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**FOR IMMEDIATE RELEASE**

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**RETROCOM MID-MARKET REIT ANNOUNCES CDN \$20 MILLION  
CONVERTIBLE DEBENTURE OFFERING**

**Toronto, Ontario – July 15, 2005 – (TSX:RMM.UN) - Retrocom Mid-Market Real Estate Investment Trust** (the “REIT”) announced today that it has agreed to final terms with respect to its previously announced \$20 million offering of convertible unsecured subordinated debentures due July 31, 2012. The debentures will bear interest at 7.5% per annum, payable semi-annually on January 31 and July 31 commencing on January 31, 2006.

The debentures will be convertible, at the option of the holder, at any time prior to maturity or redemption into Units of the REIT at a conversion price of \$9.25 per Unit, which is equal to a conversion rate of 108.108 Units per \$1,000 principal amount of debentures.

The REIT may not redeem the debentures prior to July 31, 2009. From July 31, 2009 and prior to July 31, 2011 the debentures may be redeemed in whole or in part at the option of the REIT, at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price for the REIT’s units on the Toronto Stock Exchange is not less than 125% of the conversion price. On and after July 31, 2011 and prior to the maturity date, the debentures may be redeemed in whole or in part at the option of the REIT on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest.

The net proceeds of this offering, along with the approximately \$51.5 million raised through the concurrent issue of trust units at \$8.25 per Unit, will be used by the REIT to satisfy the cash portion of the purchase price payable to RioCan Real Estate Investment Trust in connection with the previously announced proposed acquisition by the REIT of a portfolio of seven properties, to fund transaction costs necessary to close the acquisition and to pay down a portion of the amount outstanding under the REIT’s operating facility. Subject to regulatory approvals, closing of the offering is expected to occur on July 26, 2005 and will be contemporaneous with the closing of the acquisition, which remains subject to certain closing conditions.

## **About Retrocom Mid-Market REIT**

Retrocom Mid-Market REIT is an Ontario unincorporated open-end real estate investment trust which 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. Further information can be found at <http://www.retrocomreit.ca>.

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy, 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 Retrocom Mid-Market 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.*

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