

**PROSPECTUS SUPPLEMENT**  
**To a Short Form Base Shelf Prospectus Dated October 31, 2011**

*This prospectus supplement, together with the short form base shelf prospectus to which it relates dated October 31, 2011, 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](http://www.sedar.com). See "Documents Incorporated By Reference".*



**New Issue**

**December 5, 2011**

**Up to 2,000,000 Units**

Calloway Real Estate Investment Trust (the "**REIT**" or "**Calloway**") is hereby qualifying for distribution (the "**Offering**") up to 2,000,000 units of the REIT (the "**Units**").

The REIT has entered into an equity distribution agreement dated December 5, 2011 (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 31, 2011 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 2,000,000 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, pursuant to a declaration of trust that was most recently amended and restated as of September 14, 2009 (the "**Declaration of Trust**"). The REIT is focused on the ownership and development of high quality retail properties. The head office of the REIT is located at Suite 200, 700 Applewood Crescent, Vaughan, Ontario L4K 5X3.

The Units are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "CWT.UN". On December 2, 2011, the last trading day prior to the date of this Prospectus Supplement, the closing price of the Units on the TSX was \$26.74. 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 February 23, 2012.

A return on an investment in Units of 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, 2011 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 and the accompanying Short Form Prospectus.

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”.

**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.**

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 section “Use of Proceeds” regarding anticipated use of the net proceeds from the Offering, certain statements contained in this Prospectus Supplement in the section “Consolidated Capitalization” regarding the anticipated closing of the \$100M Bought Deal (as defined herein) and the anticipated use of the net proceeds from that offering, certain statements in the section “Calloway” regarding Calloway’s expectation that Wal-Mart will continue to be the dominant anchor tenant in Calloway’s property portfolio and that its presence will continue to attract other retailers and consumers and certain statements in the sections “Canadian Federal Income Tax Considerations” and “Risk Factors” regarding Calloway’s expectation of meeting the REIT Exemption (as defined herein) 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 solely for the purpose of the distribution of the Units offered hereby.

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

Copies of the documents incorporated by reference in this Prospectus Supplement and in the Short Form Prospectus 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](http://www.sedar.com).

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

- (a) the annual information form of Calloway dated February 24, 2011;
- (b) the audited annual consolidated comparative financial statements of Calloway for the years ended December 31, 2010 and 2009, together with the notes thereto and the auditor's report thereon;
- (c) management's discussion and analysis of the financial condition and results of operations of Calloway for the year ended December 31, 2010;
- (d) the management information circular of Calloway dated March 30, 2011 issued in connection with the meeting of unitholders of Calloway held on May 19, 2011;
- (e) the unaudited interim consolidated comparative financial statements of Calloway for the three and nine month periods ended September 30, 2011 and 2010, together with the notes thereto;

- (f) management's discussion and analysis of the financial condition and results of operations of Calloway for the three and nine month periods ended September 30, 2011;
- (g) the material change report of Calloway dated April 6, 2011 regarding the appointment of a new Chief Executive Officer; and
- (h) the material change report of Calloway dated April 21, 2011 regarding an offering of Units.

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 auditor's 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 this Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus Supplement 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 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 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 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 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 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 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, 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 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.**

## CALLOWAY

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. It is expected that Wal-Mart will continue to be the dominant anchor tenant in the portfolio and that its presence will continue to attract other retailers and consumers.

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

### Equity

As at September 30, 2011, 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 103,261,597 Units and 17,115,061 Exchangeable Securities (as defined below) outstanding for a total of 120,376,658 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 September 30, 2011 to November 30, 2011, 149,861 Units and 69,576 Exchangeable Securities were 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. During that time, nil Exchangeable Securities were exchanged for Units. As such, as at November 30, 2011, Calloway had 103,411,458 Units and 17,184,637 Exchangeable Securities outstanding for a total of 120,596,095 Units and Exchangeable Securities in aggregate. There were no material changes in the number Units or Exchangeable Securities outstanding from November 30, 2011 to the date of this Prospectus Supplement.

Notwithstanding the foregoing, on November 30, 2011, Calloway announced that it has entered into an agreement to sell, to a syndicate of underwriters led by CIBC World Markets Inc., RBC Dominion Securities Inc. and BMO Nesbitt Burns Inc., on a bought deal basis, 3,700,000 Units at a price of \$27.05 per Unit to raise, in aggregate, gross proceeds of \$100,085,000 (the "**\$100M Bought Deal**"). Closing of the \$100M Bought Deal is expected to occur on or about December 9, 2011, subject to regulatory approval. Calloway intends to use the net proceeds from the \$100M Bought Deal for repaying indebtedness, future acquisition opportunities and general trust purposes. The \$100M Bought Deal is being made by way of a prospectus supplement dated December 2, 2011 to the Short Form Prospectus.

As at November 30, 2011 and assuming issuance of all of the Units qualified for distribution hereunder and all Units to be issued pursuant to the \$100M Bought Deal, Calloway will have 109,111,458 Units and 17,184,637 Exchangeable Securities outstanding for a total of 126,296,095 Units and Exchangeable Securities in aggregate.

## **Indebtedness**

As at September 30, 2011, the indebtedness of Calloway, consisting of mortgages payable, development loans, unsecured debentures, convertible debentures and revolving operating facilities was approximately \$2,743,043,000. From September 30, 2011 to November 30, 2011, the net indebtedness of Calloway increased by approximately \$45,382,000, with an increase of approximately \$124,709,000 in connection with acquisition, development and financing activity, offset by a decrease of \$70,503,000 to repay a portion of indebtedness and a decrease of approximately \$8,824,000 to repay the scheduled amortization of mortgages payable. There were no material changes in the indebtedness of Calloway from November 30, 2011 to the date of this Prospectus Supplement except for the repayment of operating line by \$26,000,000 from the proceeds of the mortgage disbursed on November 29, 2011. However, of the net proceeds from the \$100M Bought Deal, Calloway intends to use approximately \$54,000,000 to repay outstanding operating facilities on closing and the balance for general trust purposes, future acquisitions and maturing indebtedness.

## **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 on the TSX and any other Marketplace 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 and any other Marketplace 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 February 23, 2012.

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<sup>(1)</sup></u>	<u>Total Number of Securities Issued</u>	<u>Issuance Price per Security</u>
November 29, 2010	Acquisition 2 Earn-Out Proceeds – Issuance of Units	202,035	\$14.00
December 15, 2010	Distribution Reinvestment Plan	63,123	\$22.43
January 15, 2011	Distribution Reinvestment Plan	61,922	\$23.31
January 18, 2011	Exchange of deferred units for Units under Deferred Unit Plan	850	N/A
February 15, 2011	Distribution Reinvestment Plan	63,667	\$23.21
February 25, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	18,723	\$20.10
February 25, 2011	Acquisition 11 Earn-Out Proceeds – Issuance of Exchangeable Securities	12,991	\$23.96
March 15, 2011	Distribution Reinvestment Plan	68,219	\$23.29
March 30, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	10,247	\$20.10
April 4, 2011	Exchange of deferred units for Units under Deferred Unit Plan	36,238	N/A
April 15, 2011	Exchange of deferred units for Units under Deferred Unit Plan	191	N/A
April 15, 2011	Distribution Reinvestment Plan	67,557	\$24.42
April 21, 2011	Issuance of Units pursuant to public offering	4,600,000	\$25.15
April 28, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	18,912	\$20.10
May 6, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	3,725	\$25.05
May 15, 2011	Distribution Reinvestment Plan	31,913	\$24.48
May 30, 2011	Acquisition 11 Earn-Out Proceeds – Issuance of Exchangeable Securities	25,424	\$25.19
June 15, 2011	Distribution Reinvestment Plan	69,172	\$24.46
July 15, 2011	Distribution Reinvestment Plan	73,685	\$24.66
July 28, 2011	Acquisition 4b Earn-Out Proceeds – Issuance of Units	6,467	\$19.60



<u>Date</u>	<u>Issuance Type<sup>(1)</sup></u>	<u>Total Number of Securities Issued</u>	<u>Issuance Price per Security</u>
August 15, 2011	Distribution Reinvestment Plan	96,050	\$23.46
August 31, 2011	Acquisition G12 - Issuance of Exchangeable Securities	72,000	\$25.47
September 15, 2011	Distribution Reinvestment Plan	99,164	\$24.40
October 17, 2011	Distribution Reinvestment Plan	93,931	\$24.64
October 28, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Units	6,302	\$20.10
October 28, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	4,201	\$20.10
October 28, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	3,915	\$20.10
November 15, 2011	Distribution Reinvestment Plan	49,628	\$25.59
November 29, 2011	Acquisition 5 Earn-Out Proceeds – Issuance of Exchangeable Securities	21,711	\$20.10
November 29, 2011	Acquisition 11 Earn-Out Proceeds – Issuance of Exchangeable Securities	16,692	\$26.38
November 29, 2011	Acquisition 12 Earn-Out Proceeds – Issuance of Exchangeable Securities	23,057	\$26.38

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, 2011.
- (2) On November 30, 2011, Calloway announced that it has entered into an agreement to complete the \$100M Bought Deal which is expected to close on or about December 9, 2011. See "Consolidated Capitalization".

## **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>	
<b>2010</b>			
December .....	\$24.14	\$22.31	4,756,937
<b>2011</b>			
January .....	\$24.55	\$23.50	3,094,690
February .....	\$24.79	\$23.56	3,016,197
March .....	\$25.94	\$23.05	4,203,502
April .....	\$25.75	\$24.62	2,643,089
May .....	\$26.00	\$25.00	2,182,630
June .....	\$25.83	\$24.57	3,364,120
July .....	\$25.70	\$24.60	1,519,123
August .....	\$25.70	\$18.00	4,326,662
September .....	\$26.32	\$24.42	3,455,402
October .....	\$26.45	\$24.46	2,915,964
November .....	\$27.32	\$25.87	2,530,538
December 1-2 .....	\$27.03	\$26.61	<u>506,439</u>
<b>Total for Periods</b>			<b><u>38,515,293</u></b>

### 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>		
<b>2010</b>				
December.....	\$106.50	\$105.50	6,800	720,150.50
<b>2011</b>				
January.....	\$106.50	\$105.75	8,920	945,553.70
February.....	\$107.50	\$105.00	10,280	1,091,871.40
March.....	\$105.94	\$104.40	10,930	1,150,161.90
April.....	\$106.00	\$105.51	9,680	1,022,130.10
May.....	\$106.50	\$105.51	15,240	1,614,063.90
June.....	\$106.00	\$104.31	9,270	977,281.50
July.....	\$106.00	\$104.50	17,130	1,801,470.80
August.....	\$105.52	\$101.95	12,680	1,316,543.40
September.....	\$107.15	\$104.50	8,060	851,022.70
October.....	\$107.50	\$104.25	86,100	9,202,436.50
November.....	\$109.50	\$106.50	23,590	2,550,107.10
December 1-2.....	\$108.70	\$108.00	750	81,384.60
<b>Total for Periods</b>			<b><u>219,430</u></b>	<b><u>23,324,178.10</u></b>

### 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>		
<b>2010</b>				
December.....	\$104.25	\$102.00	8,450	875,242.20
<b>2011</b>				
January.....	\$106.50	\$104.00	4,290	452,583.00
February.....	\$107.99	\$105.00	5,030	533,515.70
March.....	\$106.00	\$104.00	5,180	547,137.50
April.....	\$107.50	\$105.53	4,490	477,157.00
May.....	\$107.00	\$105.51	3,030	321,515.70
June.....	\$107.50	\$102.51	10,770	1,135,686.80
July.....	\$106.00	\$104.16	4,060	427,541.30
August.....	\$106.03	\$100.50	7,180	752,512.70
September.....	\$105.56	\$102.00	7,860	815,911.40
October.....	\$105.30	\$101.50	5,320	548,727.70
November.....	\$108.53	\$104.85	5,790	617,774.40
December 1-2.....	\$108.50	\$108.00	320	34,588.90
<b>Total for Periods</b>			<b><u>71,770</u></b>	<b><u>7,539,894.30</u></b>

### ELIGIBILITY FOR INVESTMENT

In the opinion of Shea Nerland Calnan LLP, counsel to Calloway, and Bennett Jones LLP, counsel to the Agent, subject to the provisions of any particular plan and provided that Calloway qualifies as a mutual fund trust under the

Tax Act or the Units are listed on a designated stock exchange (which currently includes the TSX), the Units, if issued on the date of this Prospectus Supplement, will be a qualified investment under the Tax Act and the regulations thereunder (the “**Regulations**”) for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan, a registered disability savings plan, a tax-free savings account (“**TFSA**”) or a deferred profit sharing plan.

Notwithstanding that a Unit may be a qualified investment for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax in respect of a Unit held in a TFSA and other tax consequences may result if the Unit is a “prohibited investment” for the TFSA. A Unit will generally be a “prohibited investment” for a TFSA if the holder of the TFSA does not deal at arm’s length with Calloway for purposes of the Tax Act or the holder of the TFSA has a “significant interest” (as defined in the Tax Act) in Calloway, which generally means ownership of 10% or more of the value of Calloway’s outstanding units held by the holder, either alone or together with persons and partnerships with whom the holder does not deal at arm’s length. Proposed amendments to the Tax Act extend the prohibited investments restrictions to RRSPs, RRIFs and their annuitants, effective from March 22, 2011. Prospective purchasers who intend to hold Units in their TFSAs, RRSPs or RRIFs should consult their own tax advisors regarding their particular circumstances.

### 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**

The Tax Act contains rules (the “**SIFT Rules**”) applicable to certain publicly listed trusts or partnerships (“**SIFTS**”) and their investors, which generally tax the SIFT at a rate similar to a taxable Canadian corporation on income from business carried on in Canada and on income (other than taxable dividends) or capital gains from non-portfolio properties (as defined in the Tax Act) and the distribution of such income to Unitholders is generally 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 became applicable beginning in 2007, except for a trust that 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 “**Grandfathering Trust Exemption**”). For trusts that met the Grandfathering Trust Exemption, the SIFT Rules only applied 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**”). Management of Calloway has advised counsel that it believes that Calloway did not exceed the Normal Growth Guidelines and that Calloway was not subject to tax under the SIFT Rules for any period prior to the 2011 taxation year. 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**”). On December 16, 2010, the Department of Finance (Canada) announced further intended amendments and clarifications to the REIT Exemption. Management of Calloway has advised counsel that if the amendments and clarifications to the REIT Exemption announced by the Department of Finance (Canada) on December 16, 2010 are not enacted, Calloway, as currently structured, does not qualify for the REIT Exemption and will be subject to tax under the SIFT Rules commencing in the 2011 taxation year. However, Management of Calloway has advised counsel that, assuming the amendments and clarifications to the REIT Exemption announced by the Department of Finance (Canada) on December 16, 2010 are enacted, Calloway, as currently structured, will qualify for the REIT Exemption and will not be currently subject to tax under the SIFT Rules.

## **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 buy, sell or hold 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, including REITs, will not be changed in a manner that adversely affects Calloway.

As noted above under the heading "Canadian Federal Income Tax Considerations – SIFT Rules", if the amendments and clarifications to the REIT Exemption announced by the Department of Finance (Canada) on December 16, 2010 are not enacted, Calloway, as currently structured, does not qualify for the REIT Exemption and will be subject to tax under the SIFT Rules commencing in the 2011 taxation year. However, assuming the amendments and clarifications to the REIT Exemption announced by the Department of Finance (Canada) on December 16, 2010 are enacted, Calloway, as currently structured, will qualify for the REIT Exemption and will not currently be subject to tax under the SIFT Rules. Further, since such amendments have not yet been enacted and Calloway does not meet the existing REIT Exemption, since January 1, 2011 Calloway has been required to record deferred income taxes and a current tax provision for accounting purposes. If the proposed amendments are enacted as currently proposed, previously recorded deferred and current taxes, if any, will be reversed. The effective date of the proposed amendments, if enacted as currently proposed, will be January 1, 2011.

### **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.

### **STATUTORY EXEMPTIONS**

Pursuant to a decision document dated November 22, 2011 (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 Calloway 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 exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's jurisdiction. Any remedies under securities legislation that a purchaser of Units under an at-the-market distribution by Calloway may have against Calloway 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 of their respective jurisdictions and the Decision referred to above for the particulars of their rights or consult with a legal advisor.

**CERTIFICATE OF THE REIT**

Dated: December 5, 2011

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) AL MAWANI  
President and Chief Executive Officer

(signed) BART MUNN  
Chief Financial Officer

On behalf of the Trustees

(signed) PETER FORDE  
Trustee

(signed) MITCHELL GOLDHAR  
Trustee



**CERTIFICATE OF THE AGENT**

Dated: December 5, 2011

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) KARL B. STADDON

(signed) RON SEDRAN