirstPro directly or indirectly beneficially own or control less than 25% of the voting rights attached to all voting securities of the Trust, the Trust shall issue such number of additional Special Voting Units (the “**Additional Special Voting Units**”) which will entitle

the FirstPro to cast 25% of the votes attached at a meeting of the holders of Units and Special Voting Units. FirstPro's entitlement under this clause shall extend for an additional five year period should FirstPro sell in aggregate at least \$800,000,000 of freehold assets (including freehold interests in assets sold under development arrangements) to the Trust or its affiliates during the initial 5 year period, provided that number of Units and Special Voting Units held or controlled by FirstPro shall be increased to the lesser of 20,000,000 or 20% of the aggregate issued and outstanding Units plus Special Voting Units and provided that Mr. Mitchell Goldhar remains a Trustee.

It is proposed that section 6.2 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.2 Each Unit shall represent an equal undivided interest in the Trust with all other outstanding Units, all Units outstanding from time to time shall participate equally and rateably in any distributions by the Trust and, in the event of termination of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities and no Unit shall have any preference or priority over any other. Special Voting Units shall have no legal or beneficial interest in the distributions or assets of the Trust.

It is proposed that the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust by the addition of section 6.3.2 which will read as follows:

- 6.3.2 Special Voting Units shall only be issued in connection with the issuance of Exchangeable Securities or pursuant to the operation of Section 6.1.5 above.

It is proposed that section 6.6 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.6 The titles to the assets of the Trust and the right to conduct the affairs of the Trust are vested exclusively in the Trustees, subject to the provisions of this Declaration of Trust, and the Unitholders and Special Unitholder shall have no interest therein other than the interest in the Trust conferred by their Units or Special Voting Units issued hereunder as described in section 2.7. No Unitholder or Special Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust.

It is proposed that section 6.7 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.7 The Trustees may allot and issue Units and Special Voting Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by Unitholders of their distributions of the Trust in Units), and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine excepting only that Special Voting Units shall only be issued in connection with the issuance of Exchangeable Securities. In the event that Units or Special Voting Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Units or Special Voting Units shall express the fair equivalent in money of the other consideration received.

It is proposed that section 6.8 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.8 The Trustees may create and issue rights, warrants or options to subscribe for fully paid Units (including Exchangeable Securities) which rights, warrants or options may be exercisable at such subscription price or prices and at such time or times as the Trustees

may determine. The rights, warrants or options so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A right, warrant or option shall not be a Unit and a holder thereof shall not be a Unitholder. Upon the approval by the Trustees of any Unit option plan for trustees, officers and/or employees of the Trust, the Trustees may grant options upon the terms and subject to the conditions set forth in such plan.

It is proposed that section 6.10 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.10 Subject to section 6.11, the Units are freely transferable and the Trustees shall not impose any restriction on the transfer of Units. The Trustees shall use all reasonable efforts to obtain and maintain a listing for the Units on one or more stock exchanges in Canada. Special Voting Units and Exchangeable Securities shall be non-transferable without the consent of the Trust and shall not be listed on any exchange.

It is proposed that section 6.11 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

6.11 Limitation of Ownership by Non-Residents

- 6.11.1 At no time may Non-Residents be the beneficial owners of more than 40% of the Units, on a basic or fully-diluted basis (and for greater certainty, including Units into which Exchangeable Securities may be converted or exchanged), and the Trustees shall inform the Transfer Agent of this restriction. The Trustees may require a registered holder of Units and Special Voting Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units registered in such Unitholder's name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of 40% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 40% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units or Exchangeable Securities, as the case may be, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or Exchangeable Securities or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or Exchangeable Securities or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Unitholders sell such Units or Exchangeable Securities and, in the interim, shall suspend the voting and distribution rights attached to such Units or Exchangeable Securities (other than the right to receive the net proceeds from the sale). Upon such sale or conversion, the affected holders shall cease to be holders of the relevant Units or Exchangeable Securities and their rights shall be

limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such securities. The Trust may direct the Transfer Agent to do any of the foregoing.

- 6.11.2 No liability shall accrue to the Trust or the Trustees if the Units of a Non-Resident Unitholder are sold at a loss to such Unitholder. Unless and until the Trustees shall have been required to do so under the terms hereof, the Trustees shall not be bound to do or take any proceeding or action with respect to this Section 6.11 by virtue of the powers conferred on them hereby. The Trustees shall use reasonable commercial efforts to actively monitor the ownership of Units by Non-Residents. It is acknowledged that the Trustees cannot definitively monitor the ownership of Units by Non-Residents if the Units are registered in the name of CDS. The Trustees shall not be liable for any violation of the Non-Resident ownership restriction which may occur during the term of the Trust.
- 6.11.3 In order to ensure the Trust's continued compliance with proposed amendments to subsection 132(7) of the *Income Tax Act* or any legislative amendments to subsection 132(7) of the *Income Tax Act* as finally enacted, the Trustees may, at any time and in their sole discretion, amend the Declaration of Trust in any manner including that the Trustees may proceed to reclassify the outstanding Units into two separate classes of Units, namely, Class A Units and Class B Units. The Class A and Class B Units would carry the same rights to vote, obtain distributions and participate in the Trust Property upon the wind-up or dissolution of the Trust. However, ownership of the Class B Units would be restricted to Resident Canadians while Class A Units would not be subject to any restriction on ownership. If the Trustees were to proceed with this amendment, the Declaration of Trust would also be amended to provide that the number of outstanding Class B Units must at all times exceed 150% of the number of outstanding Class A Units. The proposed terms of the Class A and Class B Units, if and when adopted, would be substantially as follows:

Class A Trust Units

- (i) are not subject to any residency restriction;
- (ii) will trade on the principal exchange on which the Units are traded immediately prior to reclassification into Class A Units and Class B Units;
- (iii) may be exchanged by a holder at any time for Class B Units provided that the holder is a Canadian Resident and provides a suitable residency declaration;
- (iv) will have identical rights to voting, distributions and Trust Property on a wind-up to the Class B Units (will not vote separately as a class); and
- (v) will be subject to a restriction on the number of Units to be issued such that the total number of issued and outstanding Class A Units will not exceed 66⅔% of the number of issued and outstanding Class B Units.

Class B Trust Units

- (i) may not be held by Non-Residents;

- (ii) will trade on the principal exchange on which the Units are traded immediately prior to reclassification into Class A Units and Class B Units;
- (iii) may be exchanged by a holder for Class A Units, provided that the number of outstanding Class A Units, after the exchange, does not exceed 66⅔% of the number of outstanding Class B Units; and
- (iv) will have identical rights to voting, distributions and Trust Property on a wind-up to the Class A Units (will not vote separately as a class).

It is proposed that section 6.12 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.12 Each Unitholder and Special Unitholder or his duly authorized agent is entitled to a certificate bearing an identifying serial number in respect of the Units or Special Voting Units held by him, signed in the manner hereinafter prescribed, but the Trust is not bound to issue more than one certificate in respect of a Unit or Units held jointly or in common by two or more persons and delivery of a certificate to one of them shall be sufficient delivery to all. No certificate shall be issued to evidence any fractional Units. A single certificate shall be issued for the Special Voting Units as directed by FirstPro.

It is proposed that section 6.15 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.15 The form of certificate representing Units (sometimes called the “Unit Certificates”) shall be in such form as is from time to time authorized by the Trustees. The Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine, and the Unit Certificate issued in respect of the Initial Contribution (and any Unit Certificate issued to a transferee of such Unit) may be typewritten. The form of certificate representing Special Voting Units shall be in a form authorized by the Trustees.

It is proposed that section 6.18 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.18 Units shall be for all purposes of the Trust and this Declaration of Trust, personal and moveable property, and shall be transferable at any time and from time to time by the Unitholder by endorsement and delivery of the certificates representing the Units subject to such provisions and conditions as may be prescribed by the Trustees from time to time. No transfer shall be recorded on the Register unless the transferor has executed the instrument of transfer as reproduced in the Unit certificate and the transferee has delivered to the transfer agent and/or registrar a Unit certificate representing the Units transferred. Subject to the foregoing, transfers shall be recorded on the Register and a new certificate for the Units so transferred shall be issued to the transferee and in case of a transfer of only part of the Units represented by any certificate, a new certificate for the remaining Units shall be issued to the transferor. Special Voting Units shall be non-transferable (except to an affiliate of FirstPro) without the consent of the Trust and the Toronto Stock Exchange.

It is proposed that section 6.19 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.19 Any person becoming entitled to any Units or Special Voting Units, as the case may be, as a consequence of the death, bankruptcy or incapacity of any Unitholder or otherwise by

operation of law shall be recorded in the Register as the holder of such Units or Special Voting Units and shall receive a new certificate therefor upon production of evidence thereof satisfactory to the Trustees and delivery of the existing certificate to the Trustees or a transfer agent or registrar of the Trust, but until such record is made, the Unitholder or Special Unitholder of record shall continue to be and be deemed to be the holder of such Units or Special Voting Units for all purposes whether or not the Trust, the Trustees or the transfer agent or registrar of the Trust shall have actual or other notice of such death, bankruptcy, incapacity or other event.

It is proposed that section 6.21 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.21 None of the Trustees, officers of the Trust, Unitholders, Special Unitholders or any transfer agent, registrar or other agent of the Trust or the Trustees shall have a duty to inquire into any claim that a transfer of a Unit, Special Voting Unit or other security of the Trust was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Unit, Special Voting Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or of any charge, pledge or equity to which any of the Units, Special Voting Units or other securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units, Special Voting Units or other securities or interest therein by any such Unitholder, Special Unitholder or holder of such security or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Unitholder or Special Unitholder of such security.

It is proposed that section 6.22 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.22 In the event that any certificate for Units or Special Voting Units is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new certificate for the same number of Units or Special Voting Units in lieu thereof. The Trustees may in their discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees deem necessary and may require the applicant to supply to the Trust a "lost certificate" or similar bond in such reasonable amount as the Trustees direct indemnifying the Trustees, the transfer agents and registrars for so doing. The Trustees shall have the power to acquire from an insurer or insurers a blanket lost security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the property of the Trust with such contribution, if any, by those insured as may be determined by the Trustees. If such blanket lost security bond is acquired, the Trustees may authorize and direct (upon such terms and conditions as they from time to time impose) any registrar, transfer agent, trustee or others to whom the indemnity of such bond extends to take such action to replace such lost, stolen, destroyed or mutilated certificates without further action or approval by the Trustees.

It is proposed that section 6.23 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 6.23 The death of a Unitholder or Special Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Unitholder or Special Unitholder a right to an accounting or to take any action in the courts or otherwise against other Unitholders, Special Unitholders or the Trustees,

officers of the Trust or the property of the Trust, but shall only entitle the personal representatives or the heirs of the estate or succession of the deceased Unitholder or Special Unitholder to demand and receive, pursuant to the provisions of section 6.19, a new certificate for Units in place of the certificate held by the deceased Unitholder or Special Unitholder, and upon the acceptance thereof such personal representatives or the heirs of the estate or succession of the deceased Unitholder or Special Unitholder shall succeed to all rights of the deceased Unitholder or Special Unitholder under this Declaration of Trust.

It is proposed that section 6.27.1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

6.27.1 If within 120 days after the date of a Take-over Bid the bid is accepted by the holders of not less than 90% of the aggregate of the Units and Special Voting Units, other than Units held at the date of the Take-over Bid by or on behalf of the Offeror or an Affiliate or Associate of the Offeror, the Offeror is entitled, on complying with this section, to acquire the Units held by the Dissenting Offerees.

It is proposed that section 6.27.2.1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

6.27.2.1 the Offerees holding more than 90% of the Units and Special Voting Units to which the bid relates accepted the Take-over Bid;

It is proposed that section 6.27.6 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

6.27.6 The Trust is deemed to hold in trust for the Dissenting Offeree the money or other consideration it receives under subsection 6.27.5, and the Trust shall deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation (or any successor thereto), and shall place the other consideration in the custody of a bank or such other body corporate.

It is proposed that the Third Amended and Restated Declaration of Trust shall be revised and amended by adding a redemption feature as Article 7 in the Fourth Amended and Restated Declaration of Trust which will read as follows:

ARTICLE 7 REDEMPTION OF UNITS

7.1 Right of Redemption

Each Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with the conditions hereinafter provided.

7.2 Exercise of Redemption Right

7.2.1 To exercise a Unitholder's right to require redemption under this Article 7, a duly completed and properly executed notice requiring the Trust to redeem Units, in a form approved by the Trustees, shall be sent to the Trust at the head office of the Trust.

7.2.2 Upon receipt by the Trust of the notice to redeem Units, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for

redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such notice. Units shall be considered to be tendered for redemption on the date that the Trust has received the notice and other required documents or evidence as aforesaid.

7.3 Cash Redemption

7.3.1 Upon receipt by the Trust of the notice to redeem Units in accordance with Section 7.2 the holder of the Units tendered for redemption shall be entitled to receive a price per Unit (hereinafter called the “Redemption Price”) equal to the lesser of:

7.3.1.1 90% of the “market price” of the Units on the principal market on which the Units are quoted for trading during the 10 trading day period ending on the date on which the Units were surrendered to the Trust for redemption; and

7.3.1.2 100% of the “closing market price” on the principal market on which the Units are quoted for trading on the date on which the Units were surrendered to the Trust for redemption.

For the purposes hereof, “market price” shall be an amount equal to the weighted average of the closing price of the Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Units traded on a particular day, the “market price” shall be an amount equal to the weighted average of the average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the “market price” shall be the weighted average of the following prices established for each of the 10 trading days: the average of the last bid and last ask prices for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the weighted average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day. For the purposes of Section 7.3.1.2, the “closing market price” shall be: an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the weighted average of the highest and lowest prices of Units if there was trading and the exchange or other market provides only the highest and lowest trading prices of Units traded on a particular day; and the weighted average of the last bid and last ask prices if there was no trading on the date. During the period of time, if any, after the date on which the Units were surrendered to the Trust for redemption, that the Units issued are subject to payment of an instalment of the issue price and are represented by instalment receipts, unless a market for trading in the Units (other than those so represented by instalment receipts) develops which the Trustees consider fairly reflects the market value of the Units, the “market price” for purposes of Section 7.3.1.1 and the “closing market price” for purposes of Section 7.3.1.2 shall equal the aggregate of the “market price” or “closing market price” for such instalment receipts (calculated as aforesaid as if the instalment receipts were Units) plus the amount of the unpaid instalment of the issue price per Unit.

7.3.2 Subject to Sections 7.4 and 7.5, the Redemption Price payable in respect of the Units tendered for redemption during any month shall be paid by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to or to the order of the Unitholder who exercised the right of redemption on or before the last day of the calendar month following the month in which the Units were tendered for redemption. Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former Unitholder and/or any party having a security interest unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of Trust Units redeemed.

7.4 **No Cash Redemption in Certain Circumstances**

Section 7.3.2 shall not be applicable to Units tendered for redemption by a Unitholder, if:

- 7.4.1 the total amount payable by the Trust pursuant to Section 7.3 in respect of such Units and all other Units tendered for redemption prior thereto in the same calendar month exceeds \$50,000 (“Monthly Limit”); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any calendar month. In the absence of such a waiver, Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to Section 7.3.2 exceeds the Monthly Limit will be redeemed for cash pursuant to Section 7.3.2 and, subject to any applicable regulatory approvals, in accordance with Section 7.5 on a pro rata basis;
- 7.4.2 at the time the Units are tendered for redemption, the outstanding Units (or, as applicable, instalment receipts) are not listed for trading or quoted on any stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units (or, as applicable, instalment receipts); or
- 7.4.3 the normal trading of the outstanding Units (or, as applicable, instalment receipts) is suspended or halted on any stock exchange on which the Units (or, as applicable, instalment receipts) are listed for trading or, if not so listed, on any market on which the Units (or, as applicable, instalment receipts) are quoted for trading, on the date that such Units tendered for redemption were tendered to the Trust for redemption or for more than five trading days during the 10 trading day period commencing immediately after the date on which such Units tendered for redemption were tendered to the Trust for redemption.

7.5 **Alternate Redemption**

If, pursuant to Section 7.4, Section 7.3.2 is not applicable to Units tendered for redemption by a Unitholder, the Redemption Price per Unit specified in Section 7.3 to which the Unitholder would otherwise be entitled shall, subject to receipt of all necessary regulatory approvals, be paid and satisfied by way of a distribution to such Unitholder of unsecured promissory notes with interest at a market rate to be determined by the Trustees, payable monthly, issued by the Trust (the “Notes”), each in the principal amount of \$1, on the basis of such number of Notes for such Units tendered for redemption equal to the product of (i) number of Units tendered for redemption multiplied by (ii) the Redemption Price per Unit specified in Section 7.3, which product will then be divided by \$1 on the date the Units were tendered for redemption. The Redemption Price payable

pursuant to this Section 7.5 in respect of Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer, to or to the order of the Unitholder who exercised the right of redemption, on the last day (the “Transfer Date”) of the calendar month following the month in which the Units were tendered for redemption. Payments by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of the Notes by registered mail in a postage prepaid envelope addressed to the former Unitholder. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed. No fractional Notes in a principal amount less than \$1 will be distributed and where the number of Notes to be received by the former Unitholder includes a fraction or a principal amount less than a multiple of \$1, such number shall be rounded to the next lowest number or multiple of \$1, as the case may be.

7.6 **Cancellation of all Redeemed Units**

All Units which are redeemed under this Article 7 shall be cancelled and such Units shall no longer be outstanding and shall not be reissued.

7.7 **Subordination**

Following any in specie redemption pursuant to the operation of Section 7.5, holders of Notes will be required to acknowledge that they are subject to any applicable subordination agreements as may be determined by the Trustees prior to delivery of such Notes to the Unitholder.

It is proposed that the second sentence of section 7.2 of the Third Amended and Restated Declaration of Trust be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 8.2) to read as follows:

Unitholders and Special Unitholders holding in the aggregate not less than 10% of the outstanding Units and Special Voting Units of the Trust may requisition the Trustees to call a special meeting of the Unitholders for the purposes stated in the requisition.

It is proposed that the first sentence of the second paragraph of section 7.2 of the Third Amended and Restated Declaration of Trust be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 8.2) to read as follows:

Subject to the foregoing, if the Trustees do not within 21 days after receiving the requisition call a meeting, any Unitholder who signed the requisition may call the meeting in accordance with the provisions of sections 8.3 and 8.7 and the Trustees’ Regulations, *mutatis mutandis*.

It is proposed that section 7.5 of the Third Amended and Restated Declaration of Trust be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 8.5) to read as follows:

8.5 Holders of Units and/or Special Voting Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Subject to the provisions of Section 8.6, each Unit and Special Voting Unit shall be entitled to one vote at all meetings of the Unitholders, provided that notwithstanding the foregoing or anything else herein contained, any action to be taken by the Unitholders shall, except as otherwise required by this Declaration of Trust or by law, be authorized when approved by a majority of the votes cast at a meeting of the Unitholders. The chairman of any such meeting shall not have a second or casting vote.

It is proposed that section 7.6.3 of the Third Amended and Restated Declaration of Trust be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 8.6.3) to read as follows:

- 8.6.3 any amendment to the Declaration of Trust (except as provided in section 5.5 or section 13.1, provided that Special Unitholders shall not be entitled to vote the Special Voting Units on any amendment which directly or indirectly adds, removes or changes any of the rights, privileges, restrictions and conditions in respect of the Units or Special Voting Units and further provided that the Unitholders shall not be entitled to vote on any amendment which directly or indirectly adds, removes or changes any of the rights, privileges, restrictions and conditions in respect of the Special Units without the consent of the Special Unitholder);

It is proposed that paragraph 1 of section 8.8 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust to read as follows:

- 8.8 Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or Special Unitholder or by a proxy in such form as the Trustees may prescribe from time to time. A proxy need not be a Unitholder or Special Unitholder. The Trustees may solicit such proxies from the Unitholders, Special Unitholders or any of them in any matter requiring or permitting the Unitholders' vote, approval or consent.

It is proposed that section 9.1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 10.1) to read as follows:

- 10.1 The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision hereof to the contrary, delegate to such committee or committees any of the powers of the Trustees. The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to the Trust or its assets or affairs. The Trustees may grant or delegate such authority to a property manager as the Trustees may, subject to applicable law, in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. Subject to section 10.4, the Trustees shall have the power to determine the term and compensation of a property manager or any other person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

It is proposed that section 9.2 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 10.2) to read as follows:

- 10.2 The Trustees shall appoint an audit committee (the "**Audit Committee**") to consist of not less than three Trustees. The Audit Committee shall be composed of Trustees who comply with the provisions of Mutilateral Instrument 52-110. Subject to the delegation to the Audit Committee of such other responsibilities as are determined by the Trustees from time to time and subject such changes to its form and function as may be mandated by any relevant regulatory authorities, the Audit Committee shall:
- (a) review the Trust's procedures for internal control with the Auditors and the Trust's Chief Financial Officer;
 - (b) review the engagement of the Auditors;
 - (c) review and recommend to the Trustees for approval annual and quarterly financial statements and management's discussion and analysis of financial condition and results of operation;
 - (d) assess the Trust's financial and accounting personnel; and
 - (e) review any significant transactions outside the Trust's ordinary course of business and all pending litigation involving the Trust.

The auditors of the Trust are entitled to receive notice of every meeting of the Audit Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Audit Committee, shall attend any meeting of the Audit Committee held during the term of office of the auditors. Questions arising at any meeting of the Audit Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Audit Committee. The auditors of the Trust or a member of the Audit Committee may call a meeting of the Audit Committee on not less than 48 hours' notice.

It is proposed that section 9.3 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 10.3) to read as follows:

- 10.3 The Trustees shall appoint an investment committee (the "Investment Committee") to consist of not less than three Trustees and not more than five Trustees, a majority of whom shall be Outside Trustees, two of whom shall be Trustees appointed by FirstPro pursuant to section 3.11 hereof for so long as FirstPro is the registered and beneficial owner of in excess of 15% of the issued and outstanding Units and/or Special Voting Units of the Trust (unless the prior written consent to the contrary or a written waiver of FirstPro is obtained) and two-thirds of whom shall have had at least 5 years of substantive experience in the real estate industry. The duties of the Investment Committee will be to:
- (a) review all proposals regarding investments;
 - (b) approve or reject proposed acquisitions and dispositions of investments by the Trust or any of its subsidiaries or affiliates;
 - (c) approve proposed transactions on behalf of the Trust or any of its subsidiaries or affiliates; and
 - (d) approve or reject all borrowings and the assumption or granting of any mortgage or other security interest in Real Property, including any assignment of rents and other monies derived from or related to Real Property, by the Trust or any of its subsidiaries and affiliates.

Questions arising at any meeting of the Investment Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Investment Committee. Any member of the Investment Committee may call a meeting of the Investment Committee upon not less than 48 hours notice. Where for any reason a member of the Investment Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Investment Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Investment Committee, the Trustees may consider and approve any matter which the Investment Committee has the authority to consider or approve.

It is proposed that first paragraph of section 9.4 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 10.4) to read as follows:

- 10.4 The Trustees shall appoint a corporate governance and compensation committee (the "Corporate Governance and Compensation Committee") to consist of not less than three Trustees and not more than four Trustees, one of whom shall be a Trustee appointed by FirstPro pursuant to section 3.11 hereof for so long as FirstPro is the registered and beneficial owner of in excess of 15% of the issued and outstanding Units and/or Special Voting Units of the Trust (unless the prior written consent to the contrary or a written waiver of FirstPro is obtained). The duties of the Corporate Governance and Compensation Committee will be to review the governance of the Trust with the responsibility for the Trust's corporate governance, human resources and compensation

policies. In particular, the Corporate Governance and Compensation Committee will be responsible for: (i) assessing the effectiveness of the board of Trustees and each of its committees; (ii) considering questions of management succession; (iii) participating in the recruitment and selection of candidates as Trustees of Calloway; (iv) considering and approving proposals by the Trustees of Calloway to engage outside advisers on behalf of the board of Trustees of Calloway; (v) administering Calloway's long term incentive plan; (vi) assessing the performance of the Chief Executive Officer; (vii) reviewing and approving the compensation of senior management and consultants of Calloway and its subsidiaries; and (viii) reviewing and making recommendations to the board concerning the level and nature of the compensation payable to the Trustees.

It is proposed that section 10.4 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 11.4) to read as follows:

- 11.4 In reporting income for income tax purposes the Trust shall claim, and shall cause any partnership controlled by the Trust to claim, the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance, unless the Trustees determine otherwise, provided, however, that for purposes of determining the income of the Trust for purposes of the *Income Tax Act* as contemplated by clause (ii) of section 11.1, the income shall be computed on the basis of the Trust claiming the maximum amount available to it as deductions under the *Income Tax Act* (but without reference to Section 104(6) of the *Income Tax Act*), including, but not limited to, maximum capital cost allowance, unless the Trustees determine otherwise prior to the end of the relevant taxation year.

It is proposed that section 12.1 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 13.1.4) to delete paragraph 12.1.4:

It is proposed that section 12.2 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 13.2) to read as follows:

Subject to sections 8.6, 13.1, 13.3 and 13.4, this Declaration of Trust may be amended by the vote of a majority of the votes cast at a Meeting of Unitholders called for that purpose.

It is proposed that section 12.3.8 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 13.3.8) to read as follows:

- 13.3.8 any amendments to sections 3.11, 6.1.5, 10.3 or 10.4, without the written consent of FirstPro;

It is proposed that section 15.8 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 16.8) to read as follows:

- 16.8 Any Trustee or associate of a Trustee may be a Unitholder or Special Unitholder or may be an Annuitant.

It is proposed that section 15.12 of the Third Amended and Restated Declaration of Trust shall be revised and amended in the Fourth Amended and Restated Declaration of Trust (now section 16.12) to read as follows:

- 16.12 The Trustees shall prepare and maintain, at the head office of the Trust or at any other place in Canada designated by the Trustees, records containing (i) the Declaration of Trust; (ii) minutes of meetings and resolutions of Trustees and Unitholders; and (iii) the Register. The Trust shall also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof. Such records shall be kept at the head office of the Trust or at such other place as

the Trustees think fit and shall at all reasonable times be open to inspection by the Trustees.

PARTICULARS OF MATTERS TO BE ACTED UPON

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders must be called and held for, among other matters, the election or removal of Trustees (except filling casual vacancies), the appointment or removal of the auditors of Calloway, the approval of amendments to the Declaration of Trust, an increase or decrease in the number of Trustees, the sale of the assets of Calloway as an entirety or substantially as an entirety (other than as part of an internal reorganization) or the termination of Calloway.

Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy and a proxyholder need not be a Unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 10% of the votes attaching to all outstanding Units shall constitute a quorum for the transaction of business at all such meetings.

Financial Statements

The audited financial statements of the Trust for the year ended December 31, 2004 and the auditor's report thereon will be tabled before the Unitholders at the Meeting for the consideration of the Unitholders. The audited financial statements have been approved by the Audit Committee and by the Board of Trustees of the Trust.

Fix Number of Trustees

It is proposed that the number of Trustees to be elected at the meeting will be 9.

At the Meeting, Unitholders will be asked to vote on the following resolution, with or without variation:

Be it resolved that:

1. The number of Trustees to be elected at this Meeting is fixed at not more than 9.

Notwithstanding the foregoing resolution, the Trustees may, between annual general meetings, appoint one or more additional Trustees of the Trust to serve until the close of the next annual general meeting, but the total number of additional Trustees shall not at any time exceed 1/3 of the number of trustees elected at the Meeting.

Election of Trustees

At the Meeting it is proposed that 6 Trustees be elected to hold office from the closing of the Acquisition until the next annual meeting or until their successors are elected or appointed. FirstPro has confirmed that it will appoint three Trustees to hold office from the closing of the Acquisition until their successors are appointed. There are presently 9 Trustees of the Trust, each of whom cease to hold office following the closing of the Acquisition, unless re-elected at the Meeting.

At the Meeting it is proposed that David M. Calnan, Jamie M. McVicar, Kevin B. Pshebniski, Simon Nyilassy, J. Michael Storey and Al Mawani, be elected as Trustees to hold office from the closing of the Acquisition until the next annual meeting or until their successors are elected or appointed. FirstPro confirms that Peter Forde, Michael Young and Mitchell Goldhar are the FirstPro appointees to the Board of Trustees. In the event that the closing of the Acquisition does not occur it is proposed that J. Michael Storey, David M. Calnan, Jamie M. McVicar, Kevin B. Pshebniski, David Carpenter, Simon Nyilassy, Michael Young, Al Mawani and Ken Delf be elected as Trustees to hold office until the next annual meeting or until their successors are elected or appointed. See "Information Respecting Calloway Real Estate Investment Trust – Trustees of Calloway" for further information on each proposed nominee for election as a Trustee.

At the Meeting, Unitholders will be asked to vote on the following resolution, with or without variations:

Be it resolved that:

1. David M. Calnan, Jamie M. McVicar, Kevin B. Pshebniski, Simon Nyilassy, J. Michael Storey and Al Mawani be appointed as Trustees of Calloway to hold office from the closing of the Acquisition until the close of the next annual meeting of Unitholders. FirstPro has confirmed that Peter Forde, Michael Young and Mitchell Goldhar are the FirstPro appointees to the Board.
2. In the event that the closing of the Acquisition does not occur, J. Michael Storey, David M. Calnan, Jamie M. McVicar, Kevin B. Pshebniski, David Carpenter, Simon Nyilassy, Michael Young, Al Mawani and Ken Delf be appointed as Trustees of Calloway to hold office until the close of the next annual meeting of Unitholders.

Appointment of Auditors

It is proposed that Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, Calgary, Alberta, be re-appointed to serve as auditors of the Trust until the next annual meeting of Unitholders. Kenway Mack Slusarchuk Stewart LLP have been the Trust's auditors since shortly after the formation of Calloway in December of 2001.

To the extent that Mark Suchan is replaced as Calloway's Chief Financial Officer and Calloway completes its contemplated move to Toronto on or before March 31, 2006, Kenway Mack Slusarchuk Stewart LLP has advised Calloway that it will resign as auditors of the Trust. In the event that this occurs the Trustees of Calloway will appoint a replacement auditor in accordance with the terms of Calloway's Declaration of Trust.

At the Meeting, Unitholders will be asked to vote on the following resolution, with or without variation:

Be it resolved that:

1. The firm of Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants of Calgary, Alberta be appointed as the auditors of Calloway to hold office until the close of the next annual meeting of Unitholders.
2. The Board of Trustees of Calloway is hereby authorized to fix the auditor's remuneration as required to give effect to the aforementioned resolution.

Approval of Deferred Unit Plan

For further information regarding the subject matter of the proposed resolution set forth below, see "Information Respecting Calloway Real Estate Investment Trust – Equity Compensation Plan Information – Deferred Unit Plan".

At the Meeting, Unitholders will be asked to vote on the following resolution, with or without variations:

Be it resolved that:

1. The Deferred Unit Plan, substantially as described in the Management Information Circular of Calloway dated June 9, 2005, is hereby approved and adopted;
2. The issuance by Calloway upon conclusion of the Meeting, subject to receipt of regulatory and Unitholder approval to the Deferred Unit Plan, of an aggregate of 49,218 Deferred Units or approximately 0.13% of the currently outstanding Units of Calloway, to the Trustees (20,224 Deferred Units) and officers (28,994 Deferred Units) of Calloway at a market value of \$19.31 per Deferred Unit, being the market value of the Units of Calloway on March 8, 2005, is hereby ratified and approved;

3. Notwithstanding that this resolution has been passed, the Board of Trustees of Calloway may, without further notice to or approval of the Unitholders, revoke this resolution at any time prior to the Deferred Unit Plan becoming effective; and
4. Any one Trustee or officer of Calloway, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of Calloway or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as such person shall determine to be necessary or desirable in order to carry out the intent of the resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

Approval of the Deferred Unit Plan requires the affirmative vote of a majority of the Unitholders present or represented by proxy at the Meeting, provided that management and Trustees of Calloway who are entitled to Deferred Units under the Deferred Unit Plan are not entitled to vote on this resolution. The persons named in the enclosed form of proxy, if named as proxy, intend to vote for the approval of the adoption of the Deferred Unit Plan, unless instructed otherwise.

The implementation of the Deferred Unit Plan is also subject to the approval of the Toronto Stock Exchange.

Approval of Acquisition

For further information regarding the subject matter of the proposed resolution set forth below, see “The Acquisition”.

At the Meeting, the disinterested Unitholders will be asked to vote on the following ordinary resolution, with or without variation:

Be it resolved that:

1. the creation of a new subsidiary trust, a subsidiary corporation and a subsidiary limited partnership (“Calloway LP”) is hereby authorized for the purposes of acquiring interests in 35 retail shopping centres and adjacent undeveloped lands with future development potential (the “Centres”) and 10 parcels of development lands (the “Development Lands” and collectively with the Centres, the “Centres V”) from entities controlled directly or indirectly by Mr. Mitchell Goldhar (“FirstPro”), other minority owners and Wal-Mart Canada Realty Inc. (collectively called the “Vendors”) as described in the Management Information Circular of Calloway dated June 9, 2005 (the “Circular”);
2. the purchase and sale agreement between, among others, Calloway as purchaser and the Vendors with respect to the acquisition by Calloway of the Centres V from the Vendors (the “Acquisition”) contemplated therein, as described in the Circular, including any additional amendments to the purchase agreement and related documents, is hereby approved, authorized and agreed to;
3. the acquisition by Calloway of the Centres V from the Vendors, all as more particularly set out in the Circular is hereby approved, authorized and agreed to;
4. Calloway is authorized to issue, cause to be issued or reserve for issuance: (i) up to 12.6 million class B units of Calloway LP to the Vendors (except Wal-Mart) and up to 8.5 million class C units of Calloway LP (which may be replaced with up to 8.5 million additional class B units of Calloway LP on completion of certain developments of the Centres V) to FirstPro; (ii) up to 21.1 million Units of Calloway which are issuable on the conversion of class B units of Calloway LP; (iii) up to 2.5 million Units of Calloway on completion of certain developments of the Centres V; (iv) up to 12.6 million special voting units of Calloway to the Vendors (except Wal-Mart) in connection with the issuance of the class B units of Calloway LP; and (v) up to an additional 8.5 million special voting units of

Calloway issuable on the issuance of class B units of Calloway LP concurrently with the replacement of class C units of Calloway LP, all as more particularly set out in the Circular;

5. Calloway is authorized to issue such Units of Calloway as are required to fund the cash consideration required by Calloway to complete the Acquisition (up to a maximum of 15,000,000 Units) pursuant to one or more private placements or public offerings, all as more particularly set forth in the Circular;
6. notwithstanding that this resolution has been duly passed, the Board of Trustees of Calloway may, without further notice to or approval of the holders of Units of Calloway, amend or terminate the purchase agreement or revoke this resolution at any time prior to the completion of the transactions contemplated therein; and
7. any one trustee or officer of Calloway is hereby authorized, for and on behalf of Calloway, to execute and deliver any and all other documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

The foregoing resolutions must be approved by Unitholders holding at least fifty percent (50%) plus one of the votes cast by disinterested Unitholders who vote on these resolutions at the Meeting. **The Toronto Stock Exchange has determined that Mitchell Goldhar and FirstPro, who hold approximately 6,048,513 Units or 16.4% of the outstanding Units of Calloway, are not disinterested Unitholders and are not entitled to vote on this resolution due to the interest of each in the Acquisition. The Board of Trustees of Calloway believes that the passing of the above resolutions are in the best interests of Calloway and recommend that the Unitholders vote in favour of the resolutions.**

Approval of the Conversion to an “Open-End” Trust and Other Amendments

For further information regarding the subject matter of the proposed resolution set forth below, see “The Fourth Amended and Restated Declaration of Trust”.

At the Meeting, the disinterested Unitholders will be asked to vote on the following ordinary resolution, with or without variation:

Be it resolved that:

1. the Fourth Amended and Restated Declaration of Trust for Calloway substantially as described in the Management Information Circular of Calloway dated June 9, 2005, and the amendments to the Third Amended and Restated Declaration of Trust for Calloway dated January 16, 2004 contained in that Fourth Amended and Restated Declaration of Trust, and any additional amendments to the Third Amended and Restated Declaration of Trust that the Trustees determine to be in the best interests of Calloway and not prejudicial to the Unitholders, be and are hereby ratified, confirmed and approved and that Fourth Amended Declaration of Trust is hereby adopted as the Declaration of Trust for Calloway;
2. notwithstanding that this resolution has been duly passed, the Board of Trustees of Calloway may, without further notice to or approval of the holders of Units of Calloway, revoke this resolution at any time prior to the completion of the Acquisition defined in the Management Information Circular of Calloway dated June 9, 2005; and
3. any one trustee or officer of Calloway is hereby authorized, for and on behalf of Calloway, to execute and deliver any and all other documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

The foregoing resolution must be approved by disinterested Unitholders holding at least sixty-six and two-thirds percent (66 2/3%) plus one of the votes cast by disinterested Unitholders who vote on this resolution at the Meeting. **The Toronto Stock Exchange has determined that Mitchell Goldhar and FirstPro, who hold approximately 6,048,513 Units or 16.4% of the outstanding Units of Calloway, are not disinterested Unitholders and are not entitled to vote on this resolution due to the interest of each in the proposed amendments to the Declaration of Trust. The Board of Trustees of Calloway believes that the passing of the above resolutions are in the best interests of Calloway and recommend that the Unitholders vote in favour of the resolutions.**

Interest of Certain Persons in Matters to be Acted Upon

Other than the election of Trustees of Calloway or as otherwise set out in this Management Information Circular, no Trustee, officer or insider of Calloway, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Other Business

Management is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying forms of proxy confer discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that properly may come before the Meeting in the best judgement of the persons voting the proxy.

APPROVAL OF TRUSTEES

The contents of this Management Information Circular have been approved by the Board of Trustees of Calloway Real Estate Investment Trust.

(signed) J. Michael Storey

J. Michael Storey
President, Chief Executive Officer and a Trustee

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(signed) J. Michael Storey

J. Michael Storey
President, Chief Executive Officer and a Trustee

(signed) Mark Suchan

Mark Suchan
Chief Financial Officer

DATED at Calgary, Alberta, this 9th day of June, 2005.

**SCHEDULE A
CALLOWAY REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN**

**ARTICLE 1
INTERPRETATION; ADMINISTRATION; RESERVED UNITS**

1.01 Purpose

The purpose of the Calloway Real Estate Investment Trust Deferred Unit Plan (the “Plan”) is to promote a greater alignment of interests between the trustees, officers and employees of Calloway Real Estate Investment Trust (the “Trust”) and/or its subsidiaries and the unitholders of the Trust.

1.02 Definitions

The following terms used in this Plan have the meanings set out below:

- (a) **“Annual Board Retainer”** means the annual retainer paid by the Trust to a Trustee in a calendar year for service on the Board, together with Board committee fees, attendance fees and additional fees and retainers to committee chair;
- (b) **“Annual Bonus”** means the annual bonus paid by the Trust to an Officer or Employee in a calendar year for service;
- (c) **“Applicable Withholding Taxes”** means any and all taxes and other source deductions or other amounts which the Trust is required by law to withhold from any amounts to be paid or credited under the Plan;
- (d) **“Award Date”** means the date during the year on which the Annual Bonus or Annual Board Retainer is awarded for the prior year;
- (e) **“Board”** means the Board of Trustees of the Trust;
- (f) **“Change of Control”** means:
 - (i) a successful take-over bid;
 - (ii) any change in the beneficial ownership or control of the outstanding securities or other interests which results in:
 - (A) a person or group of persons “acting jointly or in concert” (as defined in the *Securities Act* (Ontario), as amended from time to time), or
 - (B) an “affiliate” or “associate” (each as defined in the *Securities Act* (Ontario), as amended from time to time) of such person or group of persons, holding, owning or controlling, directly or indirectly, more than 30% of the outstanding Units, other than as a result of a transaction or series of transactions approved by the Incumbent Trustees unless such holding, owning or controlling, directly or indirectly, exceeds 50% of the outstanding Units,
 - (iii) Incumbent Trustees no longer constituting a majority of the Board,

- (iv) The sale, lease or transfer of all or substantially all of the directly or indirectly held assets of the Trust to any other person or persons (other than pursuant to an internal reorganization), or
- (v) Any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of the Plan;
- (g) **“Compensation Committee”** means the Governance and Compensation Committee of the Board;
- (h) **“Declaration of Trust”** means the Trust’s Amended and Restated Declaration of Trust dated February 16, 2004 as the same may be amended by supplemental declarations from time to time;
- (i) **“Deferred Unit”** means a bookkeeping entry, equivalent in value to a Unit, credited to a Participant’s Deferred Unit Account in accordance with the terms and conditions of the Plan;
- (j) **“Deferred Unit Account”** has the meaning ascribed in Section 7.02 of the Plan;
- (k) **“Election Date”** means the date on which the Eligible Person files an Election Notice in accordance with Section 5.02 of the Plan;
- (l) **“Election Notice”** has the meaning ascribed thereto in Section 5.02 of the Plan;
- (m) **“Eligible Person”** means a person who is, on the applicable Election Date, (i) a trustee of the Trust, or (ii) an officer or employee of the Trust or any Subsidiary of the Trust;
- (n) **“Incumbent Trustees”** means any member of the Board who was a member of the Board at the effective date of the Plan and any successor to an Incumbent Trustee who was recommended or elected or appointed to succeed any Incumbent Trustee by the affirmative vote of the Board, including a majority of the Incumbent Trustees then on the Board, prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control;
- (o) **“Market Value”** at any date in respect of the Units means the volume weighted average price of all Units traded on the Toronto Stock Exchange for the ten trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the Toronto Stock Exchange, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Trustees). In the event that such Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board in its sole discretion;
- (p) **“Participant”** means an individual who becomes a participant in the Plan in accordance with Article 5 of the Plan;
- (q) **“Redemption Date”** has the meaning ascribed thereto in Section 9.02 of the Plan;
- (r) **“Subsidiary”** means any corporation which is a subsidiary of the Trust within the meaning of Section 4 of the *Securities Act* (Alberta);
- (s) **“Termination Date”** has the meaning ascribed thereto in Section 9.01 of the Plan;
- (t) **“Unit”** means a Unit of the Trust and such other Unit as is added thereto or substituted therefore as a result of amendments to the declaration of trust of the Trust, reorganization or otherwise; and
- (u) **“Unitholder”** means a holder of Units.

**ARTICLE 2
CONSTRUCTION AND INTERPRETATION**

- 2.01** The effective date of the Plan is January 1, 2004 or such other date as the Board may determine, subject to the approval of the Plan by the Unitholders and the Toronto Stock Exchange.
- 2.02** All references in the Plan to currency refer to lawful currency of Canada.
- 2.03** The Plan shall be governed and interpreted in accordance with the laws of the Province of Alberta and the applicable laws in Canada.
- 2.04** If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.05** In the Plan, references to the masculine include the feminine; reference to the singular shall include the plural and vice versa, as the context shall require.
- 2.06** Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

**ARTICLE 3
ADMINISTRATION**

- 3.01** The Plan shall be administered by the Compensation Committee.
- 3.02** The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 3.03** The Trust will be responsible for all costs relating to the administration of the Plan.
- 3.04** The Board may amend, suspend or terminate the Plan or any provision hereof at any time, provided, however, that such amendment, suspension or termination may not materially adversely affect the rights already accrued under the Plan by a Participant, without the consent of the Participant.
- 3.05** If the Board terminates the Plan, Deferred Units previously credited to Participants shall remain outstanding and in effect and be settled subject to and in accordance with the applicable terms and conditions of the Plan in effect immediately prior to the termination.
- 3.06** Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Trust and the rights of Participants under the Plan shall be general unsecured obligations of the Trust.
- 3.07** The Trust shall be authorized to deduct from any amount to be paid or credited under this Plan any Applicable Withholding Taxes in such manner as the Trust determines.

**ARTICLE 4
ELIGIBILITY**

- 4.01** The participation in the Plan by each Eligible Person is voluntary.
- 4.02** Nothing herein contained shall be deemed to give any person the right to be retained as a trustee, officer or employee of the Trust or any Subsidiary.

ARTICLE 5 ELECTION

5.01 Each Eligible Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.02 to be a Participant of the Plan. Eligible Persons who elect to be Participants shall be paid between sixty percent (60%) and one hundred percent (100%) of their Annual Board Retainer or Annual Bonus (the "Elected Amount"), as applicable, in the form of Deferred Units, in lieu of cash provided that the Trust shall match the Elected Amount for each Participant such that the number of Deferred Units issued to each Participant shall be equal in value to two times the Elected Amount.

5.02 Each Eligible Person who elects to be a Participant will be required to file a notice of election in the form of Schedule A-1 hereto (the "Election Notice") with the Chief Financial Officer of the Trust: (i) in the case of an existing trustee, officer or employee of the Trust or any Subsidiary of the Trust, by February 28th in the year to which such election is to apply (other than for the Annual Board Retainer or Annual Bonus, as applicable, payable for the 2004 financial year, in which case, subject to Section 2.01, the existing trustee, officer or employee shall file the Election Notice by December 31, 2004); and (ii) in the case of a newly appointed trustee of the Trust or newly appointed officer or employee of the Trust or any Subsidiary of the Trust, within thirty (30) days of such appointment or employment. If no election is made within the foregoing time frames, the Eligible Person shall be deemed to have elected to be paid his Annual Board Retainer or Annual Bonus, as applicable, in cash.

5.03 Subject to Section 5.04, the election of an Eligible Person to participate in the Plan shall be deemed to apply to all Annual Board Retainers or all Annual Bonuses, as applicable, paid subsequent to the filing of the Election Notice, and such Eligible Person is not required to file another Election Notice.

5.04 Each Eligible Person participating in the Plan is entitled once per calendar year to terminate his or her participation in the Plan by filing with the Chief Financial Officer of the Trust a notice electing to terminate the receipt of additional Deferred Units in the form of Schedule A-2 hereto. Such election shall be effective immediately upon receipt. Thereafter, any portion of such Participant's Annual Board Retainer or Annual Bonus payable or paid in the same calendar year and, subject to complying with Section 5.02, all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Eligible Person terminates his or her participation in the Plan, he or she shall not be entitled to become a Participant again until the calendar year following the year in which the termination notice is delivered.

5.05 Any Deferred Units granted under the Plan prior to the election shall remain in the Plan and will be redeemable only in accordance with the terms of the Plan.

ARTICLE 6 DEFERRED UNITS

6.01 Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements (other than in accordance herewith) or rights on liquidation.

6.02 One (1) Deferred Unit is equivalent to one (1) Unit. Fractional Units are permitted under the Plan.

6.03 Deferred Units, if any, shall be granted by the Compensation Committee following determination of and based upon the amount of Distributable Income (as defined in the Trust's Declaration of Trust), or such other financial benchmark as determined by the Board, for the preceding financial year of the Trust. Subject to Section 9.01, Deferred Units granted to Participants pursuant to the Plan shall vest in accordance with the following schedule.

- a) 50% of the Deferred Units on the third anniversary of the grant;
- b) 25% of the Deferred Units on the fourth anniversary of the grant;

- c) 25% of the Deferred Units on the fifth anniversary of the grant;

provided, however, that in the event of any Change of Control, any unvested Deferred Units shall vest upon the earlier of (i) the next applicable vesting date determined in accordance with the above provisions and (ii) the date which is immediately prior to the date upon which the Change of Control is completed. Notwithstanding the foregoing or anything else herein contained the Board shall have the discretion to vary the manner in which Deferred Units vest for any Participant.

ARTICLE 6 DEFERRED UNIT GRANTS AND ACCOUNTS

7.01 The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Plan will be calculated by dividing (i) two times the dollar amount of the Elected Amount, as applicable, allocated to the Participant by (ii) the Market Value of a Unit on the Award Date.

7.02 An account, to be known as a “Deferred Unit Account” shall be maintained by the Trust for each Participant and will be credited with notional grants of Deferred Units received by a Participant from time to time.

7.03 Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant’s Deferred Unit Account. The number of such additional Deferred Units shall be calculated by dividing (i) the amount determined by multiplying (a) the number of Deferred Units in such Participant’s Deferred Unit Account on the record date for the payment of such distribution by (b) the distribution paid per Unit, by (ii) 97% of the Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two decimal places. Such additional Deferred Units shall vest on the basis set out in Section 6.03 from the date of grant of same.

ARTICLE 8 ADJUSTMENTS

8.01 In the event of any Unit dividend, Unit split, combinations or exchange of Units, merger, consolidation, spin-off or other distribution (other than normal cash distributions) of the Trust’s assets to the Unitholders, or any other change affecting the Units, the account of each Participant and the Deferred Units outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Deferred Units will be granted to such Participant to compensation for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

ARTICLE 9 REDEMPTION OF DEFERRED UNITS

9.01 The Deferred Units credited to a Participant’s Deferred Unit Account shall vest immediately and be redeemable by the Participant (or, where the Participant has died, his or her estate) following an event, including termination other than for cause, retirement or death, causing the Participant to be no longer an Eligible Person (the “Termination Date”). Where the Participant has been terminated for cause, the Deferred Units credited to the Participant’s Deferred Unit Account shall be redeemable by the Participant in accordance with the vesting schedule in Section 6.03 excepting only that a minimum of 50% of such Deferred Units shall be deemed vested.

9.02 Subject to the approval of the Compensation Committee, the Deferred Units credited to a Participant’s Deferred Unit Account that have vested may be redeemable in whole or in part on the date in which the Participant files a written notice of redemption in the form of Schedule A-3 hereto with the Executive Vice President and Chief Financial Officer of the Trust (the “Redemption Date”).

9.03 Subject to (i) the provisions of the Plan, and (ii) the receipt by The Canadian Depository for Securities Limited of the Participant’s brokerage account information from his or her securities broker, the

Participant shall receive, within five (5) business days after the Termination Date or Redemption Date, as applicable, a whole number of Units from the Trust equal to the whole number of Deferred Units then recorded in the Participant's Deferred Unit Account, net of any Applicable Withholding Taxes.

9.04 The Trust shall also make a cash payment, net of any Applicable Withholding Taxes, to the Participant with respect to the value of fractional Deferred Units standing to the Participant's credit after the maximum number of whole Units have been issued by the Trust, calculated by multiplying (i) the number of such fractional Deferred Units by (ii) the Market Value of such fractional Deferred Units on the Termination Date or Redemption Date, as applicable.

9.05 Upon payment in full of the value of the Deferred Units, the Deferred Units shall be cancelled.

ARTICLE 10 NUMBER OF UNITS

10.01 The aggregate number of Units authorized for issuance upon the redemption of all Deferred Units granted under the Plan, subject to any adjustment of such number pursuant to the provisions of Article 8 hereof, shall not exceed 250,000 Units or such greater number of Units as may be determined by the Board and approved by the Unitholders and, if required, by any relevant stock exchange or other regulatory authority; provided, however, that: (i) at no time shall the number of Units reserved for issuance to insiders of Calloway pursuant to outstanding Deferred Units, together with the number of Units reserved for issuance to such persons pursuant to any other compensation arrangements, exceed 10% of the then outstanding Units, as calculated immediately prior to the issuance in question; and (ii) the number of Units issued to insiders of Calloway pursuant to outstanding Deferred Units together with the number of Units issued to such persons pursuant to any other compensation arrangements, within any one year period, shall not exceed 10% of the then outstanding Units.

ARTICLE 11 ASSIGNMENT

11.01 In no event may the rights or interests of a Participant under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or by the laws of succession and distribution.

11.02 Rights and obligations under the Plan may be assigned by the Trust to a successor in the business of the Trust.

ARTICLE 12 COMPLIANCE WITH APPLICABLE LAWS

12.01 The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Should the Compensation Committee, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of Deferred Units in Units pursuant to the provisions of Article 9, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by the Trust equal to the Market Value of the Units that would otherwise be delivered to a Participant in settlement of Deferred Units on the Redemption Date (less any Applicable Withholding Taxes). Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the Trust with any and all information and undertakings, as may be required to ensure compliance therewith.

SCHEDULE A – 1

**CALLOWAY REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE “PLAN”)**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the Plan and to receive _____% of my Annual Bonus or Annual Board Retainer, as applicable, in the form of Deferred Units in lieu of cash.

I confirm that:

- a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- b) I recognize that when Deferred Units credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Units, the Trust will make all appropriate withholdings as required by law at that time.
- c) The value of Deferred Units is based on the value of the Units of the Trust and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan text.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE A – 2

**CALLOWAY REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE “PLAN”)**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED UNITS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A-1 to the Plan, I hereby elect that no portion of the Annual Bonus or Annual Board Retainer, as applicable, accrued after the date hereof shall be paid in Deferred Units in accordance with the terms of the Plan.

I understand that the Deferred Units already granted under the Plan cannot be redeemed until (i) I am no longer a trustee, officer or employee of Calloway Real Estate Investment Trust (the “Trust”) or a subsidiary of the Trust, or (ii) approval is granted by the Compensation Committee for such redemption.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional Deferred Units can only be made by a Participant once in a calendar year.

SCHEDULE A – 3

**CALLOWAY REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE “PLAN”)**

REDEMPTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

I hereby advise Calloway Real Estate Investment Trust that I wish to redeem _____ of the Deferred Units credited to my account under the Plan in accordance with the terms of the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: If the Redemption Notice is signed by a beneficiary or legal representative, documents providing the authority of such signature should accompany this notice.

SCHEDULE B

INDEX TO FINANCIAL STATEMENTS RELATING TO THE ACQUISITION

Pro Forma Consolidated Financial Statements for Calloway Real Estate Investment Trust

Compilation Report on Pro Forma Financial Statements

Pro Forma Consolidated Balance Sheet as at March 31, 2005

Pro Forma Consolidated Statement of Income for the three months ended March 31, 2005

Pro Forma Consolidated Statement of Income for the year ended December 31, 2004

Centres V Phase I

Auditors' Report

Schedules of Combined Net Operations for the three months ended March 31, 2005 and 2004
and for the years ended December 31, 2004 and 2003

Centres V Phase II

Auditors' Report

Schedules of Combined Net Operations for the three months ended March 31, 2005 and 2004
and for the years ended December 31, 2004 and 2003

Centres V Phase III

Auditors' Report

Schedule of Combined Net Operations for the three months ended March 31, 2005 and 2004
and for the years ended December 31, 2004 and 2003

**CALLOWAY REAL ESTATE INVESTMENT TRUST
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2005
AND YEAR ENDED DECEMBER 31, 2004
(UNAUDITED)**

**COMPILATION REPORT ON
PRO FORMA FINANCIAL STATEMENTS**

To the Trustees of
Calloway Real Estate Investment Trust

We have read the accompanying unaudited pro forma consolidated balance sheet of Calloway Real Estate Investment Trust ("Calloway") as at March 31, 2005 and the unaudited pro forma consolidated statements of income for the three months ended March 31, 2005 and for the year ended December 31, 2004, and have performed the following procedures:

1. With respect to the unaudited pro forma consolidated balance sheet of Calloway as at March 31, 2005, we have performed the following procedures:
 - a) Compared the amounts in the column captioned "Calloway" to the unaudited consolidated financial statements of Calloway as at March 31, 2005 and found them to be in agreement.
 - b) Compared the amounts in the columns captioned "Centres V" to the summary table presented in Note 3(e) in the notes to the unaudited pro forma consolidated financial statements and found them to be in agreement.

In addition, we recalculated the aggregate of the amounts in the summary table in Note 3(e) and found them to be arithmetically correct.
 - c) Recalculated the aggregate of the amounts in the columns captioned "Calloway" and "Centres V" and found the amounts in the column captioned "Pro Forma" to be arithmetically correct.
2. With respect to the unaudited pro forma consolidated statement of income of Calloway for the three months ended March 31, 2005, we have performed the following procedures:
 - a) Compared the amounts in the column captioned "Calloway" to the unaudited consolidated financial statements of Calloway for the three months ended March 31, 2005 and found them to be in agreement.
 - b) Compared the amounts in the columns captioned "Centres V" to Schedule 1 to the unaudited pro forma consolidated financial statements and found them to be in agreement.
 - c) Recalculated the application of the pro forma adjustments to the aggregate of the dollar amounts in the columns captioned "Calloway" and "Centres V" and found the dollar amounts in the column captioned "Pro Forma" to be arithmetically correct.
 - d) Recalculated the arithmetic accuracy of the net income per unit amounts in the column captioned "Pro Forma" using the pro forma weighted average number of units presented in Note 5 to the notes to the unaudited pro forma consolidated financial statements, and found the per unit amounts to be arithmetically correct.
3. With respect to the unaudited pro forma consolidated statement of income of Calloway for the year ended December 31, 2004, we have performed the following procedures:
 - a) Compared the amounts in the column captioned "Calloway" to the audited consolidated financial statements of Calloway for the year ended December 31, 2004 and found them to be in agreement.

- b) Compared the amounts in the column captioned "Phase II Centres" to the audited schedules of combined net operations of the Phase II Centres for year ended December 31, 2004 and found them to be in agreement.
 - c) Compared the amounts in the column captioned "Centres V" to Schedule 1 to the unaudited pro forma consolidated financial statements and found them to be in agreement.
 - d) Recalculated the application of the pro forma adjustments to the aggregate of the dollar amounts in the columns captioned "Calloway", "Phase II Centres" and "Centres V" and found the dollar amounts in the column captioned "Pro Forma" to be arithmetically correct.
 - e) Recalculated the arithmetic accuracy of the net income per unit amounts in the column captioned "Pro Forma" using the pro forma weighted average number of units presented in Note 5 in the notes to the unaudited pro forma consolidated financial statements, and found the per unit amounts to be arithmetically correct.
4. With respect to Schedule 1 to the unaudited pro forma consolidated financial statements, for the three months ended March 31, 2005, we have performed the following procedures:
- a) Compared the amounts in the column captioned "Centres V Phase I" to the unaudited schedules of combined net operations of Centres V Phase I for the three months ended March 31, 2005 and found them to be in agreement.
 - b) Compared the amounts in the column captioned "Centres V Phase II" to the unaudited schedules of combined net operations of Centres V Phase II for the three months ended March 31, 2005 and found them to be in agreement.
 - c) Compared the amounts in the column captioned "Centres V Phase III" to the unaudited schedule of combined net operations of Centres V Phase III for the three months ended March 31, 2005 and found them to be in agreement.
 - d) Recalculated the aggregate of the amounts in the columns captioned "Centres V Phase I", "Centres V Phase II" and "Centres V Phase III" and found the amounts in the column captioned "Centres V Combined" to be arithmetically correct.
5. With respect to Schedule 1 to the unaudited pro forma consolidated financial statements, for the year ended December 31, 2004, we have performed the following procedures:
- a) Compared the amounts in the column captioned "Centres V Phase I" to the audited schedules of combined net operations of Centres V Phase I for the year ended December 31, 2004 and found them to be in agreement.
 - b) Compared the amounts in the column captioned "Centres V Phase II" to the audited schedules of combined net operations of Centres V Phase II for the year ended December 31, 2004 and found them to be in agreement.
 - c) Compared the amounts in the column captioned "Centres V Phase III" to the audited schedule of combined net operations of Centres V Phase III for the year ended December 31, 2004 and found them to be in agreement.

- d) Recalculated the aggregate of the amounts in the columns captioned "Centres V Phase I", "Centres V Phase II" and "Centres V Phase III" and found the amounts in the column captioned "Centres V Combined" to be arithmetically correct.
6. Made enquiries of certain officials of Calloway who have responsibility for financial and accounting matters about:
- a) the basis for determination of the pro forma adjustments, and
 - b) whether the unaudited pro forma consolidated financial statements comply as to form in all material respects with applicable regulatory requirements.

The officials:

- a) described to us the basis for determination of the pro forma adjustments, and
 - b) stated that the unaudited pro forma consolidated financial statements comply as to form in all material respects with applicable regulatory requirements.
7. Read the notes to the unaudited pro forma consolidated financial statements and found them to be consistent with the basis described to us for the determination of the pro forma adjustments.

A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance.

The foregoing procedures would not necessarily reveal matters of significance to the unaudited pro forma consolidated financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

Calgary, Alberta
June 9, 2005

signed "Kenway Mack Slusarchuk Stewart LLP"
Chartered Accountants

**CALLOWAY REAL ESTATE INVESTMENT TRUST
PRO FORMA CONSOLIDATED BALANCE SHEET**

As at March 31, 2005

(unaudited)

(In thousands of dollars)

	Calloway \$	Centres V \$ (Note 3e)	Pro Forma \$
ASSETS			
Real estate assets			
Income properties	1,098,934	1,082,374	2,181,308
Properties under development	41,316	73,541	114,857
Mortgages and loans receivable	47,914	-	47,914
Deferred leasing costs	468	-	468
Assets held for sale	9,173	-	9,173
	1,197,805	1,155,915	2,353,720
Deferred financing costs	5,406	2,990	8,396
Prepaid expenses and deposits	3,034	-	3,034
Accounts receivable	9,172	-	9,172
Cash and cash equivalents	14,781	11,069	25,850
	1,230,198	1,169,974	2,400,172
LIABILITIES			
Mortgages payable	686,391	530,056	1,216,447
Mortgages payable related to assets held for sale	5,273	-	5,273
Capital lease obligations	463	-	463
Convertible debentures	51,612	-	51,612
Unsecured debt payable	-	175,000	175,000
Accounts payable and accrued liabilities	29,963	-	29,963
	773,702	705,056	1,478,758
UNITHOLDERS' EQUITY			
	456,496	464,918	921,414
	1,230,198	1,169,974	2,400,172

See accompanying notes to the unaudited pro forma consolidated financial statements.

Approved by the Board of Trustees:

signed "Michael Storey"
Trustee

signed "David Calnan"
Trustee

CALLOWAY REAL ESTATE INVESTMENT TRUST
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
For the Three Months Ended March 31, 2005

(unaudited)
(In thousands of dollars except per unit amounts)

	Calloway \$	Centres V \$ (Schedule 1)	Pro Forma Adjustments \$	Notes	Pro Forma \$
Revenues					
Rentals from income properties	32,337	25,759	4,206	4(a)(i)	62,302
Interest	<u>1,119</u>	<u>-</u>	<u>-</u>		<u>1,119</u>
	<u>33,456</u>	<u>25,759</u>	<u>4,206</u>		<u>63,421</u>
Expenses					
Property operating costs	10,899	8,641	1,269	4(a)(i)	20,809
Interest - mortgages and other	8,327	-	10,417	4(b)(i)	18,744
Interest - debentures	854	-	-		854
Amortization of income properties					
- tangible components	5,114	-	6,474	4(c)(i)	11,588
- intangible components	5,871	-	3,889	4(c)(i)	9,760
General and administrative	606	-	-		606
Amortization of deferred financing costs	30	-	110	4(d)(ii)	140
Amortization of deferred leasing costs	<u>162</u>	<u>1,737</u>	<u>(1,737)</u>	4(d)(i)	<u>162</u>
	<u>31,863</u>	<u>10,378</u>	<u>20,422</u>		<u>62,663</u>
Income from continuing operations	1,593	15,381	(16,216)		758
Discontinued operations	<u>12,187</u>	<u>-</u>	<u>-</u>		<u>12,187</u>
Net income	<u>13,780</u>	<u>15,381</u>	<u>(16,216)</u>		<u>12,945</u>
Net income per unit (Note 5)					
Basic					
Continuing operations	0.047				0.013
Discontinued operations	<u>0.357</u>				<u>0.201</u>
Net income	<u>0.404</u>				<u>0.214</u>
Diluted					
Continuing operations	0.046				0.013
Discontinued operations	<u>0.356</u>				<u>0.201</u>
Net income	<u>0.402</u>				<u>0.214</u>

See accompanying notes to the unaudited pro forma consolidated financial statements.

CALLOWAY REAL ESTATE INVESTMENT TRUST
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
For the Year Ended December 31, 2004

(unaudited)
(In thousands of dollars except per unit amounts)

	Calloway \$	Phase II Centres \$	Centres V \$ (Schedule 1)	Pro Forma Adjustments \$	Notes	Pro Forma \$
Revenues						
Rentals from income properties	85,593	21,279	92,544	21,684	4(a)(ii)	221,100
Interest	2,355	-	-	-		2,355
	<u>87,948</u>	<u>21,279</u>	<u>92,544</u>	<u>21,684</u>		<u>223,455</u>
Expenses						
Property operating costs	27,071	5,558	29,442	7,016	4(a)(ii)	69,087
Interest - mortgages and other	21,796	-	-	51,022	4(b)(ii)	72,818
Interest - debentures	2,180	-	-	1,267	4(b)(iii)	3,447
Amortization of income properties						
- tangible components	13,643	-	-	31,098	4(c)(ii)	44,741
- intangible components	9,346	-	-	18,594	4(c)(ii)	27,940
General and administrative	1,919	-	-	-		1,919
Amortization of deferred financing costs	121	-	-	620	4(d)(iii)	741
Amortization of deferred leasing costs	481	1,253	7,173	(8,426)	4(d)(i)	481
	<u>76,557</u>	<u>6,811</u>	<u>36,615</u>	<u>101,191</u>		<u>221,174</u>
Income from continuing operations	<u>11,391</u>	<u>14,468</u>	<u>55,929</u>	<u>(79,507)</u>		<u>2,281</u>
Discontinued operations	<u>2,024</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>2,024</u>
Net income	<u>13,415</u>	<u>14,468</u>	<u>55,929</u>	<u>(79,507)</u>		<u>4,305</u>
Net income per unit (Note 5)						
Basic						
Continuing operations	0.435					0.039
Discontinued operations	0.077					0.034
Net income	<u>0.512</u>					<u>0.073</u>
Diluted						
Continuing operations	0.430					0.038
Discontinued operations	0.076					0.034
Net income	<u>0.506</u>					<u>0.072</u>

See accompanying notes to the unaudited pro forma consolidated financial statements

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars except unit and per unit amounts)

1. BASIS OF PRESENTATION

Calloway Real Estate Investment Trust (“Calloway”) is an unincorporated closed-end real estate investment trust governed by the laws of the Province of Alberta, created under a declaration of trust dated December 4, 2001 subsequently amended and restated on October 24, 2002, October 31, 2003 and January 16, 2004. In conjunction with the June 9, 2005 Management Information Circular for which these pro forma financial statements have been prepared, Calloway is seeking unitholder approval for its intention to amend its declaration of trust to become an unincorporated open-ended investment trust and to authorize special voting units.

These unaudited pro forma consolidated financial statements (“pro forma statements”) have been prepared by Calloway management for inclusion in the Management Information Circular of Calloway dated June 9, 2005 relating to the acquisition of freehold and leasehold interests in 45 properties (the “Centres V”) from Wal-Mart Canada Realty Inc. (“Wal-Mart”) and from the FirstPro Group of Companies (“FirstPro”).

During 2004 and 2005, Calloway completed four other significant acquisitions as follows:

- On February 16, 2004, the acquisition of twelve shopping centres (“The Centres”) from the Wal-Mart-FirstPro Realty Partnership (the “Partnership”).
- On May 14, 2004, the acquisition of twelve shopping centres (“The Centres II”) from the Partnership.
- On November 30, 2004, the acquisition of six shopping centres (the “Phase I Centres”) from the Partnership.
- On March 10, 2005, the acquisition of 100% undivided interests in three retail properties and 60% undivided interests in five other retail properties (the “Phase II Centres”) from Wal-Mart and FirstPro.

The Centres, Centres II, Phase I Centres, Phase II Centres and the Centres V are collectively referred to as the “Collective Centres”.

These pro forma statements have been prepared from the following financial statements:

- Calloway’s unaudited consolidated financial statements for the three months ended March 31, 2005.
- Calloway’s audited consolidated financial statements for the year ended December 31, 2004.
- Centres V Phase I (“Centres V-I”), Centres V Phase II (“Centres V-II”) and Centres V Phase III (“Centres V-III”) unaudited schedules of combined net operations for the three months ended March 31, 2005.
- Centres V-I, Centres V-II and Centres V-III audited schedules of combined net operations for the year ended December 31, 2004.
- Phase II Centres audited schedules of combined net operations for the year ended December 31, 2004.

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
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The Centres V-I, Centres V-II and Centres V-III net operations for the three months ended March 31, 2005 and for the year ended December 31, 2004 have been combined on Schedule 1 attached to these pro forma statements and presented in the pro forma consolidated statements of income on a combined basis.

The unaudited pro forma consolidated balance sheet gives effect to the acquisitions of the Centres V as if they had occurred on March 31, 2005. The unaudited pro forma consolidated statements of income for the three months ended March 31, 2005 and for the year ended December 31, 2004 give effect to the acquisitions of the Centres V as if they had occurred on January 1, 2004. Calloway's March 31, 2005 consolidated financial statements contains the actual operations of the Phase II Centres from the date of acquisition by Calloway in 2005 to March 31, 2005. The pro forma consolidated statement of income for the three months ended March 31, 2005 contains adjustments outlined in Note 4 to provide for certain revenues and expenses for the Phase II Centres for the period from January 1, 2005 to the date of acquisition by Calloway in 2005. Calloway's December 31, 2004 consolidated financial statements contains the actual operations of the Centres, The Centres II and the Phase I Centres from various dates of acquisition by Calloway in 2004 to December 31, 2004. The pro forma consolidated statement of income for the year ended December 31, 2004 contains adjustments outlined in Note 4 to provide for certain revenues and expenses for The Centres, The Centres II and the Phase I Centres for the period from January 1, 2004 to the date of acquisition by Calloway in 2004.

The pro forma statements are not necessarily indicative of the results that would have actually occurred, had the transactions reflected therein been in effect on the dates indicated, nor are they necessarily indicative of future operating results or the financial position of Calloway.

2. SIGNIFICANT ACCOUNTING POLICIES

In addition to the policies disclosed below, the accounting policies used in the preparation of the pro forma statements are in accordance with those disclosed in Calloway's audited consolidated financial statements for the year ended December 31, 2004 and Calloway's unaudited consolidated financial statements for the three months ended March 31, 2005. These pro forma statements do not include all of the information and disclosure required by Canadian generally accepted accounting principles ("GAAP"), and therefore should be read in conjunction with the December 31, 2004 and March 31, 2005 consolidated financial statements of Calloway.

(a) Basis of consolidation

As further described herein, it is intended that a limited partnership ("Calloway LP") will be formed to facilitate the probable acquisition of certain of the Centres V, and that Calloway will indirectly be a general partner as well as a limited partner. These pro forma statements present the accounts and operations of Calloway Real Estate Investment Trust, its wholly owned subsidiary Calloway Financial Inc., and Calloway LP.

Calloway carries out certain activities through co-ownerships and these investments are accounted for using the proportionate consolidation method.

(b) Exchangeable units

As further described in Note 3(a), it is intended that limited partnership units of Calloway LP will be issued to FirstPro that are exchangeable into units of Calloway. Holders of the exchangeable units are entitled to receive distributions of earnings economically equivalent to distributions received by units of Calloway. The units are non-transferable to third parties without first exchanging them for units of Calloway. Accordingly the units are presented, in accordance with the guidance for exchangeable securities issued by subsidiaries of income trusts, as a component of unitholders' equity.

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars except unit and per unit amounts)

(c) Leases

As further described in Note 3(a), it is intended that Calloway will lease certain properties from FirstPro. Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to Calloway are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Components of income properties recorded under capital leases are amortized on the same basis as described in the annual financial statements. Rental payments under operating leases are expensed over the period to which they relate.

3. PRO FORMA BALANCE SHEET ADJUSTMENTS AND ASSUMPTIONS*(a) Probable acquisition of the Centres V*

Calloway has entered into agreements with each of Wal-Mart and FirstPro (a related party) to acquire, directly or through Calloway LP, freehold and leasehold interests in thirty-five retail properties and ten parcels of development land at an estimated aggregate cost to Calloway of \$1,155,915.

Calloway will acquire Wal-Mart's 60% freehold interests in eight retail properties and adjacent undeveloped lands with future development potential for \$284,375. Calloway will acquire FirstPro's freehold interests in thirty retail properties and adjacent undeveloped lands for \$623,392 and ten parcels of development land for \$42,612. Calloway will also lease interests in three other retail properties, including adjacent undeveloped lands, from FirstPro for a term of 35 years subject to certain early termination events. Calloway intends to prepay its entire lease obligations under the lease agreements at the time of Closing in the amount of \$184,696. It is estimated that land transfer taxes and other transaction costs will amount to \$20,840.

The aggregate purchase price will be satisfied as follows:

- By non-interest bearing vendor take-back mortgages for the amount of the purchase price for certain of the undeveloped lands		\$30,929
- By assumption of existing mortgages		
- face value	323,095	
- market rate adjustment	<u>21,782</u>	344,877
- By issuance of exchangeable partnership units to FirstPro		250,000
- By cash payment		
- From the net proceeds of new mortgage financing	153,690	
- From the net proceeds of new unsecured debt financing	173,260	
- From the net proceeds of the Offering	<u>203,159</u>	<u>530,109</u>
		<u>\$1,155,915</u>

The purchase price is subject to adjustments at closing, which include an adjustment to the price to reflect leasing between the date of the agreements and closing, and could result in a change in the purchase price. It is assumed for the purpose of these pro forma statements that no such adjustment will occur.

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars except unit and per unit amounts)

In conjunction with the acquisition of the Centres V, Calloway will take on a portion of FirstPro's leasing and development operations through an offer of positions to FirstPro employees. Calloway's preliminary assessment is that no material allocation of the purchase price will be assigned to assets acquired and liabilities assumed as a result of the acquisition of these operations.

Calloway will assume existing mortgages on certain of the properties in the amount of \$323,095 and incur related mortgage assumption fees in the amount of \$690. Certain of the assumed mortgages have interest rates in excess of current rates and Calloway will receive a credit of \$21,782 from the vendors as a mark to market adjustment at closing. The mortgage assumption fees will be amortized to deferred financing costs and the market rate adjustment will be amortized against interest expense over the term of the applicable assumed mortgages.

FirstPro intends to subscribe for approximately \$250,000 of Class B exchangeable units (representing approximately 12,594,000 Class B exchangeable units at \$19.85 per unit) of Calloway LP, as partial payment for the Centre V properties acquired by Calloway LP, and 8,500,000 Class C exchangeable units of Calloway LP, representing future potential equity value of the FirstPro undeveloped lands acquired by Calloway LP.

Holders of the Class B exchangeable units are entitled to cash distributions in amounts equal on a per unit basis to monthly distributions made by Calloway to its unitholders. The Class B exchangeable units carry no voting rights at meetings of Calloway unitholders. Class B exchangeable units are exchangeable on a one for one basis for units of Calloway, at the option of the holder.

Holders of the Class C exchangeable units are not entitled to cash distributions and have no voting rights at meetings of Calloway unitholders. The Class C exchangeable units are exchangeable, on a one for one basis, at the holder's option, into Class B exchangeable units on the completion of certain developments on the undeveloped lands and development land ("Centres V Undeveloped Lands"). The 8,500,000 Class C exchangeable units available for issuance represents FirstPro's right to receive 40% of the estimated proceeds on development of those Centres V Undeveloped Lands acquired by Calloway LP in units priced at the issuance price under the Offering plus \$0.25. Any Class C exchangeable units that remain outstanding 10 years after the closing of this acquisition will be cancelled.

FirstPro will also have the right to receive up to 2,500,000 units of Calloway representing 40% of the estimated proceeds on completion of development of those Centres V Undeveloped Lands acquired directly by Calloway in units priced at the issuance price under the Offering plus \$0.25.

Calloway will be authorized to issue an unlimited number of Special Voting units which shall be entitled to one vote per unit at meetings of Calloway unitholders but otherwise shall have no economic value. These units provide voting rights but no equity participation. The number of outstanding Special Voting units will be equivalent to the number of outstanding Class B exchangeable units.

FirstPro will receive 12,594,000 (the total of the Class B exchangeable units of Calloway LP issued) Special Voting units. Calloway will issue additional Special Voting units if Class C exchangeable units are exchanged for Class B exchangeable units, with the total outstanding Special Voting units to equal the outstanding Class B exchangeable units. The number of Special Voting units issued to FirstPro may increase due to future developments of Centres V Undeveloped Lands acquired by Calloway LP and the granting of the right, under certain circumstances, to receive additional Special Voting units of Calloway in order to maintain a voting interest at a minimum of 25%. This right will expire at the end of five years unless an additional \$800,000 in assets is transferred from FirstPro to

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars except unit and per unit amounts)

Calloway (inclusive of assets which will be acquired by Calloway under existing development agreements) and other conditions are fulfilled, in which case the 25% minimum voting right will extend for an additional five year term.

The Centres V Undeveloped Lands will be developed directly and indirectly by Calloway under the terms of development agreements with FirstPro and Wal-Mart. It is assumed for the purpose of these pro forma statements that these undeveloped lands remain undeveloped and that no material development costs and no earnouts under the terms of these development agreements are incurred during the year ended December 31, 2004 and the three months ended March 31, 2005.

(b) New mortgage financing

Calloway is assumed to arrange new mortgage financing on four of the retail properties in the amount of \$154,250 at a weighted average interest rate of 5.355%. The net proceeds to Calloway of \$153,690, after deducting financing fees and other costs related to the new mortgage financing, will be used by Calloway to partially fund the cash component of the acquisition cost of the Centres V.

(c) New unsecured debt financing

Calloway is assumed to arrange new unsecured debt financing in the amount of \$175,000 at an interest rate of 5.05%. The net proceeds to Calloway of \$173,260, after deducting financing fees and other costs related to the new unsecured debt financing, will be used by Calloway to partially fund the cash component of the acquisition cost of the Centres V.

(d) Issuance of trust units

Calloway has entered into an agency agreement for the private placement of subscription receipts (the "Offering") which will result in the issuance of 11,336,000 trust units at an issuance price of \$19.85 per unit, for net proceeds of \$214,918 (after deducting underwriters' fees and issue costs of \$10,102). Net proceeds of \$203,159 will be used by Calloway to partially fund the cash component of the acquisition cost of the Centres V and the remaining net proceeds will be used to pay deferred financing costs and for working capital.

(e) Summary of the acquisition of the Centres V

A summary of the assets acquired, using the purchase method of accounting based on preliminary allocations, and liabilities assumed or incurred resulting from the acquisition of the Centres V is as follows:

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars except unit and per unit amounts)

Assets		
Income properties		
Tangible assets	\$ 899,271	
Intangible assets	<u>183,103</u>	1,082,374
Property under development		<u>73,541</u>
		1,155,915
Deferred financing costs		2,990
Cash		<u>11,069</u>
		<u>1,169,974</u>
Liabilities		
Mortgages payable		
Vendor take-back mortgages	30,929	
Assumed mortgages		
- face value	323,095	
- market rate adjustment	21,782	
New mortgages payable	<u>154,250</u>	530,056
New unsecured debt payable		<u>175,000</u>
		<u>705,056</u>
Net assets acquired		<u><u>\$464,918</u></u>

Consideration to be paid for the net assets acquired will be obtained from the following:

Calloway LP Class B exchangeable units to be issued to FirstPro	\$250,000
Offering of trust units (net of issue costs)	<u>214,918</u>
	<u>\$464,918</u>

4. PRO FORMA STATEMENT OF INCOME ADJUSTMENTS

(a) Revenues and property operating costs

- (i) Rentals from income properties and property operating costs have been increased to provide for rentals from income properties and property operating costs for the Phase II Centres for the period from January 1, 2005 to the respective date of acquisition by Calloway in 2005.
- (ii) Rentals from income properties and property operating costs have been increased to provide for rentals from income properties and property operating costs for The Centres, The Centres II and the Phase I Centres for the period from January 1, 2004 to the respective date of acquisition by Calloway in 2004.

(b) Interest expense

- (i) Interest expense has been increased to provide for interest on the mortgage financing and unsecured debt financing assumed or put in place on the Phase II Centres and the Centres V.
- (ii) Interest expense has been increased to provide for interest on the mortgage financing and unsecured debt financing assumed or put in place on the Collective Centres.

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars except unit and per unit amounts)

- (iii) Interest expense has been increased to provide for interest and accretion on the convertible debentures that were issued in connection with the acquisition of the Centres II.

(c) Amortization of income properties

- (i) Amortization of income properties has been increased to provide for amortization of the tangible components and the intangible components of the Phase II Centres and the Centres V purchase price.
- (ii) Amortization of income properties has been increased to provide for amortization of the tangible components and the intangible components of the Collective Centres' purchase price.

(d) Amortization of deferred expenses

- (i) Amortization of deferred leasing costs has been decreased to eliminate the actual historical amortization of deferred expenses on the Phase II Centres and/or The Centres V.
- (ii) Amortization of the deferred financing costs has been increased to provide for amortization of deferred financing fees incurred on the mortgage financing and unsecured debt financing of the Phase II Centres and the Centres V.
- (iii) Amortization of deferred financing costs has been increased to provide for amortization of deferred financing fees incurred on the mortgage financing, the convertible debenture financing and the unsecured debt financing of the Collective Centres.

(e) General and administrative

No adjustments have been made to reflect probable increased general and administrative expenses of Calloway resulting from the increased property portfolio.

5. WEIGHTED AVERAGE NUMBER OF UNITS

The following table presents the weighted average number of units for use in the calculation of pro forma basic and diluted net income per unit:

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
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(unaudited)
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	<u>March 31, 2005</u>	<u>December 31, 2004</u>
Weighted average number of units	34,137,963	26,190,956
Adjustment for units issued in connection with the acquisition of the Centres V on the basis that the units were issued at the beginning of the period		
Calloway LP Class B exchangeable units	12,594,000	12,594,000
Issuance of trust units	11,336,000	11,336,000
Adjustment for units issued in connection with the acquisitions of The Centres, The Centres II, the Phase I Centres and the Phase II Centres on the basis that the units were issued at the beginning of the period	<u>2,377,433</u>	<u>8,971,100</u>
Weighted average number of units for basic net income per unit	60,445,396	59,092,056
Effect of dilutive securities		
Unit option plan & warrants	<u>122,794</u>	<u>296,237</u>
Weighted average number of units for diluted net income per unit	<u>60,568,190</u>	<u>59,388,293</u>

6. INCOME TAXES

Properties purchased from FirstPro by Calloway LP will be acquired with an income tax base of \$600,700 which is \$250,000 lower than the estimated assigned acquisition costs. The extent to which distributions of income to Calloway LP Class B exchangeable unitholders may be taxed will be as is determined by agreement between Calloway and FirstPro.

7. RELATED PARTY TRANSACTIONS

A nominee of FirstPro owns or controls directly and indirectly approximately 16% of the outstanding units of Calloway prior to the acquisition and will own approximately 31% of the outstanding units after the Centres V acquisition. An officer of FirstPro is a member of the Board of Trustees of Calloway prior to the Centres V acquisition. After the Centres V acquisition FirstPro will be entitled to nominate three of the nine members of the Board of Trustees. The properties acquired from FirstPro have been recorded at the exchange amount.

It is estimated that a legal firm in which a trustee is a partner will be paid legal fees of \$600 related to the acquisition and financing of the Centres V. It is estimated another trustee will be paid a fee of \$338 for consulting services for the Offering.

In conjunction with the acquisition of the Centres V, Calloway will enter into property management agreements with FirstPro to provide for the management of the majority of the acquired properties. Calloway will also enter into certain temporary head leases with FirstPro relating to specific tenants who have entered into lease agreements, but whose space is not yet available for occupancy.

CALLOWAY REAL ESTATE INVESTMENT TRUST
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars except unit and per unit amounts)

8. COMMITMENTS

Calloway will directly and indirectly enter into development agreements with FirstPro for the development of the Centres V Undeveloped Lands. The estimated commitments payable by Calloway under the agreements are \$553,000.

CALLOWAY REAL ESTATE INVESTMENT TRUST
SCHEDULE 1 TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2005 and the Year Ended December 31, 2004
(unaudited)
(In thousands of dollars)

CENTRES V COMBINED SCHEDULES OF NET OPERATIONS

Three Months Ended March 31, 2005

	Centres V Phase I \$	Centres V Phase II \$	Centres V Phase III \$	Centres V Combined \$
Rental revenue from income properties	\$ 9,504	\$ 2,709	\$ 13,546	\$ 25,759
Expenses				
Property operating costs	3,295	822	4,524	8,641
Amortization of deferred expenses	372	154	1,211	1,737
	<u>3,667</u>	<u>976</u>	<u>5,735</u>	<u>10,378</u>
Net operations	<u>\$ 5,837</u>	<u>\$ 1,733</u>	<u>\$ 7,811</u>	<u>\$ 15,381</u>

Year Ended December 31, 2004

	Centres V Phase I \$	Centres V Phase II \$	Centres V Phase III \$	Centres V Combined \$
Rental revenue from income properties	\$ 32,697	\$ 8,675	\$ 51,172	\$ 92,544
Expenses				
Property operating costs	10,994	2,366	16,082	29,442
Amortization of deferred expenses	1,461	592	5,120	7,173
	<u>12,455</u>	<u>2,958</u>	<u>21,202</u>	<u>36,615</u>
Net operations	<u>\$ 20,242</u>	<u>\$ 5,717</u>	<u>\$ 29,970</u>	<u>\$ 55,929</u>

Schedules of Combined Net Operations of

CENTRES V PHASE I

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003



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AUDITORS' REPORT

To the Co-owners of the Wal-Mart-First Pro Realty Co-ownerships

We have audited the schedules of combined net operations, as defined in note 2(a), of Centres V Phase I for the years ended December 31, 2004 and 2003. This financial information is the responsibility of Centres V Phase I's management. Our responsibility is to express an opinion on this financial information based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these schedules of combined net operations present fairly, in all material respects, the results of the combined net operations of Centres V Phase I for the years ended December 31, 2004 and 2003 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Toronto, Canada

April 29, 2005

CENTRES V PHASE I

Schedules of Combined Net Operations

	Three months ended March 31,		Years ended December 31,	
	2005	2004	2004	2003
	(Unaudited)			
Rental revenue from income properties	\$ 9,504,077	\$ 7,619,378	\$ 32,696,772	\$ 17,730,266
Expenses:				
Property operating costs	3,294,809	2,815,926	10,993,659	6,354,442
Amortization of deferred expenses	372,215	303,323	1,461,191	476,985
	<u>3,667,024</u>	<u>3,119,249</u>	<u>12,454,850</u>	<u>6,831,427</u>
Net operations	\$ 5,837,053	\$ 4,500,129	\$ 20,241,922	\$ 10,898,839

See accompanying notes to schedules of combined net operations.

CENTRES V PHASE I

Notes to Schedules of Combined Net Operations

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

1. Basis of presentation:

These schedules of combined net operations (the "schedules") are financial schedules prepared for inclusion in a management information circular for a proposed acquisition that includes a 100% freehold interest in five shopping centres, a 60% freehold interest in two shopping centres and a 40% leasehold and 60% freehold interest in one shopping centre by Calloway Real Estate Investment Trust ("Calloway") from Wal-Mart-First Pro Realty Co-ownerships (the "Co-ownerships").

The schedules combine the net operations, as defined in note 2(a), of eight shopping centres ("Centres V Phase I"), listed below, that Calloway anticipates purchasing from the Co-ownerships. Centres V Phase I is not a legal entity and the information used to prepare the schedules has been derived from records specific to the properties to be sold to Calloway. The schedules may not necessarily reflect the net operations in future periods, nor do they necessarily reflect the net operations that would have been realized had Centres V Phase I been a stand-alone entity during the years presented.

This information is provided to assist the reader in determining the relative impact of each property on the financial results for the periods presented. The net leased and occupied areas increased period to period as construction was completed on units and tenants occupied said units.

	Interest to be acquired	Net leased and occupied area (square feet) representing 100% interest			
		Three months ended March 31, 2005		Years ended December 31, 2004	
		(Unaudited)		2004	2003
Calgary South East Centre	100%	215,399	212,861	212,861	201,025
Etobicoke Centre	100%	289,670	265,637	289,670	255,494
Mississauga West Centre	60%	271,112	238,998	264,623	110,219
Montreal North Centre	100%	196,352	194,346	196,352	180,014
New Westminster Centre	100%	192,118	131,770	161,838	131,770
Pickering Centre	60%	524,127	469,785	524,127	361,825
Prince George Centre	100%	179,248	151,206	174,252	138,556
Scarborough Morningside Centre	100%	220,839	176,187	220,839	176,187
		2,088,865	1,840,790	2,044,562	1,555,090

CENTRES V PHASE I

Notes to Schedules of Combined Net Operations (continued)

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

2. Significant accounting policies:

(a) General:

The schedules have been prepared in accordance with Canadian generally accepted accounting principles. The schedules present the combined net operations prior to amortization of income properties, general and administrative expenses, capital taxes, interest expense and income taxes. Additionally, all costs and revenue associated with the undeveloped lands and lands under development of Centres V Phase I have been excluded. As these properties are multi phased developments, costs are capitalized until the phase is considered substantially complete subject to a predetermined time limit, at which point the phase is considered income-producing property.

Rental revenue from income properties includes base and percentage rent, operating cost recoveries, parking and other incidental tenant charges.

Property operating costs include property taxes, utilities, insurance, repairs and maintenance, property management fees and other expenses directly related to the operation of properties.

(b) Use of estimates:

The preparation of the schedules requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the periods. Actual amounts could differ from those estimates.

(c) Revenue recognition:

Rental revenue from income properties is recognized once a phase of the property is considered substantially complete. Rentals from income properties are recognized as revenue over the term of the related lease agreements. All rent steps in lease agreements are accounted for on a straight-line basis over the term of the respective leases. Recoveries from tenants for property taxes, utilities, insurance and other operating costs are recognized as revenue in the period the applicable costs are incurred.

(d) Deferred expenses:

Deferred tenant inducements and leasing expenses are amortized on a straight-line basis over the term of the related lease agreements.

CENTRES V PHASE I

Notes to Schedules of Combined Net Operations (continued)

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

3. Related party transactions:

First Professional Development Group II Inc. ("First Professional") is related to one of the co-owners of the Co-ownerships and acts as property manager to Centres V Phase I. Property operating costs include management fees paid to First Professional for property management services which were recorded at amounts specified in the management agreement. In addition, First Professional earned fees for leasing which were recorded at the exchanged amount and amortized over the lease term.

	Three months ended March 31,		Years ended December 31,	
	2005	2004	2004	2003
	(Unaudited)			
Management fees	\$ 177,357	\$ 146,045	\$ 634,568	\$ 335,068
Leasing fees	48,873	165,424	391,414	410,929

First Professional also earns fees from the Co-ownerships for acting as development manager of Centres V Phase I.

4. Economic dependence:

Rental revenue derived from one retailer, who is related to one of the co-owners of the Co-ownerships, represents approximately the following percentages:

	Three months ended March 31,		Years ended December 31,	
	2005	2004	2004	2003
	(Unaudited)			
Revenue derived from one retailer	42.97%	45.51%	47.00%	53.65%

CENTRES V PHASE I

Notes to Schedules of Combined Net Operations (continued)

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

5. Subsequent events:

The Co-ownerships have entered into an agreement to sell the following interests in the Centres V Phase I properties: a 100% freehold interest in five shopping centres, a 60% freehold interest in two shopping centres and a 40% leasehold and 60% freehold interest in one shopping centre to Calloway for approximately \$402.8 million. The sale price will be satisfied by a vendor take-back mortgage of approximately \$20.2 million and cash consideration for the balance. Currently, one of the co-owners of the Co-ownerships owns approximately 16.3% of the issued and outstanding units of Calloway.

Schedules of Combined Net Operations of

CENTRES V PHASE II

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003



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AUDITORS' REPORT

To the Co-owners of the Wal-Mart-First Pro Realty Co-ownerships

We have audited the schedules of combined net operations, as defined in note 2(a), of Centres V Phase II for the years ended December 31, 2004 and 2003. This financial information is the responsibility of Centres V Phase II's management. Our responsibility is to express an opinion on this financial information based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these schedules of combined net operations present fairly, in all material respects, the results of the combined net operations of Centres V Phase II for the years ended December 31, 2004 and 2003 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Toronto, Canada

April 29, 2005

CENTRES V PHASE II

Schedules of Combined Net Operations

	Three months ended March 31,		Years ended December 31,	
	2005	2004	2004	2003
	(Unaudited)			
Rental revenue from income properties	\$ 2,709,374	\$ 2,005,540	\$ 8,675,131	\$ 5,481,580
Expenses:				
Property operating costs	822,235	592,281	2,366,367	1,524,114
Amortization of deferred expenses	153,934	91,061	591,698	327,501
	976,169	683,342	2,958,065	1,851,615
Net operations	\$ 1,733,205	\$ 1,322,198	\$ 5,717,066	\$ 3,629,965

See accompanying notes to schedules of combined net operations.

CENTRES V PHASE II

Notes to Schedules of Combined Net Operations

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

1. Basis of presentation:

These schedules of combined net operations (the "schedules") are financial schedules prepared for inclusion in a management information circular for a proposed acquisition by Calloway Real Estate Investment Trust ("Calloway") that includes a 40% interest in five shopping centres from Wal-Mart-First Pro Realty Co-ownerships (the "Co-ownerships").

The schedules combine the net operations, as defined in note 2(a), of the shopping centres ("Centres V Phase II"), listed below, that Calloway anticipates purchasing from the Co-ownerships. Centres V Phase II is not a legal entity and the information used to prepare the schedules has been derived from records specific to the properties to be sold to Calloway. The schedules may not necessarily reflect the net operations in future periods, nor do they necessarily reflect the net operations that would have been realized had Centres V Phase II been a stand-alone entity during the years presented.

This information is provided to assist the reader in determining the relative impact of each property on the financial results for the periods presented. The net leased and occupied areas increased period to period as construction was completed on units and tenants occupied said units.

		Net leased and occupied area (square feet) representing 100% interest			
	Interest to be acquired	Three months ended March 31,		Years ended December 31,	
		2005	2004	2004	2003
		(Unaudited)			
Bolton Centre	40%	183,183	109,639	183,183	—
Regina East Centre	40%	370,574	289,702	316,710	283,270
Saint-Constant Centre	40%	281,874	269,680	268,620	264,677
Whitby North Centre	40%	231,771	166,855	230,565	147,965
Winnipeg Southwest Centre	40%	413,556	381,637	402,883	376,641
		1,480,958	1,217,513	1,401,961	1,072,553

CENTRES V PHASE II

Notes to Schedules of Combined Net Operations (continued)

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

2. Significant accounting policies:

(a) General:

The schedules have been prepared in accordance with Canadian generally accepted accounting principles. The schedules present the combined net operations prior to amortization of income properties, general and administrative expenses, capital taxes, interest expense and income taxes. Additionally, all costs and revenue associated with the undeveloped lands and lands under development of Centres V Phase II have been excluded. As these properties are multi phased developments, costs are capitalized until the phase is considered substantially complete subject to a predetermined time limit, at which point the phase is considered income-producing property.

Rental revenue from income properties includes base and percentage rent, operating cost recoveries, parking and other incidental tenant charges.

Property operating costs include property taxes, utilities, insurance, repairs and maintenance, property management fees and other expenses directly related to the operation of properties.

(b) Use of estimates:

The preparation of the schedules requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the periods. Actual amounts could differ from those estimates.

(c) Revenue recognition:

Rental revenue from income properties is recognized once a phase of the property is considered substantially complete. Rentals from income properties are recognized as revenue over the term of the related lease agreements. All rent steps in lease agreements are accounted for on a straight-line basis over the term of the respective leases. Recoveries from tenants for property taxes, utilities, insurance and other operating costs are recognized as revenue in the period the applicable costs are incurred.

CENTRES V PHASE II

Notes to Schedules of Combined Net Operations (continued)

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

2. Significant accounting policies (continued):

(d) Deferred expenses:

Deferred tenant inducements and leasing expenses are amortized on a straight-line basis over the term of the related lease agreements.

3. Related party transactions:

First Professional Development Group II Inc. ("First Professional") is related to one of the co-owners of the Co-ownerships and acts as property manager to Centres V Phase II. Property operating costs include management fees paid to First Professional for property management services which were recorded at amounts specified in the management agreement. In addition, First Professional earned fees for leasing which were recorded at the exchanged amount and amortized over the lease term.

	Three months ended March 31,		Years ended December 31,	
	2005	2004	2004	2003
	(Unaudited)			
Management fees	\$ 38,476	\$ 40,524	\$ 179,012	\$ 113,856
Leasing fees	55,397	33,581	126,825	148,174

First Professional also earns fees from the Co-ownerships for acting as development manager of Centres V Phase II.

4. Economic dependence:

Rental revenue derived from one retailer, who is related to one of the co-owners of the Co-ownerships, represents approximately the following percentage:

	Three months ended March 31,		Years ended December 31,	
	2005	2004	2004	2003
	(Unaudited)			
Revenue derived from one retailer	27.5%	35.6%	33.4%	33.7%

CENTRES V PHASE II

Notes to Schedules of Combined Net Operations (continued)

Three months ended March 31, 2005 and 2004 (unaudited)
and years ended December 31, 2004 and 2003

5. Subsequent events:

The Co-ownerships have entered into an agreement to sell Centres V Phase II and connected undeveloped land to Calloway for approximately \$114.9 million. The sale price will be satisfied by a vendor take-back mortgage of approximately \$3.0 million and cash consideration for the balance. Currently, one of the co-owners of the Co-ownerships owns approximately 16.3% of the issued and outstanding units of Calloway.

CENTRES V PHASE III
SCHEDULE OF COMBINED NET OPERATIONS
YEARS ENDED DECEMBER 31, 2004 AND 2003

The Sacks Partnership

CHARTERED ACCOUNTANTS

The Sacks Partnership

CHARTERED ACCOUNTANTS

"Developers of Creative Solutions"

-AUDITORS' REPORT-

**To the Owners of
Centres V Phase III**

We have audited the schedule of combined net operations, as defined in Note 2 (i), of Centres V Phase III for the years ended December 31, 2004 and 2003. This financial information is the responsibility of Centres V Phase III's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, the schedule of combined net operations presents fairly, in all material respects, the results of the combined net operations of Centres V Phase III for the years ended December 31, 2004 and 2003 in accordance with Canadian generally accepted accounting principles.

The Sacks Partnership

Toronto, Ontario
May 17, 2005

Chartered Accountants

CENTRES V PHASE III**SCHEDULE OF COMBINED NET OPERATIONS**

	Three months ended March 31,		Years ended December 31,	
	2005	2004	2004	2003
	(Unaudited)	(Unaudited)		
<hr/>				
REVENUE				
Rentals	\$ 13,545,670	\$ 12,675,960	\$ 51,171,538	\$ 44,722,983
<hr/>				
EXPENSES				
Property operating costs	4,524,146	4,169,228	16,082,465	13,967,149
Amortization of deferred costs	1,210,884	1,290,548	5,119,487	4,776,795
	<hr/>	<hr/>	<hr/>	<hr/>
	5,735,030	5,459,776	21,201,952	18,743,944
<hr/>				
NET OPERATIONS	\$ 7,810,640	\$ 7,216,184	\$ 29,969,586	\$ 25,979,039
<hr/>				

CENTRES V PHASE III

NOTES TO SCHEDULE OF COMBINED NET OPERATIONS

Years ended December 31, 2004 and 2003

(Information for the three month periods ended March 31, 2005 and 2004 is unaudited)

1. Basis of presentation:

The schedule of combined net operations ("Schedule") is prepared for inclusion in a management information circular of Calloway Real Estate Investment Trust ("Calloway") for a proposed acquisition that includes these nineteen real estate properties (See Note 5).

This schedule combines the net operations, as defined in Note 2 (i), of the nineteen real estate properties listed below ("Centres V Phase III") which Calloway intends to acquire or lease from the owners.

Centres V Phase III is not a legal entity and the information used to prepare this schedule has been obtained from records specific to each of the Centres V Phase III properties.

The following are the Centres V Phase III properties included in the schedule of combined net operations. This information is provided to assist the reader in determining the relative impact of each property on the financial results for the years presented. Several properties were under construction and the net leased and occupied areas increased from period to period as units were leased.

	Percentage to be sold/leased (Note 5)	Net leased and occupied area (sq. ft.) - At 100%			
		March 31, 2005	March 31, 2004	December 31, 2004	December 31, 2003
Brampton East Walmart Centre	100 %	227,055	227,055	227,055	227,055
Markham Woodside Centre	50 %	325,611	325,801	325,597	325,801
Markham Woodside Centre Phase II	50 %	13,500	-	13,500	-
Vaughan Walmart Centre	85 %	129,066	129,066	129,066	129,066
Woodbridge - Piazza Del Sol	35 %	409,257	367,881	409,257	367,881
Barrie South Walmart Centre	100 %	342,158	359,137	347,804	324,364
Cambridge Walmart Centre	100 %	504,381	512,093	518,080	512,093
Chatham Walmart Centre	50 %	237,248	-	235,816	-
Hanover Walmart Centre	100 %	5,002	5,002	5,002	5,002
Kenora Walmart Centre	50 %	80,881	-	-	-
London North Walmart Centre	50 %	235,029	227,924	248,892	145,444
Midland Walmart Centre	100 %	5,789	5,789	5,789	5,789
Ottawa Walmart Centre	50 %	486,127	486,127	486,127	486,127
Renfrew Walmart Centre	100 %	9,471	-	9,471	-
Laval West Walmart Centre	50 %	549,362	524,554	544,575	514,150
Montreal Decarie Walmart Centre	50 %	224,724	224,724	220,696	210,371
Drummondville Walmart Centre	100 %	33,100	22,761	33,100	-
Hull Walmart Centre	49.9 %	240,627	240,928	240,627	240,928
Halifax - Bayers Lake Power Centre	51 %	155,377	155,377	155,377	155,377
		4,213,765	3,814,219	4,155,831	3,649,448

CENTRES V PHASE III

NOTES TO SCHEDULE OF COMBINED NET OPERATIONS

Years ended December 31, 2004 and 2003

(Information for the three month periods ended March 31, 2005 and 2004 is unaudited)

2. Significant accounting policies:

(i) General:

The schedule of combined net operations of Centres V Phase III has been prepared in accordance with Canadian generally accepted accounting principles.

The schedule presents the combined net operations prior to amortization of income properties, general and administrative expenses, capital taxes, interest expense and income taxes. Additionally, all costs and revenue associated with undeveloped land and land under development have been excluded.

Rental revenue from income properties includes base and percentage rent, operating cost recoveries, and other incidental tenant charges.

Property operating costs include property taxes, utilities, insurance, repairs and maintenance, property management fees and other expenses directly related to the operation of income properties.

(ii) Revenue recognition:

Rentals from income properties are recognized when tenants of each unit of multi-phased developments take occupancy. Rentals from income properties are recognized as revenue on a straight-line basis over the term of the respective leases. Recoveries from tenants for property taxes, utilities, insurance and other operating costs are recognized as revenues in the year the applicable costs are incurred.

Effective January 1, 2004, the accounting policy for recognizing rental revenue was changed. Previously, rental revenue was recorded based on the amounts contractually due under the lease agreements. As a result of this change in accounting policy, the following additional amounts were included in rental revenue:

Year ended December 31, 2004	\$ 1,182,482
Three months ended March 31, 2004	\$ 284,327
Three months ended March 31, 2005	\$ 277,627

(iii) Deferred costs:

Deferred costs include financing fees, leasing fees and tenant inducements.

Deferred tenant inducements and leasing fees are amortized on a straight-line basis over the terms of the related lease agreements, while deferred financing fees are amortized on a straight-line basis over five years.

CENTRES V PHASE III

NOTES TO SCHEDULE OF COMBINED NET OPERATIONS

Years ended December 31, 2004 and 2003

(Information for the three month periods ended March 31, 2005 and 2004 is unaudited)

2. Significant accounting policies (cont'd):

(iv) Use of estimates:

The preparation of financial information in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of revenues and expenses during the reported periods. Actual amounts could differ from these estimates.

3. Related party transactions:

Property management and leasing fees, which are recorded at the exchange amount, were paid with respect to some of Centres V Phase III properties to a company controlled by one of the owners of Centres V Phase III. Management fees are included in property operating costs while leasing fees are included in deferred costs and amortized over the terms of the related lease agreements.

	March 31,		December 31,	
	2005	2004	2004	2003
Management fees	\$ 200,303	\$ 126,359	\$ 714,633	\$ 463,779
Leasing fees	\$ 94,909	\$ 62,232	\$ 627,731	\$ 847,323

4. Economic dependence:

Rental revenue derived from one retailer represents approximately the following percentages of total rental revenue:

	March 31,		December 31,	
	2005	2004	2004	2003
Revenue from retailer	22 %	20 %	20 %	22 %

5. Subsequent event:

On May 11, 2005, First Pro Group of Companies, on behalf of the owners and certain other parties, entered into a conditional agreement with Calloway to purchase the freehold and leasehold interests in various retail properties, including the nineteen retail properties included in this financial information.

SCHEDULE C
VALUATIONS & FAIRNESS OPINION



RBC Dominion Securities Inc.
P.O. Box 50
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Toronto, Ontario M5J 2W7
Telephone: (416) 842-2000

June 7, 2005

The Special Committee of the Board of Trustees
Calloway Real Estate Investment Trust
310, 855 – 8th Avenue SW
Calgary, Alberta
T2P 3P1

To the Special Committee:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that Calloway Real Estate Investment Trust ("Calloway" or the "Trust") has entered into an agreement (the "FP Agreement") with the FirstPro Group of Companies and affiliated entities which are controlled directly or indirectly by Mr. Mitchell Goldhar (collectively "FirstPro") dated May 11, 2005 to acquire (the "FP Acquisition") the following properties (the "FirstPro Properties") from FirstPro: (i) interests in 30 shopping centres (the "FP Income Properties"), including 27 properties on a freehold basis (the "FP Freehold Properties") and 3 properties by way of prepaid land leases (the "FP Leasehold Properties"); (ii) undeveloped lands with future development potential adjacent to 10 of the FP Income Properties, where FirstPro will take all development risk and sell the completed properties to Calloway upon completion (the "Earn-Out Lands"); and (iii) development properties for 13 new shopping centres plus undeveloped land adjacent to 10 of the FP Income Properties where Calloway will complete the developments on its own account (the "Development Lands").

RBC understands that under the terms of the FP Acquisition the consideration to be paid by the Trust at closing will be approximately \$850 million comprising of: (i) approximately \$237 million in cash; (ii) approximately \$345 million in assumed mortgage debt (including a \$22 million mark to market); (iii) \$250 million through the issuance of 12.59 million units of a limited partnership ("Calloway LP") created to facilitate the Acquisitions (the "Class B Units") and an equal number of special voting units (the "SV Units"); and (iv) approximately \$18 million of zero-coupon mortgages to be held by FirstPro representing the purchase price of certain of the Earn-Out Lands (the "FirstPro VTBs"). The Class B Units are entitled to equivalent distributions to the units of the Trust (the "Units") and each Class B Unit, combined with an SV Unit, is exchangeable into a Unit at the option of the holder. The SV Units are each entitled to one vote at any meeting of the holders of the Units (the "Unitholders"). RBC also understands that Calloway has entered into an agreement with Wal-Mart Canada Realty Inc. ("Wal-Mart") dated April 19, 2005 (the "Wal-Mart Agreement") to acquire Wal-Mart's 60% interest in 8 shopping centres including undeveloped lands with development potential located adjacent to the centres (the "Wal-Mart Acquisition") for consideration of approximately \$284 million comprising of: (i) approximately \$271 million in cash; and (ii) approximately \$13 million in zero-coupon mortgages to be held by Wal-Mart representing the purchase price of the development lands adjacent to the Wal-Mart properties. The FP Freehold Properties include FirstPro's 40% interest in 5 of the 8 Wal-Mart properties, while the FP Leasehold Properties include a leasehold interest in FirstPro's 40% interest in one of the 8 properties. The Earn-Out Lands include the undeveloped lands attached to all six of the Wal-Mart properties in which FirstPro's interest is included in the

FirstPro Properties. Calloway intends to fund the cash component of the FP Acquisition and Wal-Mart Acquisition (collectively the "Acquisitions") and closing costs with new unsecured debt of \$175 million, new mortgage debt of \$154 million, proceeds from a \$175 million private placement (the "Private Placement"), announced June 2, 2005, of subscription receipts exchangeable for Units upon closing of the Acquisitions, and proceeds from an additional future equity issuance.

RBC also understands that: (i) FirstPro owns 6.05 million Units or approximately 16.4% of the currently outstanding Units, which could increase to approximately 25.8% based on earn-out provisions under previous development agreements; (ii) immediately following the Acquisitions and the associated equity financings, FirstPro will own, directly or indirectly, approximately 18.64 million Units and Class B Units (together with an equal number of SV Units) or approximately 30.9% of the outstanding Units and Class B Units combined; and (iii) upon completion of each of the developments on the Earn-Out Lands and Development Lands, FirstPro will have the option to receive as partial payment or subscribe for cash for an additional 8.0 million Units or Class B Units (together with an equal number of SV Units) in the aggregate, at a fixed price of \$20.10 per Unit or combined Class B Unit and SV Unit. If the option to subscribe for or receive all of these 8.0 million Units or Class B Units (together with an equal number of SV Units) is exercised, FirstPro's ownership would increase to 42.9% of the combined Units and Class B Units, on a proforma basis. FirstPro will also have the right to terminate the leases on the FP Leasehold Properties in certain circumstances. FirstPro will also acquire certain governance rights with respect to Calloway regarding the ability to nominate a certain number of trustees and minimum voting rights under certain circumstances.

The terms of the Acquisitions will be more fully described in a management information circular (the "Circular"), which will be mailed to Unitholders in connection with the Acquisitions.

RBC also understands that a committee (the "Special Committee") of the board of trustees of Calloway (the "Board") who are independent of FirstPro has been constituted to consider the FP Acquisition and make recommendations thereon to the Board. RBC was instructed by the Special Committee that the FP Acquisition is a "related party transaction" within the meaning of Rule 61-501 of the Ontario Securities Commission and Quebec Securities Commission Policy Statement Q-27 (collectively, the "Policies"). The Special Committee has retained RBC to provide advice and assistance to the Special Committee in evaluating the FP Acquisition, including the preparation and delivery to the Special Committee of formal valuations of the FirstPro Properties (the "FirstPro Properties Valuation") and the non-cash consideration (the "Non-Cash Consideration") being paid to FirstPro under the FP Acquisition (the "Non-Cash Consideration Valuation", collectively the "Valuations") in accordance with the requirements of the Policies, and RBC's opinion as to the fairness to Calloway, from a financial point of view, of the consideration to be paid by Calloway under the FP Acquisition (the "Fairness Opinion"). The Valuations and Fairness Opinion have been prepared in accordance with the guidelines of the Investment Dealers Association of Canada.

Engagement

The Special Committee initially contacted RBC regarding a potential advisory assignment in April 2005, and RBC was formally engaged by the Special Committee through an agreement between the Trust and RBC (the "Engagement Agreement") dated May 10, 2005. The terms of the Engagement Agreement provide that RBC is to be paid \$1,500,000 for the Valuations and Fairness Opinion. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Trust in certain circumstances. RBC consents to the inclusion of the Valuations and Fairness Opinion in their entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Trust with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship With Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Trust, FirstPro, or any of their respective associates or affiliates. RBC has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Trust, FirstPro, or any of their respective associates or affiliates, within the past two years, other than RBC's participation in the following financings of Calloway. RBC was a co-manager of the Private Placement, a public offering of \$101 million of Units and \$55 million of convertible unsecured subordinated debentures of Calloway in April 2004 and a public offering of \$150 million in Units in January 2004.

There are no understandings, agreements or commitments between RBC and the Trust, FirstPro, or any of their respective associates or affiliates with respect to any future business dealings. RBC may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Trust, FirstPro, or any of their respective associates or affiliates. The compensation of RBC under the Engagement Agreement does not depend in whole or in part on the conclusions reached in the Valuations or the Fairness Opinion or the successful outcome of the FP Acquisition. Royal Bank of Canada, of which RBC is a wholly-owned subsidiary, provides banking services to FirstPro in the normal course of business.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Trust and, from time to time, may have executed or may execute transactions on behalf the Trust, FirstPro or any of their respective associates or affiliates or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Trust or the FP Acquisition.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Valuations and the Fairness Opinion expressed herein represent the opinions of RBC and the form and content herein have been approved for release by a committee of its managing directors, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

In connection with our Valuations and Fairness Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft, dated June 3, 2005, of the Circular (the "Draft Circular");
2. the FP Agreement;
3. the Wal-Mart Agreement;
4. audited financial statements of the Trust for each of the three years ended December 31, 2002, 2003 and 2004;
5. the unaudited interim report of the Trust for the quarter ended March 31, 2005;
6. annual reports of the Trust for each of the two years ended December 31, 2002 and

- 2003;
7. supplemental financial and operating information for the Trust for the most recently ended fiscal year and quarter;
 8. the Notice of Annual and Special Meeting of Unitholders and Management Information Circulars of the Trust for each of the two years ended December 31, 2002 and 2003;
 9. annual information forms of the Trust for each of the two years ended December 31, 2003 and 2004;
 10. the internal management budget of the Trust for the year ending December 31, 2005;
 11. unaudited property income statements for the FP Income Properties for the two years ended December 31, 2003 and 2004;
 12. internal budgets for the FP Income Properties for the year ending December 31, 2005, prepared by management of FirstPro;
 13. unaudited projected cash flows for the FP Income Properties, provided by management of Calloway, for the eleven years ending May 31, 2016;
 14. unaudited projected cash flows for the Development Lands prepared by management of FirstPro;
 15. a summary of the appraised values of the FP Income Properties prepared by Altus Helyar and Colliers International dated June 1, 2005 ("the Appraisals");
 16. current rent rolls dated May 18, 2005 for the FirstPro Properties;
 17. various co-ownership agreements relating to the FirstPro Properties;
 18. discussions with senior management of the Trust and FirstPro;
 19. discussions with the Trust's legal counsel and auditors;
 20. site visits to certain of the FirstPro Properties and properties of the Trust;
 21. public information relating to the business, operations, financial performance and stock trading history of the Trust and other selected public entities considered by us to be relevant;
 22. public information with respect to other transactions of a comparable nature considered by us to be relevant;
 23. public information regarding the real estate industry in general and retail properties in particular;
 24. representations contained in certificates addressed to us, dated as of the date hereof, from senior officers of the Trust and FirstPro, respectively as to the completeness and accuracy of the information upon which the Valuations and Fairness Opinion are based; and
 25. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Trust or FirstPro to any information requested by RBC.

Prior Valuations

The Trust has represented to RBC that there have not been any prior valuations (as defined in Ontario Securities Commission Rule 61-501) of the Trust or its material assets or its securities in the past twenty-four month period.

Assumptions and Limitations

With the Special Committee's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Trust and FirstPro, and their consultants and advisors (collectively, the "Information"). The Valuations and Fairness Opinion are conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of the Trust have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information (as defined above) provided orally by, or in the presence of, an officer or employee of the Trust or in writing by the Trust or any of its subsidiaries or their respective agents to RBC for the purpose of preparing the Valuations and Fairness Opinion was, at the date the Information was provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Trust, its subsidiaries or the FP Acquisition and did not and does not omit to state a material fact in respect of the Trust, its subsidiaries or the FP Acquisition necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided or any statement was made; and (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Trust or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Valuations or Fairness Opinion.

A senior officer of FirstPro has represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the FirstPro Information (taken as whole) provided orally or in writing by an officer or employee of FirstPro or any of its subsidiaries to RBC for the purpose of preparing the Valuations and Fairness Opinion was, at the date the Information was provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the FirstPro Properties and did not and does not omit to state a material fact in respect of the FirstPro Properties necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the FirstPro Information was provided or any statement was made; and (ii) since the dates on which the FirstPro Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the FirstPro Properties and no material change has occurred in the FirstPro Information or any part thereof.

In preparing the Valuations and Fairness Opinion, RBC has made several assumptions, including that all of the conditions required to implement the FP Acquisition will be met and that the disclosure provided or incorporated by reference in the Draft Circular with respect to the Trust, its subsidiaries and affiliates, the FirstPro Properties and the FP Acquisition is accurate in all material respects.

The Valuations and Fairness Opinion are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Trust, its subsidiaries and affiliates, and the FirstPro Properties as they were reflected in the Information and as they have been represented to RBC in discussions with management of the Trust and FirstPro. In its analyses and in preparing the Valuations and Fairness Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the FP Acquisition.

The Valuations and Fairness Opinion have been provided for the use of the Special Committee and the Board and may not be used by any other person or relied upon by any other person other than the Special Committee and the Board without the express prior written consent of RBC. The Valuations and Fairness Opinion are given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Valuations or Fairness Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting either of the Valuations or Fairness Opinion after the date hereof, RBC reserves the right to change, modify or withdraw either of the Valuations or Fairness Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Valuations or Fairness Opinion. The preparation of a valuation or a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Neither the Valuations nor the Fairness Opinion are to be construed as a recommendation to any Unitholder as to whether to vote in favour of the Acquisitions.

Overview of Calloway

Calloway's principal business is to invest in new format retail centres which are geographically diversified. Calloway has grown through a series of acquisitions since 2002, when it owned a total of four retail properties in Calgary totaling 86,905 square feet ("sq. ft.") of gross leasable area ("GLA"), to today where it currently owns 63 commercial properties comprising 97.65% retail and 2.35% industrial by gross rental revenue with a total of 8,802,436 sq. ft. of GLA.

Overview of the FirstPro Properties

The FP Income Properties include freehold interests, ranging from 35% to 100%, in 27 new format shopping centres. The FP Income Properties also include leasehold interests, ranging from 40% to 100% in 3 new format shopping centers. The FP Income Properties have a combined owned GLA of 3.876 million square feet, and have a 0.4% vacancy rate with an average lease term of 9.6 years. Wal-Mart represents over 40% of the leased area and approximately 26.6% of leased revenues, with an average remaining term of over 15 years. Eighteen of the FP Income Properties are located in Ontario, with eight locations in the Greater Toronto Area ("GTA"). The remaining properties are spread throughout the rest of Canada.

The Earn-Out Lands comprise undeveloped lands with future development potential that are adjacent to 10 of the FP Income Properties. FirstPro is responsible for completing the development of these lands. Calloway is obligated to purchase the completed properties from FirstPro at a capitalization rate ("cap rate") of 0.125% above the cap rate at which the adjacent property was sold

to Calloway under the FP Acquisition. The estimated completed value of the developments on the Earn-Out Lands is approximately \$156 million, comprising approximately 0.868 million square feet of owned GLA upon completion.

The Development Lands consist of 13 undeveloped retail sites and development lands adjacent to 10 of the FP Income Properties. Calloway is responsible for completing the development of these lands. The estimated completed value of the developments on the Development Lands is approximately \$247 million, comprising approximately 1.291 million of owned GLA upon completion.

Definition of Fair Market Value

For purposes of the Valuations, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

FirstPro Properties Valuation

Valuation Methodologies

RBC's primary valuation methodology in preparing the FirstPro Properties Valuation was a net asset value ("NAV") approach, which ascribes a separate value for each category of asset, utilizing the methodology appropriate in each case.

There are five key components to the NAV of the FirstPro Properties:

- i) the FP Income Properties;
- ii) the Development Lands;
- iii) the Earn-Out Lands;
- iv) secured debt; and
- v) income taxes and tax deductions.

FP Income Properties

RBC used primarily a going-in cap rate approach to the valuation of the FP Income Properties due to the stable nature of the net operating income ("NOI") resulting from the long-term leases on the properties. As a check to reasonableness of the going-in cap rate approach, RBC also utilized discounted cash flow ("DCF") analysis. The DCF approach takes into account the amount, timing and relative certainty of projected unlevered free cash flows expected to be generated by the FP Income Properties. The DCF approach requires that certain assumptions be made regarding, among other things, future cash flows, discount rates and terminal values. The possibility that some of the assumptions will prove to be inaccurate is one factor involved in the determination of the discount rates to be used in establishing a range of values.

In completing its DCF analysis, RBC used the eleven year cash flow projections provided by management of Calloway for each of the FP Freehold Properties and RBC prepared thirty-five year cash flow projections for each of the FP Leasehold Properties by extending the eleven year cash flow projections provided by management of Calloway. RBC reviewed the assumptions in the projections and determined that material adjustments to the projections were not necessary. Appropriate discount rates and reversionary capitalization rates ("RCR") of NOI were selected based on precedent transactions and RBC's knowledge of current real estate pricing parameters. RBC used discount rates and RCRs in valuing the FP Income Properties as follows:

	<u>Discount Rates</u>	<u>RCRs</u>
FP Leasehold Properties	8.2% to 8.3%	N/A
FP Freehold Properties	8.0% to 10.0%	6.25% to 8.50%

The table below presents the aggregate projected unlevered free cash flows from the FP Income Properties:

FP Income Properties
Consolidated Unlevered Free Cash Flows
(C\$ millions)

	Forecast for the Year Ending May 31,										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NOI	\$51.7	\$52.2	\$52.7	\$53.2	\$53.8	\$54.4	\$55.3	\$56.2	\$57.0	\$58.4	\$59.5
Less: Capital Expenditures	0.3	0.3	0.3	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.5
Less: Leasing Costs	0.2	0.4	0.3	0.5	0.6	1.2	1.4	1.8	1.8	2.1	0.0
Free Cash Flow	\$51.2	\$51.6	\$52.2	\$52.5	\$53.0	\$52.8	\$53.5	\$53.9	\$54.7	\$55.8	\$59.0

The property values resulting from the above analyses were also reviewed on the basis of price per square foot to ensure that this was also consistent with market pricing parameters. The above analyses resulted in a value for the FP Income Properties of \$728.8 million to \$755.3 million. Going-in cap rates for the FP Income Properties ranged between 6.40% to 7.98% with a weighted average of 6.96%.

Development Lands

RBC used a residual land value analysis approach to determine the value of the Development Lands. The development proformas provided by FirstPro were used to determine potential income and costs of each development. The residual land value was then calculated by using the appropriate cap rate on the potential net income net of a 2.5% management fee minus construction costs (including land carrying costs).

The cap rate selected for the 13 development properties was based on the appropriate going-in yields on the completed development plus a premium to compensate for the development risk. The premiums ranged from 1.50% to 2.25%, resulting in cap rates ranging from 8.75% to 9.75%. The cap rate selected for the undeveloped lands adjacent to 10 of the FP Income Properties was based on appropriate going-in yields on the completed development plus a premium to compensate for the development risk. The premiums ranged from 1.00% to 1.50%, resulting in cap rates ranging from 8.00% to 9.75%.

The above analyses resulted in a value for the Development Lands of \$57.3 million to \$70.1 million, which represents a mid point cap rate of 8.93% and a mid point of \$49 per buildable square foot.

Earn Out Lands

The amount of future development on the Earn-out Lands is dependent upon the amount of future leasing ultimately completed and the rental rates achieved. Consistent with real estate industry practice, RBC valued the Earn-Out Lands on a price per square foot of buildable GLA. This analysis resulted in a value for the Earn-Out Lands of \$35.1 million, which represents \$40 per buildable square foot.

Secured Debt

The Company has mortgages secured on the FP Income Properties of approximately \$323.1 million, \$303.5 million of which is fixed rate and approximately \$19.6 million of which is floating rate. For the fixed rate debt, the weighted average coupon rate is above market with a weighted average term of approximately 11.0 years and a weighted interest rate of approximately 6.69%. Under the FP Agreement, FirstPro and Calloway will make a mark-to-market adjustment on this debt. The current amount of the mark-to-market is \$21.8 million, which RBC views as reasonable.

Income Taxes and Tax Deductions

RBC considered the tax implications of the lower historical tax basis of the FirstPro Properties resulting from the rollover of the FirstPro Properties into the Calloway LP structure. Under the FP Agreement, the impact of the lower tax basis is to be streamed to the Class B Units held by FirstPro so Unitholders achieve the same tax deferral as if the FirstPro Properties were acquired with full tax basis. As a result, RBC has not adjusted the value of the FirstPro Properties as a result of the lower historical tax basis.

Summary

The following table summarizes RBC's valuation of the FirstPro Properties:

<i>(CS millions)</i>	<u>Low</u>	<u>High</u>
FP Income Properties	\$728.8	\$755.3
Development Lands	57.4	70.1
Earn-out Lands	35.1	35.1
	<u>\$821.3</u>	<u>\$860.5</u>

Sensitivity Analysis

In completing the FirstPro Properties Valuation, RBC principally performed a sensitivity analyses on going-in cap rates. Sensitivities to changes in rental rates and occupancy were not considered meaningful given the fully leased nature of the FP Income Properties and the long-term leases in place. A change of 0.25% in going-in cap rates changes the value of the FP Income Properties by \$24.8 million and the Development Lands by \$6.3 million. The results of these sensitivity analyses are reflected in our judgment as to the appropriate values resulting from the NAV approach.

Valuation Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the fair market value of the FirstPro Properties is in the range of \$821.3 million to \$860.5 million.

Non-Cash Consideration Valuation

The Non-Cash Consideration includes: (i) the Class B Units and SV Units; (ii) the FirstPro VTBs; (iii) the option value relating to the entitlement of FirstPro to receive Units or Class B Units (together with an equal number of SV Units) with respect to the Development Lands and the Earn-Out Lands at fixed prices in the future; and (iv) the obligation of Calloway to acquire the completed properties under the Earn-Out Lands at a fixed cap rate in the future. RBC also considered whether

the governance rights granted to FirstPro under the FP Agreement should be valued as part of the Non-Cash Consideration Valuation. RBC concluded that it would not be possible to quantify any value for the governance rights, however RBC considered the governance rights, as well as FirstPro's ownership position in Calloway upon completion of the FP Acquisition and of FirstPro exercising its options to receive or subscribe for Units or Class B Units (together with an equal number of SV Units) upon completion of the Earn-Out Lands and Developments Lands respectively, as further described below. RBC also considered whether the governance rights and FirstPro's increased ownership position in Calloway increased the value of Calloway's existing Units. RBC concluded that given FirstPro's existing governance rights and ownership position of Calloway, no additional value should be attributed to FirstPro's existing Units resulting from the FP Acquisition.

Class B Units and SV Units

In assessing the Class B Units and SV Units offered as consideration under the FP Acquisition, RBC considered both the market trading value of the Units and an en-bloc valuation of the Units. RBC concluded that in addition to market trading value an en-bloc approach to valuation was appropriate given FirstPro's potential 42.9% ownership on completion of the Acquisitions and on completion of the developments on the Earn-Out Lands and the Developments Lands along with the governance rights associated with the FP Agreement. Although FirstPro could not deliver 100% of the Trust to a potential purchaser, FirstPro could exert significant influence over when an en-bloc sale might occur.

The average trading prices of the Units on the Toronto Stock Exchange over various periods of time, ending June 6, 2005 are shown below:

<i>(in C\$ millions, except per Unit amounts)</i>	<u>Units</u>	<u>Value of Class B Units</u> ⁽¹⁾
Close	\$20.43	\$257.3
5-Day Weighted Average	20.44	257.4
10-Day Weighted Average	20.42	257.2
20-Day Weighted Average	20.15	253.8
30-Day Weighted Average	19.86	250.1

Note:

(1) Based on the number of Class B Units issued to FirstPro.

In addition the Private Placement was priced at an effective price of \$19.85 per Unit, which represents a benchmark for a price at which a large block of Units could be sold on that date.

In determining potential en-bloc value of the Units, RBC principally relied upon an estimate of the NAV of Calloway based on the implied cap rate of Calloway's properties, compared to the cap rates in precedent transactions for properties comparable to those owned by Calloway. RBC concluded that the market value of the Units was at or above the estimated NAV of Calloway.

RBC also reviewed the trading multiples of public entities involved in the real estate industry generally, and retail property entities in particular, as compared to the trading multiples of the Units. RBC concluded that most Canadian REITs are currently trading at or slightly above their NAV.

Finally, RBC analyzed the ability of likely third party purchasers to acquire 100% of Calloway and the price that they could pay based on certain assumptions. RBC's analysis concluded that a third party purchaser could pay only a modest premium to current market prices of the Units.

The above analyses, resulted in a value for the Class B Units and SV Units to be received by

FirstPro in a range from \$19.85 to \$21.00 per combined Class B Unit and SV Unit, or \$250.0 million to \$264.5 million in the aggregate.

FirstPro VTBs

In determining the value of the FirstPro VTBs, RBC calculated the present value of the cash flows to be paid under the FirstPro VTBs over the expected term to maturity discounted at the appropriate rate to reflect risk associated with that cash flow. RBC assumed a weighted average term of two years, based on the average expected time to complete the developments on the Earn-Out Lands, and a discount rate of 8.0% to 10.0%.

Based upon the above analysis, RBC valued the FirstPro VTBs in a range of \$14.6 to \$15.1 million.

Option on Issuance of Units

In connection with the completion of developments on the Development Lands and Earn-Out Lands, FirstPro has an option to subscribe for or receive up to 8.0 million additional Units or Class B Units (together with an equal number of SV Units) at a fixed price of \$20.10 per Unit or combined Class B Unit and SV Unit. The value of this option (the "Unit Option") was determined using an option pricing model, with assumptions regarding volatility of the Units, term of the Unit Option, risk-free rate and expected distribution growth of the Units.

Based upon the above analysis, RBC valued the Unit Option in a range of \$7.3 million to \$11.8 million

Purchase of Completed Properties on Earn-Out Lands

RBC considered whether any value should be attributed to Calloway's obligation to purchase the completed properties under the Earn-Out Lands. RBC considered these obligations to be equivalent to a forward sale. RBC concluded that the 0.125% cap rate premium inherent in these obligations appropriately compensates for the forward sale nature of the obligations, hence RBC did not include any value in the Non-Cash Consideration for the purchase of completed properties on the Earn-Out Lands.

Summary

The following table summarizes RBC's valuation of the Non-Cash Consideration:

<i>(C\$ millions)</i>	<u>Low</u>	<u>High</u>
Class B Units	\$250.0	\$264.5
FirstPro VTBs	14.6	15.1
Unit Option	7.3	11.8
	<u>\$271.9</u>	<u>\$291.4</u>

Valuation Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the fair market value of the Non-Cash Consideration is in the range of \$271.9 million to \$291.4 million.

Fairness Opinion

Factors Considered

In considering the fairness to Calloway, from a financial point of view, of the consideration to be paid by Calloway under the FP Acquisition, RBC considered and relied on the following: (i) a comparison of the consideration to be paid for the FirstPro Properties by Calloway pursuant to the FP Acquisition to RBC's valuation of the FirstPro Properties; (ii) an analysis of the financial impact of the FP Acquisition on Calloway; and (iii) whether the FP Acquisition should be considered a "change of control" of Calloway due to the increased ownership and governance rights of FirstPro resulting from the FP Acquisition and whether Unitholders should therefore receive "en bloc" value for their Units.

Comparison of Consideration under the FP Acquisition to the Value of the FirstPro Properties

The total consideration under the FP Acquisition comprising cash, assumed debt (including mark to market) and the Non-Cash Consideration is shown below:

<i>(C\$ millions)</i>	<u>Low</u>	<u>High</u>
Cash	\$237.1	\$237.1
Assumed Mortgages	323.1	323.1
Mark to Market	21.8	21.8
Non-Cash Consideration	271.9	291.4
	<u>\$853.9</u>	<u>\$873.4</u>

The range of fair market values of the consideration under the FP Acquisition of \$853.9 million to \$873.4 million overlaps with the fair market value range of the FirstPro Properties of \$821.3 million to \$860.5 million.

Financial Impact of the Acquisition on Calloway

Based on the projected cash flows of the FirstPro Properties and the consideration to be paid under the FP Acquisition, the FP Acquisition is expected to be accretive to Calloway's recurring distributable income, funds from operation ("FFO"), and adjusted FFO per Unit in 2005 on a pro forma basis.

Change of Control

FirstPro currently owns approximately 16.4% of the Units, which could increase to approximately 25.8% based on earn-out provisions under previous development agreements. Upon completion of the Acquisitions, FirstPro will own approximately 30.9% of the combined Units and Class B Units which could increase to approximately 42.9% of the combined Units and Class B Units if FirstPro's options to receive or subscribe for Units or Class B Units (together with an equal number of SV Units) with respect to developments on the Earn-Out Lands and the Development Lands are fully exercised. A holder of more than 33.33% of the Units would be able to prevent an acquisition of 100% of the Units due to the voting provisions under Calloway's Declaration of Trust, hence Unitholders might expect that any transaction enabling a single Unitholder to achieve greater than 33.33% ownership of the Units, should generate cash flows and distributions on the Units enabling them to trade in the market at a value within a range of what a purchaser of 100% of the Units, prior

to the Acquisition, would likely pay. RBC concluded that given the current trading levels of the Units, the accretion expected from the Acquisitions and the trading multiples of other comparable REITs, it was reasonable to expect that, upon completion of the Acquisitions, the Units could trade within a range of what a purchaser of 100% of the Units, prior to the Acquisitions, would likely pay.

Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the consideration to be paid by Calloway under the FP Acquisition is fair, from a financial point of view, to Calloway.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

SCHEDULE D

VALUATOR'S CONSENT

We refer to our formal valuations and fairness opinion dated June 7, 2005, which we prepared for the special committee of the board of trustees of Calloway Real Estate Investment Trust ("Calloway") for the acquisition by Calloway of 30 retail properties and certain undeveloped land from the FirstPro Group of Companies. We consent to the filing of the formal valuations and fairness opinion with the Ontario Securities Commission and the inclusion of a summary of the formal valuations and fairness opinion in the Management Information Circular of Calloway dated June 9, 2005.

Dated this 9th day of June, 2005.

"signed" RBC Dominion Securities Inc.

SCHEDULE E

APPRAISERS' CONSENTS

We refer to our formal appraisal dated June 3, 2005, which we prepared for Calloway Real Estate Investment Trust for its acquisition of 28 retail properties from the FirstPro Group of Companies and Wal-Mart Canada Realty Inc. We consent to the filing of the formal appraisal with the Ontario Securities Commission and the inclusion of a summary of that formal appraisal in the Management Information Circular of Calloway dated June 9, 2005.

Dated this 9th day of June, 2005.

Altus Helyar

Division of Altus Group Limited

Per: *"signed"*
 Lou Iafrate
 Manager, Valuations

We refer to our formal appraisal dated May 31, 2005, which we prepared for Calloway Real Estate Investment Trust for its acquisition of 7 retail properties and certain undeveloped land from the FirstPro Group of Companies and Wal-Mart Canada Realty Inc. We consent to the filing of the formal appraisal with the Ontario Securities Commission and the inclusion of a summary of that formal appraisal in the Management Information Circular of Calloway dated June 9, 2005.

Dated this 9th day of June, 2005.

Colliers International

Per: *"signed"*
 Liam Brunner, B.Ecom., AACI, P.App.
 Director Valuation and Realty Tax Services

Per: *"signed"*
 Chris M. Marlyn, AACI, P.App.
 Managing Director, Calgary