

PROSPECTUS SUPPLEMENT
To a Short Form Base Shelf Prospectus Dated October 9, 2009

This prospectus supplement, together with the short form base shelf prospectus to which it relates dated October 9, 2009, as amended or supplemented, and each document incorporated by reference in this prospectus supplement and in the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state. Accordingly, these securities may not be offered or sold within the United States of America, its possessions and other areas subject to its jurisdictions or to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the 1933 Act), except in limited circumstances. See "Plan of Distribution".

Information has been incorporated by reference into this prospectus supplement and in the short form base shelf prospectus to which it relates, from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein and therein by reference may be obtained on request without charge from the Chief Financial Officer of Calloway Real Estate Investment Trust at Suite 200, 700 Applewood Crescent, Vaughan, Ontario L4K 5X3 (Telephone (905) 326-6400 Extension 7631), and are also available electronically at www.sedar.com. See "Documents Incorporated By Reference".

New Issue

June 10, 2010



Up to 5,000,000 Units

Calloway Real Estate Investment Trust (the "**REIT**" or "**Calloway**") is hereby qualifying for distribution (the "**Offering**") up to 5,000,000 units of the REIT (the "**Units**").

The REIT has entered into an equity distribution agreement dated June 10, 2010 (the "**Equity Distribution Agreement**") with Canaccord Genuity Corp., as its exclusive agent (the "**Agent**") relating to the sale of Units offered by this prospectus supplement (the "**Prospectus Supplement**") and the accompanying short form base shelf prospectus dated October 9, 2009 to which it relates (the "**Short Form Prospectus**"), as amended or supplemented. In accordance with the terms of the Equity Distribution Agreement, and except as noted below, the REIT may distribute up to 5,000,000 Units from time to time through the Agent, as its exclusive agent for the distribution of the Units. See "Plan of Distribution".

The REIT is an unincorporated "open-end" trust constituted in accordance with the laws of the Province of Alberta. The REIT was created to invest in income-producing rental properties located in Canada. The head office of the REIT is located at Suite 200, 700 Applewood Crescent, Vaughan, Ontario L4K 5X3. **The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. Calloway qualifies as a mutual fund trust for the purposes of the Income Tax Act (Canada) (the "Tax Act") and offers and sells its Units to the public. The Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of that act or any other legislation.**

The Units are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "CWT.UN". On June 9, 2010, the last trading day prior to the date of this Prospectus Supplement, the closing price of the Units on the TSX was \$20.12. The TSX has conditionally approved the listing of the Units offered by this Prospectus Supplement. Listing is subject to the REIT fulfilling all of the requirements of the TSX on or before November 9, 2011.

A return on an investment in the REIT is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions. **Although Calloway intends to make distributions of a significant percentage of its available cash to the holders of its Units ("Unitholders"), these cash distributions are not assured and may be reduced or suspended.** The ability of Calloway to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the properties in its property portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons including if Calloway is unable to meet its cash distribution targets in the future, and that decline may be significant. It is important for a person making an investment in Units of Calloway to consider the particular risk factors that may affect both Calloway and the real estate industry in which Calloway operates and which may therefore affect the stability of the cash distributions on the Units of Calloway. See the section entitled "Risk Factors" in Calloway's annual information form dated February 24, 2010 which describes Calloway's assessment of those risk factors, as well as the potential consequences to a Unitholder if a risk should occur. Also see "Risk Factors" in this Prospectus Supplement.

The after-tax return from an investment in Units to Unitholders that is subject to Canadian income tax can be made up of both a "return on" and a "return of" capital. That composition may change over time, thus affecting a Unitholder's after-tax return. Returns

on capital are generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Returns of capital are generally tax-deferred (and generally reduce the Unitholder's adjusted cost base in its Units for tax purposes). See "Canadian Federal Income Tax Considerations".

Sales of Units, if any, under this Prospectus Supplement and the accompanying Short Form Prospectus are anticipated to be made in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 – Shelf Distributions, including sales made directly on the TSX or any other recognized Canadian marketplace upon which the Units are listed or quoted or where the Units are traded ("**Marketplace**"). The Units will be distributed at market prices prevailing at the time of the sale of such Units. As a result, prices may vary as between purchasers and during the period of distribution. See "Plan of Distribution".

The REIT will pay the Agent compensation for its services in acting as agent in the sale of Units pursuant to the terms of the Equity Distribution Agreement. The REIT will pay the Agent compensation equal to 3% (or such other percentage as may be subsequently agreed by the REIT and the Agent) of the gross proceeds from the sales of Units. The REIT estimates that the total expenses that it will incur for the Offering (including fees payable to stock exchanges, securities regulatory authorities and its counsel and its auditors, but excluding compensation payable to the Agent under the terms of the Equity Distribution Agreement) will be approximately \$300,000. The REIT has agreed to provide indemnification and contribution to the Agent against, among other things, certain civil liabilities under applicable securities legislation in Canada.

No underwriter or dealer involved in the Offering, no affiliate of such an underwriter or dealer, and no person or company acting jointly or in concert with such an underwriter or dealer has over-allotted, or will over-allot, Units in connection with the Offering or effect any other transactions that are intended to stabilize or maintain the market price of the Units.

The Offering is subject to the approval of certain legal matters on behalf of the REIT by Shea Nerland Calnan LLP, and on behalf of the Agent by Bennett Jones LLP.

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ABOUT THIS PROSPECTUS SUPPLEMENT

In this Prospectus Supplement, unless otherwise specified, all references to “dollars” or “\$” are to Canadian dollars.

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Units the REIT is offering and also adds to and updates certain information contained in the Short Form Prospectus and the documents incorporated by reference into this Prospectus Supplement or the Short Form Prospectus. The second part, the Short Form Prospectus, gives more general information.

Readers should rely only on the information contained in this Prospectus Supplement and the Short Form Prospectus or incorporated by reference into this Prospectus Supplement and the Short Form Prospectus. The REIT and the Agent have not authorized any other person to provide prospective investors with different information and any such information should not be relied upon. The REIT and the Agent are not making an offer to sell the Units in any jurisdiction where the offer or sale is not permitted. Readers should assume that the information appearing in this Prospectus Supplement and the Short Form Prospectus, as well as information the REIT has previously filed with the securities regulatory authority in each of the provinces of Canada that is incorporated by reference into this Prospectus Supplement and the Short Form Prospectus, is accurate as of their respective dates only. The business, financial condition, results of operations and prospects of the REIT may have changed since those dates.

FORWARD LOOKING STATEMENTS

Certain statements in this Prospectus Supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and in the Short Form Prospectus are “forward looking statements” that reflect management’s expectations regarding Calloway’s future growth, results of operations, performance and business prospects and opportunities and other future events. More specifically, certain statements contained in this Prospectus Supplement in the sections “Use of Proceeds” and “Risk Factors” regarding anticipated use of the net proceeds from the Offering and Calloway’s expectation of not being subject to the SIFT Rules (as defined herein) are forward looking statements. All statements other than statements of historical fact contained in this Prospectus Supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and in the Short Form Prospectus are forward looking statements including, without limitation, statements that contain words such as “could”, “should”, “can”, “anticipate”, “expect”, “believe”, “will”, “may” and similar expressions, and statements regarding the timing and amount of distributions and the future financial position, business strategy, proposed acquisitions, plans and objectives of Calloway or its subsidiaries. These forward looking statements are presented for the purpose of assisting Calloway’s investors and financial analysts in understanding Calloway’s operating environment, and may not be appropriate for other purposes. Such forward looking statements contained directly in this Prospectus Supplement reflect management’s current beliefs and are based on information currently available to management.

Forward looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with real property ownership, debt financing, interest and financing, capital requirements, credit risk, general

uninsured losses, developments, future property acquisitions, competition for real property investments, environmental matters, land leases, potential conflicts of interest, reliance on key personnel, and tax related matters. These risks and others are more fully discussed under the “Risk Factors” section of this Prospectus Supplement and the “Risk Factors” section of the Short Form Prospectus, which also refers to the risks described in Calloway’s most recent annual information form, which document has been incorporated by reference herein and in the Short Form Prospectus. Although the forward looking statements contained in this Prospectus Supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and therein are based upon what management believed to be reasonable assumptions at the time such statements were made, Calloway cannot assure investors that actual results will be consistent with these forward looking statements. The forward looking statements contained in this Prospectus Supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and therein are expressly qualified in their entirety by this cautionary statement and by the cautionary statements contained in the Short Form Prospectus and in the documents incorporated by reference herein and therein. The forward looking statements contained in this Prospectus Supplement are made as at the date of this Prospectus Supplement, the forward looking statements contained in the Short Form Prospectus are made as at the date of the Short Form Prospectus and the forward looking statements contained in the documents incorporated by reference herein or in the Short Form Prospectus are made as of the date of such documents, and Calloway assumes no obligation to update or revise such forward looking statements to reflect new events or circumstances except as otherwise required by applicable securities legislation.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is incorporated by reference into the Short Form Prospectus as of the date hereof and only for the purposes of the distribution of the Units offered hereby.

Information has been incorporated by reference in this Prospectus Supplement and the Short Form Prospectus from documents filed with securities commissions or similar regulatory authorities in Canada.

Copies of the documents incorporated in this Prospectus Supplement **and the Short Form Prospectus** by reference may be obtained on request without charge from the Chief Financial Officer of Calloway Real Estate Investment Trust at Suite 200, 700 Applewood Crescent, Vaughan, Ontario L4K 5X3 (Telephone (905) 326-6400 Extension 7631) and are also available electronically at www.sedar.com.

The following documents of Calloway, which have been filed with the various securities commissions or similar regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference in and form an integral part of this Prospectus Supplement and the Short Form Prospectus:

- (a) the annual information form of Calloway dated February 24, 2010;
- (b) the audited annual consolidated comparative financial statements of Calloway for the years ended December 31, 2009 and 2008, together with the notes thereto and the auditors’ report thereon;
- (c) management’s discussion and analysis of the financial condition and results of operations of Calloway for the year ended December 31, 2009;
- (d) the management information circular of Calloway dated March 15, 2010 issued in connection with the meeting of unitholders of Calloway held on May 6, 2010;
- (e) the unaudited interim consolidated comparative financial statements of Calloway for the three months ended March 31, 2010 and 2009, together with the notes thereto;
- (f) management’s discussion and analysis of the financial condition and results of operations of Calloway for the three months ended March 31, 2010; and
- (g) the material change report dated June 4, 2010 regarding an offering of unsecured debentures.

All annual information forms, material change reports (excluding confidential material change reports), business acquisition reports, unaudited interim financial statements, audited annual financial statements (including the

auditors' report thereon), management's discussion and analysis of financial condition and results of operation and information circulars which are filed by Calloway with a securities commission or similar regulatory authority in any of the provinces of Canada after the date of this Prospectus Supplement and prior to the termination of the Offering under the Short Form Prospectus as supplemented by this Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus Supplement and the Short Form Prospectus for the purpose of this Offering.

Upon new audited annual financial statements and related management's discussion and analysis being filed by Calloway with the applicable securities regulatory authorities after the date of this Prospectus Supplement and prior to the termination of the Offering under the Short Form Prospectus as supplemented by this Prospectus Supplement, the previously filed audited annual financial statements and all unaudited interim financial statements, together with related management's discussion and analysis, relating to prior periods shall be deemed to no longer be incorporated into this Prospectus Supplement and the Short Form Prospectus for the purpose of the Offering.

Upon a new annual information form being filed by Calloway with the applicable securities regulatory authorities after the date of this Prospectus Supplement and prior to the termination of the Offering under the Short Form Prospectus as supplemented by this Prospectus Supplement, the previously filed annual information form, any material change reports filed prior to the end of the financial year in respect of which the new annual information form is filed, any information circular filed since the start of such financial year, and any business acquisition report for acquisitions completed since the beginning of such financial year (unless such report is incorporated by reference into the current annual information form or less than nine months of the acquired business' or related businesses' operations are incorporated into Calloway's most recent audited financial statements), shall be deemed to no longer be incorporated into this Prospectus Supplement and the Short Form Prospectus for the purpose of the Offering.

Upon interim financial statements and related management's discussion and analysis being filed by Calloway with the applicable securities regulatory authorities after the date of this Prospectus Supplement and prior to the termination of the Offering under the Short Form Prospectus as supplemented by this Prospectus Supplement, all previously filed interim financial statements, and related management's discussion and analysis, relating to prior periods shall be deemed no longer to be incorporated by reference into this Prospectus Supplement and the Short Form Prospectus for the purpose of the Offering.

Any statement contained in the Short Form Prospectus, in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein or in the Short Form Prospectus for the purposes of the Offering will be deemed to be modified or superseded, for purposes of this Prospectus Supplement and the Short Form Prospectus, to the extent that a statement contained herein or in the Short Form Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein or in the Short Form Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or included any other information set out in the document that it modifies or supersedes. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Short Form Prospectus as supplemented by this Prospectus Supplement. The making of a modifying or superseding statement will 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 an omission to state a material fact that is 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 not be deemed, except as modified or superseded, to constitute part of this Prospectus Supplement or the Short Form Prospectus.

THE REIT

Calloway is an unincorporated "open-end" trust constituted in accordance with the laws of the Province of Alberta, pursuant to a declaration of trust that was most recently amended and restated as of September 14, 2009 (the "Declaration of Trust").

Calloway's purpose is to own and manage dominant shopping centres that provide its retailers a platform to reach their customers through convenient locations, intelligent designs, and a desirable tenant mix. Calloway's shopping

centres focus on value-oriented retailers and include the strongest national and regional names as well as strong neighbourhood merchants.

To the extent that opportunities exist, and to the extent that management and the Board of Trustees of Calloway believe such opportunities are beneficial to Unitholders, Calloway will continue to invest primarily in large format, unenclosed retail rental properties with strong tenant covenants, stable yields, low vacancy levels and growth potential and continue to build a geographically diversified portfolio of such properties.

USE OF PROCEEDS

The net proceeds from the Offering are not determinable in light of the nature of the distribution. The net proceeds of any given distribution of Units through the Agent in an “at-the-market distribution” will represent the gross proceeds after deducting the applicable compensation payable to the Agent under the Equity Distribution Agreement and the expenses of the distribution. The REIT intends to use the net proceeds principally to fund ongoing development and acquisition activities, for repayment of indebtedness under any of its secured or unsecured loans and for general working capital purposes. However, management of the REIT will have discretion with respect to the actual use of the net proceeds of the Offering.

CONSOLIDATED CAPITALIZATION

As at March 31, 2010, the end of the most recently completed financial period of Calloway for which financial statements of Calloway have been filed in accordance with applicable Canadian securities legislation, Calloway had 85,212,021 (“Units”) and 16,394,997 Exchangeable Securities (as defined below) outstanding for a total of 101,607,018 Units and Exchangeable Securities in aggregate. In this Prospectus Supplement, “**Exchangeable Securities**” means any securities of any trust, limited partnership or corporation other than Calloway that are convertible or exchangeable directly for Units without the payment of additional consideration therefor. From March 31, 2010 to the date of this prospectus supplement, 80,207 Units and nil Exchangeable Securities have been issued by Calloway or one of its subsidiaries, either: (i) as partial consideration for acquisitions; (ii) pursuant to the incentive deferred unit plan established for Calloway’s trustees, officers and employees; (iii) through Calloway’s distribution reinvestment plan; or (iv) upon the exercise of previously outstanding convertible securities. In addition, 19,566 Exchangeable Securities have been exchanged for Units. As such, as at the date of this prospectus supplement, Calloway had 85,311,794 Units and 16,375,431 Exchangeable Securities outstanding for a total of 101,687,225 Units and Exchangeable Securities in aggregate. As at the date of this prospectus supplement and assuming issuance of all of the Units qualified for distribution hereunder, Calloway will have 90,311,794 Units and 16,375,431 Exchangeable Securities outstanding for a total of 106,687,225 Units and Exchangeable Securities in aggregate.

As at March 31, 2010, the indebtedness of Calloway, consisting of mortgages payable, development loans, unsecured debentures, convertible debentures and revolving operating facilities was approximately \$2,688,854,000. Since that time, the net indebtedness of Calloway has increased by approximately \$123,944,000, with an increase of approximately \$58,351,000 in connection with acquisition, development and financing activity, and increase of \$98,600,000 in connection with the issuance of \$100,000,000 aggregate principal amount of unsecured debentures on June 4, 2010, offset by a decrease of \$20,706,000 to repay a portion of indebtedness and a decrease of approximately \$12,301,000 to repay the scheduled amortization of mortgages payable. However, of the net proceeds of the unsecured debenture offering that closed on June 4, 2010, it is currently anticipated that approximately \$90,500,000 will be used by Calloway to repay a portion of its indebtedness, exclusive of approximately \$1,000,000 in yield maintenance and accrued interest, such that Calloway anticipates that the net indebtedness of Calloway, following completion of the above mentioned unsecured debenture offering and assuming the above mentioned anticipated use of proceeds of that offering, will have increased by approximately \$33,444,000 since March 31, 2010.

PLAN OF DISTRIBUTION

Sales of Units will be made in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – Shelf Distributions, including sales made directly on the TSX or any other Marketplace. Subject to the terms and conditions of the Equity Distribution Agreement and upon instructions from the REIT, the

Agent will use its commercially reasonable efforts, consistent with its normal trading and sales practices, applicable laws, the terms of the Decision (as hereinafter defined) and the applicable rules of the TSX and any other Marketplace, to sell the Units in accordance with the parameters specified by the REIT. The REIT will instruct the Agent as to the number of Units to be sold by the Agent from time to time. Pursuant to the Decision (as hereinafter defined), the number of Units sold pursuant to an at-the-market distribution on any trading day will not exceed 25% of the total trading volume of the Units on the TSX on that day. See “Statutory Exemptions”. The REIT or the Agent may suspend the offering of Units upon proper notice and subject to other conditions.

The REIT will file on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) a report disclosing the number and average price of Units distributed by the REIT pursuant to the Short Form Prospectus, as supplemented by this Prospectus Supplement, as well as the gross proceeds, commission and net proceeds from sales hereunder within seven calendar days after the end of the month with respect to sales during that month. The REIT will also disclose the number and average price of Units sold, as well as the gross proceeds, commission and net proceeds from sales hereunder in its annual and interim financial statements and management’s discussion and analysis filed on SEDAR.

The REIT will pay the Agent compensation for its services in acting as agent in the sale of Units pursuant to the terms of the Equity Distribution Agreement. The REIT will pay the Agent compensation equal to 3% (or such other percentage as may be subsequently agreed by the REIT and the Agent) of the gross proceeds from the sales of Units. The REIT estimates that the total expenses that it will incur for the Offering (including fees payable to stock exchanges, securities regulatory authorities and its counsel and its auditors, but excluding compensation payable to the Agent under the terms of the Equity Distribution Agreement) will be approximately \$300,000.

Settlement for sales of Units will occur on the third business day following the date on which any sales are made, or on such other date as is current industry practice for regular-way trading, in return for payment of the net proceeds to the REIT.

In connection with the sale of the Units on behalf of the REIT, the Agent will be an underwriter as defined in applicable securities legislation in Canada, and the compensation of the Agent will be deemed to be underwriting commissions or discounts. The REIT has agreed to provide indemnification and contribution to the Agent against, among other things, certain civil liabilities, including liabilities under applicable securities legislation in Canada.

The offering of Units pursuant to the Equity Distribution Agreement will terminate upon the earlier of (i) the sale of all Units subject to the Equity Distribution Agreement by the Agent, (ii) the receipt issued for the Short Form Prospectus ceasing to be effective in accordance with applicable securities laws, and (iii) the termination of the Equity Distribution Agreement in accordance with its terms. The REIT may terminate the Equity Distribution Agreement by giving notice to the Agent if the Agent is in breach of, default under or non-compliance with any material covenant, agreement, term or condition in the Equity Distribution Agreement. The Agent may terminate the Equity Distribution Agreement under the circumstances specified in the Equity Distribution Agreement and in its sole discretion at any time by giving notice to the REIT.

No underwriter or dealer involved in the Offering, no affiliate of such an underwriter or dealer, and no person or company acting jointly or in concert with such an underwriter or dealer has over-allotted, or will over-allot, Units in connection with the Offering or effect any other transactions that are intended to stabilize or maintain the market price of the Units.

The TSX has conditionally approved the listing of the Units offered by this Prospectus Supplement. Listing is subject to the REIT fulfilling all of the requirements of the TSX on or before November 9, 2011.

The Units have not been and will not be registered under the 1933 Act, or the securities laws of any state, and, subject to certain exceptions, may not be offered or sold or otherwise transferred or disposed of within the United States or to, or for the account or benefit of, U.S. persons, absent registration or pursuant to an applicable exemption from the 1933 Act and applicable state securities laws. In addition, until 40 days after the closing of an Offering, an offer or sale of Units within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in compliance with Rule 144A or another exemption under the 1933 Act.

PRIOR SALES

The following table sets out, for the Units and Exchangeable Securities, and for securities that are convertible into the foregoing, a description of each prior sale that occurred in the 12-month period before the date of this Prospectus Supplement:

<u>Date</u>	<u>Issuance Type</u> ⁽¹⁾	<u>Total Number of Securities Issued</u>	<u>Issuance Price per Security</u>
June 15, 2009	Distribution Reinvestment Plan	34,380	\$13.54
June 30, 2009	Acquisition 1 Earn-Out Proceeds – Issuance of Units	10,228	\$10.50
July 15, 2009	Distribution Reinvestment Plan	38,464	\$12.26
August 17, 2009	Distribution Reinvestment Plan	78,366	\$14.69
August 25, 2009	Issuance of Units pursuant to public offering	3,226,000	\$15.50
September 15, 2009	Distribution Reinvestment Plan	37,493	\$16.48
September 21, 2009	Conversion of 6% Debentures	294	\$17.00
September 23, 2009	Exchange of deferred units for Units under Deferred Unit Plan	6,454	n/a
October 15, 2009	Distribution Reinvestment Plan	36,898	\$17.45
October 30, 2009	Acquisition 1 Earn-Out Proceeds – Issuance of Units	1,882	\$10.50
November 16, 2009	Distribution Reinvestment Plan	79,108	\$17.60
November 16, 2009	Conversion of 6% Debentures	470	\$17.00
December 15, 2009	Distribution Reinvestment Plan	76,165	\$18.49
December 21, 2009	Acquisition 5 Earn-Out Proceeds – Issuance of Units	20,379	\$20.10
December 21, 2009	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	13,587	\$20.10
December 21, 2009	Acquisition 9 Earn-Out Proceeds – Issuance of Exchangeable Securities	6,343	\$20.10
January 4, 2010	Issuance of deferred Units under Deferred Unit Plan	33,201	\$19.28
January 5, 2010	Issuance of Units pursuant to public offering ⁽²⁾	2,100,000	\$19.05
January 5, 2010	Issuance of 5.75 Convertible Debentures pursuant to public offering ⁽²⁾	60,000	\$1,000.00
January 6, 2010	Conversion of 6% Debentures	588	\$17.00
January 15, 2010	Distribution Reinvestment Plan	34,906	\$18.92
January 18, 2010	Exchange of deferred units for Units under Deferred Unit Plan	1,200	n/a
January 29, 2010	Conversion of 6% Debentures	6,411	\$17.00
February 16, 2010	Distribution Reinvestment Plan	37,251	\$19.02
February 22, 2010	Conversion of 6% Debentures	5,764	\$17.00
February 24, 2010	Issuance of deferred Units under Deferred Unit Plan	55,381	\$19.65
February 26, 2010	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	3,679	\$20.10
February 26, 2010	Acquisition 9 Earn-Out Proceeds – Issuance of Exchangeable Securities	2,421	\$20.10
March 4, 2010	Conversion of 6% Debentures	5,882	\$17.00
March 15, 2010	Distribution Reinvestment Plan	35,273	\$20.27
March 19, 2010	Conversion of 6% Debentures	1,176	\$17.00
March 25, 2010	Conversion of 6% Debentures	1,647	\$17.00
March 31, 2010	Conversion of 6% Debentures	882	\$17.00
March 31, 2010	Acquisition 9 Earn-Out Proceeds – Issuance of Exchangeable Securities	4,495	\$20.10
April 15, 2010	Distribution Reinvestment Plan	36,421	\$20.21
April 27, 2010	Conversion of 6% Debentures	3,352	\$17.00
May 17, 2010	Distribution Reinvestment Plan	36,023	\$20.56
May 25, 2010	Conversion of 6% Debentures	4,411	\$17.00

Notes:

- (1) Capitalized terms in this column that are not otherwise defined herein, have the meanings ascribed to them in Calloway's annual information form dated February 24, 2010.

- (2) On January 5, 2010, Calloway closed its offering of \$60 million principal amount 5.75% convertible unsecured subordinated debentures (the “**5.75% Convertible Debentures**”) and 2,100,000 trust units at a price of \$19.05 per unit to raise, in aggregate, gross proceeds of approximately \$100 million.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

Units

The Units of the REIT are listed and posted for trading on the TSX under the trading symbol “CWT.UN”. The following table sets forth the reported high and low sales prices and the trading volumes for the Units as reported by the TSX for the periods indicated:

	<u>Price Range</u>		<u>Trading Volume</u>
	<u>High</u>	<u>Low</u>	
2009			
January	\$12.79	\$10.85	4,030,137
February	\$11.78	\$10.05	2,527,201
March	\$10.70	\$8.91	2,977,876
April	\$10.93	\$9.81	4,863,824
May	\$13.81	\$10.50	5,114,494
June	\$14.55	\$12.46	6,268,204
July	\$14.62	\$12.04	5,440,367
August	\$17.49	\$14.10	6,620,021
September	\$19.96	\$15.83	5,421,671
October	\$19.00	\$17.20	3,873,800
November	\$19.02	\$17.35	3,085,958
December	\$19.75	\$18.60	3,413,908
2010			
January	\$20.44	\$19.25	3,080,363
February	\$20.49	\$19.21	2,940,146
March	\$21.90	\$20.43	3,142,979
April	\$21.60	\$19.71	3,243,317
May	\$22.00	\$18.00	3,589,482
June 1 – 9	\$20.55	\$19.75	<u>910,686</u>
Total for Periods			<u>70,544,434</u>

6% Convertible Debentures

The 6% Convertible Debentures of Calloway are listed and posted for trading on the TSX under the trading symbol “CWT.DB”. The following table sets forth the reported high and low sales prices, the volume traded and the value traded for the 6% Convertible Debentures as reported by the TSX for the periods indicated:

	<u>Price Range</u>		<u>Volume Traded</u>	<u>Value Traded</u>
	<u>High</u>	<u>Low</u>		
2009				
January	\$92.00	\$83.65	590	53,528.50
February	\$96.00	\$92.00	340	31,990.00
March	\$96.00	\$95.00	110	10,470.00
April	\$98.00	\$94.00	430	41,140.00
May	\$100.00	\$92.00	1060	102,200.00
June	\$100.00	\$100.00	1310	131,000.00
July	\$102.00	\$101.00	500	50,800.00
August	\$105.00	\$105.00	10	1,050.00
September	\$110.00	\$105.00	910	98,911.70
October	\$109.98	\$105.00	1,250	132,951.10

	<u>Price Range</u>		<u>Volume Traded</u>	<u>Value Traded</u>
	<u>High</u>	<u>Low</u>		
November	\$113.00	\$104.12	1,090	119,467.30
December	\$115.71	\$111.62	930	104,979.40
2010				
January	\$120.00	\$114.50	570	66,232.80
February ⁽¹⁾	\$n/a	\$n/a	n/a	n/a
March	\$126.00	\$117.00	590	71,887.10
April	\$125.00	\$120.05	1,480	182,103.90
May	\$128.87	\$120.50	680	85,371.20
June 1 – 9	\$116.93	\$116.93	100	11,693.00
Total for Periods			<u>11,950</u>	<u>1,295,776.00</u>

Note:

(1) There were no trades in the 6.0% Convertible Debentures for the month of February 2010.

(2) On June 7, 2010, Calloway announced that the remaining outstanding 6.0% Convertible Debentures would be redeemed effective July 7, 2010. As at the date hereof, there is approximately \$4,303,000 aggregate principal amount of 6.0% Convertible Debentures outstanding.

6.65% Convertible Debentures

The 6.65% Convertible Debentures of Calloway are listed and posted for trading on the TSX under the trading symbol “CWT.DB.A”. The following table sets forth the reported high and low sales prices, the volume traded and the value traded for the 6.65% Convertible Debentures as reported by the TSX for the periods indicated:

	<u>Price Range</u>		<u>Volume Traded</u>	<u>Value Traded</u>
	<u>High</u>	<u>Low</u>		
2009				
January	\$98.00	\$82.60	8,090	741,300.00
February	\$97.00	\$82.10	12,710	1,173,140.00
March	\$97.50	\$88.00	10,570	973,598.00
April	\$99.99	\$93.50	14,230	1,362,852.00
May	\$100.00	\$96.00	12,340	1,206,088.00
June	\$99.89	\$96.00	21,410	2,114,091.00
July	\$102.00	\$98.50	12,560	1,259,589.00
August	\$103.00	\$100.00	10,160	1,034,635.00
September	\$103.25	\$101.00	20,400	2,086,234.00
October	\$104.00	\$101.25	12,630	1,294,382.80
November	\$104.50	\$102.40	7,480	771,802.30
December	\$104.10	\$102.50	11,130	1,151,480.00
2010				
January	\$105.00	\$103.00	13,460	1,400,729.00
February	\$105.50	\$103.51	8,160	853,311.00
March	\$105.50	\$104.00	8,375	875,376.65
April	\$105.00	\$103.50	8,670	903,547.50
May	\$105.00	\$102.05	14,580	1,512,127.50
June 1 – 9	\$104.25	\$103.50	5,360	556,640.50
Total for Periods			<u>212,315</u>	<u>21,270,924.25</u>

5.75% Convertible Debentures

The 5.75% Convertible Debentures are listed and posted for trading on the TSX under the trading symbol “CWT.DB.B”. The following table sets forth the reported high and low sales prices, the volume traded and the value traded for the 5.75% Debentures as reported by the TSX for the periods indicated:

	<u>Price Range</u>		<u>Volume Traded</u>	<u>Value Traded</u>
	<u>High</u>	<u>Low</u>		
2010				
January 5-31 ⁽¹⁾	\$99.99	\$98.50	66,380	6,601,154.00
February	\$101.95	\$99.00	52,160	5,226,681.20
March	\$103.00	\$100.00	25,970	2,620,006.70
April	\$106.00	\$95.00	17,780	1,783,504.10
May	\$102.00	\$96.51	11,320	1,130,356.90
June 1 – 9	\$101.00	\$99.00	4,740	473,452.50
Total for Periods			<u>178,350</u>	<u>16,704,798.50</u>

Note:

(1) The 5.75% Convertible Debentures commenced trading on the TSX on January 5, 2010.

ELIGIBILITY FOR INVESTMENT

In the opinion of Shea Nerland Calnan LLP, counsel to Calloway, and Bennett Jones LLP, counsel to the Agent, on the date of this Prospectus Supplement, provided that Calloway qualifies as a mutual fund trust under the Tax Act, the units of which are listed on a designated stock exchange (which currently includes the TSX), the Units will be qualified investments under the Tax Act and the regulations thereunder (the “**Regulations**”) for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account or a deferred profit sharing plan (collectively, the “**Plans**”), other than a deferred profit sharing plan for which Calloway, or a corporation with which Calloway does not deal at arm’s length, is the employer.

Notwithstanding the foregoing, if the Units are “prohibited investments” for a tax-free savings account (“**TFSA**”), the holder of the TFSA will be subject to a penalty tax as set out in the Tax Act. A “prohibited investment” includes a unit or debt of a trust which does not deal at arm’s length with the holder of the TFSA, or in which the holder has a significant interest, which in general terms means the ownership of 10% or more of the value of the trust’s outstanding units by the holder, either alone or together with persons and partnerships with whom the holder does not deal at arm’s length. Holders of TFSAs should consult with their tax advisors in this regard.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Shea Nerland Calnan LLP, counsel to Calloway, and Bennett Jones LLP, counsel to the Agent, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering and who, at all relevant times, for purposes of the Tax Act, is resident in Canada, holds the Units as capital property and deals at arm’s length and is not affiliated with Calloway. Generally, the Units will be considered capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders whose Units might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the Tax Act applicable to all Canadian securities owned by the Unitholder in the year of the election and all subsequent years. Such Unitholders should consult their own tax advisors having regard to their particular circumstances.

This summary is not applicable to a Unitholder that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules) or a “specified financial institution”, or a Unitholder an interest in which is a “tax shelter investment” (all as defined in the Tax Act), or a Unitholder which reports its Canadian tax results in a functional currency (which excludes Canadian dollars) under the Tax Act. Such Unitholders should consult their own tax advisors having regard to their particular circumstances.

This summary is based upon the facts set out in the Short Form Prospectus and this Prospectus Supplement, information provided by Calloway certified as correct in an officer’s certificate from the management of Calloway,

the current provisions of the Tax Act and the Regulations in force at the date of this Prospectus Supplement, all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current administrative and assessing policies and practices of the Canada Revenue Agency (the "CRA") published in writing by it. There can be no assurance that the proposed amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administrative and assessing policies and practices of the CRA, nor does it take into account any other federal, or provincial, territorial or foreign income tax considerations. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation. This summary also assumes that Calloway will at all times comply with the Declaration of Trust.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder, and no representations with respect to the income tax consequences to any particular Unitholder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of the Units, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of acquiring and holding the Units. All distributions on the Units to non-residents, whether in cash or additional Units, will be net of any applicable withholding taxes.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the holder's particular circumstances, including the province or provinces in which the Unitholder resides or carries on business.

In this summary, references to Calloway are to Calloway Real Estate Investment Trust and not to any of its subsidiaries or other entities in which it holds an interest.

Status of Trust

Calloway has advised counsel that it is, and expects that it will continue at all times to qualify as, a unit trust and a mutual fund trust under the provisions of the Tax Act, and has provided a certificate to support such advice. This summary therefore assumes that Calloway does and will continue to so qualify. In addition, Calloway has advised in an officer's certificate that it has elected pursuant to the Tax Act to be deemed to be a mutual fund trust from the date it was established. If Calloway were not to so qualify, the income tax consequences described below would be materially different.

Taxation of Unitholders

A Unitholder is generally required to include in computing income for tax purposes in each year the portion of the income of Calloway for the year, including the taxable portion of net realized capital gains, determined for the purposes of the Tax Act, that is paid or payable to such Unitholder in the year.

The Declaration of Trust provides that net income and net taxable gains for the purposes of the Tax Act will be allocated to Unitholders in the same proportion as distributions received by Unitholders.

On the disposition or deemed disposition of a Unit, whether on a redemption or otherwise, the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by Calloway that is otherwise required to be included in the Unitholder's income, including any capital gain realized by Calloway in connection with a redemption of Units which

has been designated by Calloway to the redeeming Unitholder. The taxation of capital gains and capital losses are described below.

Based on Calloway's distribution policy, the amount distributed to Unitholders in a year may exceed the net income and net realized taxable capital gains of Calloway for that year. Such excess distributions will not be included in computing the income of Unitholders for tax purposes. However, a Unitholder is required to reduce the adjusted cost base of the Unitholder's Units by the amount paid or payable to the Unitholder by Calloway (other than the non-taxable portion of capital gains designated by Calloway) that was not included in computing the Unitholder's income and will realize a capital gain in the year to the extent the adjusted cost base of the Units would otherwise be a negative amount. The cost to a Unitholder of additional Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Units. For the purpose of determining the adjusted cost base to a Unitholder of Units, the cost of the newly acquired Units will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before the acquisition in accordance with the detailed provisions of the Tax Act.

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by Calloway in respect of a Unitholder will generally be included in the Unitholder's income as a taxable capital gain and one-half of any capital loss realized by a Unitholder may generally be deducted only from taxable capital gains in accordance with the provisions of the Tax Act. Allowable capital losses in excess of taxable capital gains in a particular year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent permitted in the Tax Act.

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on certain investment income, including amounts of interest and taxable capital gains.

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

SIFT Rules

Pursuant to amendments to the Tax Act first announced on October 31, 2006, the taxation regime applicable to specified investment flow-through trusts or partnerships ("**SIFTs**") and investors in SIFTs has been altered. If Calloway were to become subject to these new rules (the "**SIFT Rules**"), it generally would be taxed in a manner similar to corporations on income from business carried on in Canada by Calloway and on income (other than taxable dividends) or capital gains from non-portfolio properties (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation and the distribution of such income to Unitholders would generally be treated as dividends received from a taxable Canadian corporation. In general, distributions paid as returns of capital will not be subject to this tax. The SIFT Rules are applicable beginning with the 2007 taxation year of a trust unless the trust would have been a "SIFT trust" (as defined in the Tax Act) on October 31, 2006 if the definition had been in force and applied to the trust on that date (the "**Existing Trust Exemption**"). For trusts that meet the Existing Trust Exemption, the SIFT Rules will apply commencing in the 2011 taxation year, assuming compliance with the "normal growth" guidelines issued by the Department of Finance (Canada) on December 15, 2006, as amended from time to time (the "**Normal Growth Guidelines**"). The SIFT Rules are not applicable to a real estate investment trust that meets certain specified criteria relating to the nature of its revenue and investments (the "**REIT Exemption**"). Management of Calloway believes that Calloway has not exceeded the Normal Growth Guidelines and that Calloway is not currently subject to tax under the SIFT Rules. Management also believes that Calloway, as currently structured, does not qualify for the REIT Exemption, with the result that the SIFT Rules will apply to Calloway commencing in 2011. It is Calloway's current intention to restructure its business affairs and/or discontinue certain of its activities, if necessary, prior to January 1, 2011, in order to qualify for the REIT Exemption. However, no assurance can be given that Calloway will qualify for the REIT Exemption.

RISK FACTORS

There are risks associated with an investment in the Units being distributed under the Offering. In addition to the risks described herein, reference is made to the risks described in the Short Form Prospectus including Calloway's most recent annual information form and management's discussion and analysis which are incorporated herein and therein by reference. See "Documents Incorporated by Reference".

Stability Ratings

DBRS Limited ("**DBRS**") provides stability ratings for real estate investment trusts ("**REITs**") and income trusts. A stability rating generally provides an indication of both the stability and sustainability of the distributions to unitholders by the rated entity. DBRS's rating categories range from highest stability and sustainability of distributions per unit (STA-1) to poor stability and sustainability of distributions per unit (STA-7). The assignment of a "(high)", "(middle)" or "(low)" modifier within each rating category indicates relative standing within such category. DBRS has provided Calloway with a stability rating of STA-3 (high), the third highest ranking within the classification system. This rating category reflects good stability and sustainability of distributions per unit, but performance may be more sensitive to economic factors, have greater cyclical tendencies, and may not be as well diversified as a higher ranking income fund, resulting in some potential for distributions per unit to fluctuate. The ratings accorded to Calloway are not recommendations to purchase, hold or sell Calloway's securities. There can be no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised by a rating agency at any time. Real or anticipated changes in the stability rating on the outstanding Units may affect the market value of the Units.

Application of SIFT Rules

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

Management has advised counsel that the total amount of all previous equity issuances and all currently contemplated issuances, determined in accordance with the Normal Growth Guidelines, should not cause Calloway to exceed its available growth for the period from November 1, 2006 to date. Management believes that Calloway is not currently subject to tax under the SIFT Rules. However, in the event that Calloway issues additional units or convertible debentures (or other equity securities) on or before December 31, 2010, Calloway may become subject to the SIFT Rules prior to its 2011 taxation year. No assurance can be given that the SIFT Rules will not apply to Calloway prior to its 2011 taxation year.

Calloway currently intends to qualify for the REIT Exemption commencing in 2011. In order to so qualify, Calloway may need to restructure its business affairs and/or discontinue certain of its activities. If Calloway were not to so qualify for the REIT Exemption, it will be subject to tax under the SIFT Rules commencing in 2011. The application of tax under the SIFT Rules would have an impact on the cash distributions that would otherwise be made by Calloway and the taxation of such distributions to Unitholders.

INTEREST OF EXPERTS

Certain legal matters in connection with the issuance of the Units offered hereby will be passed upon on behalf of the REIT by Shea Nerland Calnan LLP and on behalf of the Agent by Bennett Jones LLP. As of the date of this Prospectus Supplement, partners and associates of Shea Nerland Calnan LLP, as a group and of Bennett Jones LLP, as a group, each owned, beneficially or of record, less than 1% of the outstanding Units.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are PricewaterhouseCoopers LLP.

The registrar and transfer agent for the Units is Computershare Trust Company of Canada, at its principal offices in Toronto, Ontario and Calgary, Alberta.

STATUTORY EXEMPTIONS

Pursuant to a decision document dated February 18, 2010 (the “**Decision**”) and granted by the Ontario Securities Commission as principal regulator pursuant to National Policy 11-203 - Process for Exemptive Relief Applications in Multiple Jurisdictions: (a) the Agent and any participating organization acting as selling agent for the Agent are exempt from the requirement under securities legislation in each of the provinces of Canada to send a purchaser of Units under the Offering the latest prospectus and any amendment thereto and, as a result, the withdrawal right and the right of action for non-delivery of the Short Form Prospectus, as supplemented, will not apply to the Offering; and (b) the REIT is exempt from: (i) the requirement to include in the Short Form Prospectus, as supplemented, the form of certification for a base shelf prospectus prescribed by National Instrument 44-102 – Shelf Distributions provided that the certificate in the form set out in the Decision is included in the Prospectus Supplement; and (ii) the requirement to include in this Prospectus Supplement the statement respecting purchasers’ statutory rights of withdrawal and remedies for rescission and damages prescribed by Form 44-101F1 under National Instrument 44-101 – Short Form Prospectus Distributions, provided that the disclosure set out under the heading “Purchasers’ Statutory Rights” is included herein.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Units under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Units and will not have remedies for rescission or, in some jurisdictions, revision of the price, or damages for non-delivery, because the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment will not be delivered as permitted under the Decision.

Securities legislation in certain of the provinces of Canada also provides purchasers with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are executed by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Units under an at-the-market distribution by the Issuer may have against the Issuer or the Agent for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to the Units purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery and the decision referred to above.

Purchasers should refer to the applicable provisions of the securities legislation and the Decision referred to above for the particulars of their rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form base shelf prospectus dated October 9, 2009 of Calloway Real Estate Investment Trust (the "**REIT**") relating to the issuance and sale of Trust Securities and the prospectus supplement of the REIT dated June 10, 2010 relating to qualifying for distribution up to 5,000,000 units of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use through incorporation by reference in the above-mentioned prospectus supplement of our report to the unitholders of the REIT on the consolidated balance sheets of the REIT as at December 31, 2009 and 2008 and the consolidated statements of income and comprehensive income, equity and cash flows for the years then ended. Our report is dated February 24, 2010.

Toronto, Ontario
June 10, 2010

(signed) "*PricewaterhouseCoopers LLP*"
Chartered Accountants,
Licensed Public Accountants

CERTIFICATE OF THE REIT

Dated: June 10, 2010

This short form prospectus, as supplemented by the foregoing, together with the documents incorporated in this prospectus by reference as of the date of a particular distribution of securities offered by this prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus, as required by the securities legislation of each of the provinces of Canada.

CALLOWAY REAL ESTATE INVESTMENT TRUST

(signed) SIMON NYILASSY
President and Chief Executive Officer

(signed) BART MUNN
Chief Financial Officer

On behalf of the Trustees

(signed) DAVID CALNAN
Trustee

(signed) PETER FORDE
Trustee

CERTIFICATE OF THE AGENT

Dated: June 10, 2010

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

CANACCORD GENUITY CORP.

(signed) MARK A. EDWARDS

(signed) KARL B. STADDON