

PRESS RELEASE

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**RETROCOM MID-MARKET REIT ANNOUNCES WAIVING OF CONDITIONS AND
MODIFICATION OF PREVIOUSLY ANNOUNCED AGREEMENT FOR SALE OF
PROPERTIES**

Toronto, Ontario – February 21, 2007 – (TSX – RMM.UN) - Retrocom Mid-Market Real Estate Investment Trust (the “REIT”) announced today that the Sunstone Realty Group has waived conditions on six properties it has agreed to purchase in a modified transaction, of which three properties are expected to close on or about February 28, 2007, with the three remaining properties under the modified agreement to close on or about March 15, 2007. Previously, the REIT had announced a conditional sale of Cariboo Mall, Terrace Mall, Driftwood Mall, Maple Park Mall, Smithers Mall, Evergreen Mall and Millwoods Mainstreet Mall to the Sunstone Realty Group. This transaction has been modified to exclude Driftwood Mall.

The REIT has entered into a separate conditional agreement with a different purchaser to sell Driftwood Mall, located in Courtenay B.C. This agreement is conditional on financing and final due diligence and is expected to close in early April, 2007.

“The combined gross proceeds from the two transactions amount to approximately \$67.7 million and will be used to discharge or have assumed by the purchaser, mortgages in the amount of approximately \$39.7 million, while the remainder of the net proceeds, estimated to be approximately \$28.0 million (less costs) will be used to continue to invest in the balance of the portfolio, to reduce short term debt and potentially to buyback units through a normal course issuer bid, subject to required regulatory approval” said David Fiume, Chief Executive Officer.

Retrocom Mid-Market REIT is an Ontario unincorporated open-end real estate investment trust that focuses on owning and acquiring mid-market commercial properties in primary and secondary cities across Canada with the objective of producing a geographically diversified portfolio of properties with stable and growing cash flows.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy Units of the REIT, which may be made only by means of a prospectus, nor shall there be any sale of the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units of the REIT have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

Certain statements contained in this news release may include forward-looking information with respect to Retrocom Mid-Market Real Estate Investment Trust’s operations and future financial results. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, availability of resources, competitive pressures, changes in market activity and regulatory requirements. Further information can be found in the disclosure documents filed by Retrocom Mid-Market Real Estate Investment Trust with the securities regulatory authorities, available at www.sedar.com.

FOR MORE INFORMATION:

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