



Dear Unitholder:

RE: **2009 INCOME TAX INFORMATION FOR UNITHOLDERS**

Morguard Real Estate Investment Trust is pleased to report the successful completion of its operations for 2009. During the year, the Morguard REIT distributed \$0.90 per unit. The following chart summarizes the total per unit cash distributions in 2009 and indicates the percentage of distributions that should be allocated to investment income and capital gains.

ALLOCATION OF 2009 DISTRIBUTIONS								
Record Date	Distribution Date	Distribution Per Unit	67.61%	Capital Gains			27.15%	Total
			Taxable Income (A) T3 - Box 26	Taxable Portion (B)	Non-Taxable Portion (C)	Total Capital Gains Distributed T3 - Box 21	Return of Capital (D) T3 - Box 42	Distribution Per Unit (A+B+C+D)
30-Jan	13-Feb	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
27-Feb	13-Mar	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
31-Mar	15-Apr	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
30-Apr	15-May	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
29-May	15-Jun	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
30-Jun	15-Jul	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
31-Jul	14-Aug	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
31-Aug	15-Sep	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
30-Sep	15-Oct	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
30-Oct	13-Nov	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
30-Nov	15-Dec	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
15-Dec	31-Dec	\$ 0.075	\$ 0.05070	\$ 0.00197	\$ 0.00197	\$0.00394	\$ 0.02036	\$ 0.075
Total		\$ 0.90	\$ 0.60840	\$ 0.02364	\$ 0.02364	\$ 0.04728	\$ 0.24432	\$ 0.90

Note re. Return of Capital & Adjusted Cost Base

The 2009 return of capital amount paid to a unitholder will not reduce the adjusted cost base of the unitholder's units to the extent the taxable capital gains paid to the unitholder in 2007 and/or 2008 by Morguard REIT exceed the non-taxable portion of capital gains paid to the unitholder in those years by Morguard REIT.

The REIT has retained the following amounts on account of the non-taxable portion of capital gains on a per unit basis.

2007	\$0.12648
2008	\$0.36493
Total	\$0.49141
Less: Distribution of non-taxable capital gains in 2009	\$0.24432
Remaining portion of undistributed capital gains	\$0.24709

Yours truly,

MORGUARD REAL ESTATE INVESTMENT TRUST

T. J. Walker,
Vice President & Chief Financial Officer