

**WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED BALANCE SHEETS**

	Note	June 30, 2009 (unaudited)	December 31, 2008
Assets			
Income properties	3	\$ 375,429,618	\$ 380,325,509
Deferred charges	4	16,325,170	16,273,493
Intangible assets	5	18,938,147	21,412,359
Equity investment	6	1,192,809	-
Mortgages receivable	7	-	7,250,666
		411,885,744	425,262,027
Other assets	8	9,625,991	7,602,878
Cash	9	2,668,264	-
Future income tax asset	20	40,000	40,000
		\$ 424,219,999	\$ 432,904,905
Liabilities and Equity			
Mortgages payable and facilities	10	\$ 272,109,791	\$ 284,153,909
Convertible debentures	11	53,034,497	52,533,520
Accounts payable and accrued liabilities	12	16,196,445	16,148,967
		341,340,733	352,836,396
Unitholders' Equity		82,879,266	80,068,509
		\$ 424,219,999	\$ 432,904,905

See accompanying notes to the consolidated financial statements

Approved by the Board of Trustees:

“Jason Underwood”
Trustee

“Paul Simcox”
Trustee

WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited)	Note	Three months ended June 30,		Six months ended June 30,	
		2009	2008	2009	2008
Revenue					
Income property rentals	16	\$ 14,597,460	\$ 12,557,530	\$ 30,106,273	\$ 25,321,448
Income from equity investment	6	2,306	-	2,306	-
Interest income		188,905	256,589	373,160	455,149
		14,788,671	12,814,119	30,481,739	25,776,597
Expenses					
Property operating costs		5,590,737	4,835,580	11,808,933	9,958,650
Interest	17	5,372,041	3,995,613	10,570,680	8,075,577
General and administrative expenses	18	412,423	448,020	806,468	826,863
Amortization	19	3,920,035	2,933,301	8,365,173	5,890,250
		15,295,236	12,212,514	31,551,254	24,751,340
Income (loss) before the undernoted		(506,565)	601,605	(1,069,515)	1,025,257
Future income tax expense	20	-	-	-	(70,000)
Income (loss) from continuing operations		(506,565)	601,605	(1,069,515)	955,257
Income (loss) from discontinued operations	21	2,742	18,099	19,603	(21,511)
Gain on disposition of properties	21	530,088	-	530,088	44,819
Net income (loss) and comprehensive income		\$ 26,265	\$ 619,704	\$ (519,824)	\$ 978,565
Basic net income (loss) per unit					
	22				
Continuing operations		\$ (0.12)	\$ 0.17	\$ (0.26)	\$ 0.27
Discontinued operations		\$ 0.12	\$ 0.01	\$ 0.13	\$ 0.01
Net income (loss) per unit		\$ 0.01	\$ 0.17	\$ (0.12)	\$ 0.28
Diluted net income (loss) per unit					
	22				
Continuing operations		\$ (0.12)	\$ 0.17	\$ (0.26)	\$ 0.27
Discontinued operations		\$ 0.12	\$ 0.01	\$ 0.13	\$ 0.01
Net income (loss) per unit		\$ 0.01	\$ 0.17	\$ (0.12)	\$ 0.28

See accompanying notes to the consolidated financial statements

WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

(unaudited)	Note	Three months ended June 30,		Six months ended June 30,	
		2009	2008	2009	2008
Units					
	13				
Balance, beginning of period		\$ 115,504,454	\$ 101,390,614	\$ 115,426,201	\$ 99,571,778
Issuance of units		11,095,302	2,017,601	11,197,947	3,928,443
Value associated with unit options exercised		-	4,677	-	4,677
Unit issue costs		(923,107)	(83,090)	(947,499)	(175,096)
Balance, end of period		125,676,649	103,329,802	125,676,649	103,329,802
Unit Options					
	14				
Balance, beginning of period		838,932	773,145	838,594	756,212
Value associated with unit options exercised		-	(4,677)	-	(4,677)
Value associated with unit options vested		246	63,100	584	80,033
Value associated with unit options cancelled/expired		-	(5,088)	-	(5,088)
Balance, end of period		839,178	826,480	839,178	826,480
Warrants					
	15				
Balance, beginning and end of period		314,800	314,800	314,800	314,800
Equity Component of Convertible Debentures					
	11				
Balance, beginning of period		2,397,246	2,046,258	2,397,246	2,132,625
Equity component of convertible debentures converted		-	(61,558)	-	(147,925)
Balance, end of period		2,397,246	1,984,700	2,397,246	1,984,700
Cumulative Earnings and Accumulated Comprehensive Earnings					
Balance, beginning of period		(5,598,897)	(6,270,710)	(5,052,808)	(6,629,571)
Net income (loss)		26,265	619,704	(519,824)	978,565
Balance, end of period		(5,572,632)	(5,651,006)	(5,572,632)	(5,651,006)
Cumulative Distributions to Unitholders					
Balance, beginning of period		(37,127,488)	(24,218,076)	(33,855,524)	(21,284,314)
Distributions to unitholders (cash and units)		(3,648,487)	(3,011,973)	(6,920,451)	(5,945,735)
Balance, end of period		(40,775,975)	(27,230,049)	(40,775,975)	(27,230,049)
Total Unitholders' Equity		\$ 82,879,266	\$ 73,574,727	\$ 82,879,266	\$ 73,574,727
Units Issued and Outstanding	13	4,713,163	3,586,359	4,713,163	3,586,359

See accompanying notes to the consolidated financial statements

WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)	Note	Three months ended June 30,		Six months ended June 30,	
		2009	2008	2009	2008
Cash provided by (used in) operating activities					
Income (loss) from continuing operations		\$ (506,565)	\$ 601,605	\$ (1,069,515)	\$ 955,257
Items not affecting cash					
Amortization	19	3,920,035	2,933,301	8,365,173	5,890,250
Deferred finance cost amortization					
- mortgages payable		101,965	48,964	177,562	99,034
- acquisition and operating facilities		144,270	34,394	275,181	110,688
- convertible debentures		128,764	113,154	254,969	240,924
Implicit interest rate in excess of coupon rate - convertible debentures		123,568	92,523	246,008	190,708
Non-cash compensation expense	18	246	84,262	584	125,362
Future income taxes	20	-	-	-	70,000
Accrued rental revenue recognized on a straight line basis	16	(249,836)	(317,463)	(536,907)	(612,969)
Above and below market lease amortization	16	(481,840)	(395,595)	(975,620)	(781,065)
		3,180,607	3,195,145	6,737,435	6,288,189
Changes in non-cash operating items		(2,369,923)	(3,472,339)	(563,358)	(2,671,450)
		810,684	(277,194)	6,174,077	3,616,739
Cash provided by (used in) financing activities					
Mortgage principal instalment payments		(1,024,547)	(727,971)	(1,988,950)	(1,440,557)
Mortgage principal repayments on maturity		-	-	(4,500,000)	-
Mortgage financing, net of costs		5,272,980	-	26,222,334	-
Draw on facilities, net of costs		-	640,086	-	996,877
Repayment of credit facilities		(17,549,783)	-	(30,947,987)	-
Issuance of units	13	10,891,320	53,750	10,891,320	53,750
Unit issue costs		(923,107)	(22,631)	(947,499)	(32,753)
Distributions to unitholders (in cash)		(3,444,505)	(2,435,447)	(6,613,824)	(5,172,037)
		(6,777,642)	(2,492,213)	(7,884,606)	(5,594,720)
Cash provided by (used in) investing activities					
Issuance of mortgages receivable		-	-	-	(10,425,000)
Repayment of mortgages receivable		7,250,000	3,175,000	7,250,000	3,175,000
Investment in co-ownership		(1,192,809)	-	(1,192,809)	-
Revenue enhancing capital expenditures		(124,968)	(376,162)	(1,043,106)	(868,987)
Leasing costs and other capital expenditures		(426,560)	(86,131)	(779,446)	(151,127)
Furniture and equipment		(10,445)	(16,881)	(23,798)	(27,035)
		5,495,218	2,695,826	4,210,841	(8,297,149)
Change in cash - Continuing operations		(471,740)	(73,581)	2,500,312	(10,275,130)
Change in cash - Discontinued operations	21	148,314	38,424	167,952	6,265,251
Cash, beginning of period		2,991,690	177,648	-	4,152,370
Cash, end of period	9	\$ 2,668,264	\$ 142,491	\$ 2,668,264	\$ 142,491
Supplementary cash flow information					
Cash interest paid	17	\$ 5,167,134	\$ 4,099,216	\$ 9,550,854	\$ 7,487,385

See accompanying notes to the consolidated financial statements

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009 and 2008 (unaudited)

1. Organization and Basis of Presentation

Whiterock Real Estate Investment Trust (“Whiterock”) is an open-ended real estate investment trust which was created under a Declaration of Trust on May 17, 2005.

2. Significant Accounting Policies

(a) Basis of Accounting

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). The accounting principles used in these interim consolidated financial statements are consistent with those used in Whiterock’s December 31, 2008 and 2007 annual consolidated financial statements, except as noted below. These interim consolidated financial statements do not include all of the information and disclosure required by Canadian GAAP for annual financial statements, and should be read in conjunction with the December 31, 2008 and 2007 annual consolidated financial statements.

Investments in entities where the Trust exercises significant influence are accounted for using the equity method. These investments are recorded at cost plus the Trust’s share of income or loss to date less distributions received.

(b) Changes to Significant Accounting Policies

The Canadian Institute of Chartered Accountants (“CICA”) has issued a new accounting standard, CICA Handbook Section 3064 – Goodwill and Intangible Assets, effective for the Trust’s fiscal year commencing January 1, 2009, which clarifies that costs can be capitalized only when they relate to an item that meets the definition of an asset. CICA Handbook Section 1000 – Financial Statement Concepts, was also amended to provide consistency with this new standard. The impact of these Standards on its 2009 consolidated financial statements is not material.

(c) Future Changes to Significant Accounting Policies

The CICA Accounting Standards Board has adopted a strategic plan for the direction of accounting in Canada. As part of that plan, accounting standards for public companies will be required to converge with International Financial Reporting Standards for fiscal years beginning on or after January 1, 2011 with comparative figures presented on the same basis.

The CICA has issued a new accounting standard, CICA Handbook Section 1582 – Business Combinations, which will apply prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA Handbook sections 1601 – Consolidations and 1602 – Non-controlling Interests will be effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. These sections replace the former CICA Handbook Sections 1581 - Business Combinations and 1600 – Consolidated Financial Statements.

CICA Handbook Section 1582 establishes standards for the accounting for a business combination. CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements. CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Trust is currently considering the effect on the financial statements of the new standards.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

3. Income Properties

	June 30, 2009	December 31, 2008
Land	\$ 63,715,958	\$ 63,715,958
Buildings and improvements	334,827,910	334,580,370
	398,543,868	398,296,328
Accumulated amortization	(23,114,250)	(18,832,523)
	375,429,618	379,463,805
Discontinued operations (Note 21)	-	861,704
	\$ 375,429,618	\$ 380,325,509

During the three months ended June 30, 2009, the Trust disposed of its interest in a non-core 29,700 square foot industrial property in Quebec City, Quebec for gross proceeds of \$1.5 million (Note 21).

During the six months ended June 30, 2008, the Trust disposed of its interest in one industrial property for gross proceeds of \$14.0 million (Note 21), less mortgages assumed by the purchaser of \$7.5 million.

4. Deferred Charges

	June 30, 2009	December 31, 2008
Tenant inducements on acquisitions	\$ 15,325,691	\$ 15,767,787
Leasing costs	8,072,167	6,251,977
	23,397,858	22,019,764
Accumulated amortization		
Tenant inducements on acquisitions	(5,772,744)	(4,829,222)
Leasing costs	(1,299,944)	(924,727)
	(7,072,688)	(5,753,949)
	16,325,170	16,265,815
Discontinued operations (Note 21)	-	7,678
	\$ 16,325,170	\$ 16,273,493

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

5. Intangible Assets

	June 30, 2009	December 31, 2008
Lease origination costs	\$ 16,601,708	\$ 16,937,381
Tenant relationships	10,698,483	10,698,483
Above market rents on acquisitions	2,456,255	2,456,255
	29,756,446	30,092,119
Accumulated amortization		
Lease origination costs	(5,825,296)	(4,678,306)
Tenant relationships	(3,779,111)	(2,975,230)
Above market rents on acquisitions	(1,213,892)	(1,026,224)
	(10,818,299)	(8,679,760)
	\$ 18,938,147	\$ 21,412,359

6. Equity Investment

	June 30, 2009	December 31, 2008
Equity investment, on acquisition	\$ 1,190,503	\$ -
Income from equity investment	2,306	-
	\$ 1,192,809	\$ -

On June 26, 2009, the Trust and another party acquired a 393,984 square foot industrial facility in Regina, Saskatchewan. The Trust has invested 15% of the equity, has property management control and has a right of first opportunity in the event of a future sale of the property by the other owner. The Trust has significant influence over the investment. Two members of management who are Trustees of the Trust have an indirect minority economic interest in the other owner of less than 1% and control an investment advisory business that provides advisory services to the other owner.

7. Mortgages Receivable

	June 30, 2009	December 31, 2008
Mortgages receivable - interest only, at 10%	\$ -	\$ 7,250,000
Deferred financing costs	-	7,687
Accumulated amortization	-	(7,021)
Mortgages receivable - including deferred financing costs	\$ -	\$ 7,250,666

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

8. Other Assets

	June 30, 2009	December 31, 2008
Prepaid expenses and other assets	\$ 5,310,027	\$ 3,581,727
Trade amounts receivable	458,208	608,730
Interest receivable	215	60,417
Straight line rent receivable	3,857,541	3,320,634
	9,625,991	7,571,508
Discontinued operations (Note 21)	-	31,370
	\$ 9,625,991	\$ 7,602,878

Trade amounts receivable are net of an allowance for doubtful accounts of \$508,000 at June 30, 2009 and \$225,000 at December 31, 2008 with the difference being charged against property operating costs. An allowance is established when there is objective evidence that the Trust will not be able to collect the amount due. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts. Approximately \$67,000 of uncollected trade amounts receivable were three months past due at June 30, 2009 but not considered impaired.

9. Cash

	June 30, 2009	December 31, 2008
Cash	\$ 2,668,264	\$ -

In conjunction with a centralized banking arrangement, Whiterock applies its cash balances against amounts outstanding under its revolving credit facility (Note 10). The Trust uses the facility, as appropriate, to support its day to day operations.

10. Mortgages Payable and Facilities

Mortgages payable and facilities are secured by income properties and are summarized as follows:

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	June 30, 2009	December 31, 2008
Mortgage liability - continuing	\$ 274,680,001	\$ 254,842,888
Mortgage liability - discontinued	-	654,202
Mortgage deferred financing costs	(3,110,608)	(2,424,292)
Accumulated amortization	632,411	488,614
Mortgage deferred financing costs - discontinued	-	(26,363)
Accumulated amortization - discontinued	-	14,163
Mortgage liability - net of deferred financing costs	272,201,804	253,549,212
Drawn on acquisition and operating facilities	-	30,855,442
Acquisition and operating facilities deferred financing costs	(570,141)	(477,596)
Accumulated amortization	478,128	226,851
Acquisition and operating facilities - net of deferred financing costs	(92,013)	30,604,697
	\$ 272,109,791	\$ 284,153,909

The fixed and floating components of the mortgages are as follows:

	June 30, 2009	December 31, 2008
Fixed rate	\$ 274,680,001	\$ 254,842,888
Floating rate	-	-
	274,680,001	254,842,888
Discontinued operations (Note 21)	-	654,202
	\$ 274,680,001	\$ 255,497,090

At June 30, 2009, fixed rate mortgage financing bears interest at a weighted average rate of 5.7% (December 31, 2008 – 5.5%).

Scheduled principal repayments of mortgages payable outstanding as of June 30, 2009 are as follows:

	Scheduled Amortization	Balloon Payments	Total
2009	\$ 2,184,778	\$ -	\$ 2,184,778
2010	4,593,502	11,426,390	16,019,892
2011	5,231,241	-	5,231,241
2012	6,219,681	20,250,892	26,470,573
2013	5,868,991	23,593,756	29,462,747
2014	5,406,851	24,632,242	30,039,093
Thereafter	18,901,348	146,370,329	165,271,677
	\$ 48,406,392	\$ 226,273,609	\$ 274,680,001

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Acquisition and Operating Facilities

On June 19, 2008, the Trust entered into a demand revolving acquisition and operating facility of up to \$40 million, subject to renewal on an annual basis, with a major Canadian financial institution. The facility is secured by mortgages on new and existing property and the guarantee of the Trust and can be used for acquisitions, operations and general trust purposes. Subsequent to June 30, 2009, the \$40 million facility was renewed at floating rates determined, at the Trust's option, by reference to the prime rate plus 350 basis points or Bankers Acceptance rates plus 450 basis points. As at June 30, 2009, there was no amount outstanding under this facility (December 31, 2008 - \$26.7 million).

The Trust's \$2.25 million demand revolving operating facility is subject to renewal on an annual basis and is secured by mortgages on existing property and the guarantee of the Trust. The facility was renewed on April 17, 2009 and bears interest at a floating rate determined by reference to the prime rate plus 150 basis points. As at June 30, 2009, there was no amount outstanding under this facility (December 31, 2008 - \$4.2 million).

11. Convertible Debentures

As at June 30, 2009, the Trust has five series of convertible debentures outstanding.

	Principal	Interest rate	Conversion Price	Interest Payable	Maturity Date
Series A	\$ 6,797,700	8.0%	\$30.60 per unit	semi-annually	June 28, 2010
Series C	\$ 2,212,000	9.0%	\$36.00 per unit	quarterly	December 21, 2010
Series D	\$ 10,000,000	7.5%	\$45.00 per unit	semi-annually	July 31, 2011
Series E	\$ 25,000,000	6.3%	\$41.25 per unit	semi-annually	December 31, 2011
Series F	\$ 11,400,000	6.0%	\$39.66 per unit	quarterly	July 15, 2012

The convertible debentures were allocated into their liability and equity components on the date of issuance as follows:

	Series A	Series C	Series D	Series E	Series F	Total
Liability	\$12,328,078	\$ 2,883,060	\$ 9,564,256	\$23,888,615	\$10,987,454	\$ 59,651,463
Equity	671,922	116,940	435,744	1,111,385	412,546	2,748,537
Principal on issuance	13,000,000	3,000,000	10,000,000	25,000,000	11,400,000	62,400,000
Conversion of debentures	(6,202,300)	(788,000)	-	-	-	(6,990,300)
Principal -						
June 30, 2009	\$ 6,797,700	\$ 2,212,000	\$10,000,000	\$25,000,000	\$11,400,000	\$ 55,409,700

The accretion of the liability component of the convertible debentures, which increases the liability component from the initial allocation on the date of issuance, is included in interest expense.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Series A	Series C	Series D	Series E	Series F	Total
Liability -						
December 31, 2007	\$ 9,044,036	\$ 2,608,559	\$ 9,667,411	\$24,090,489	\$ -	\$ 45,410,495
Issuance of debentures	-	-	-	-	10,987,454	10,987,454
Implicit interest rate in excess of coupon rate	78,660	17,999	82,270	203,332	41,417	423,678
Conversion of debentures	(2,447,831)	(454,823)	-	-	-	(2,902,654)
Liability -						
December 31, 2008	6,674,865	2,171,735	9,749,681	24,293,821	11,028,871	53,918,973
Implicit interest rate in excess of coupon rate	39,036	9,193	43,501	107,316	46,962	246,008
Liability -						
June 30, 2009	6,713,901	2,180,928	9,793,182	24,401,137	11,075,833	54,164,981
Deferred financing fees	(922,431)	(165,067)	(240,458)	(1,338,461)	(108,758)	(2,775,175)
Deferred financing fees - Accumulated amortization	766,984	109,488	127,558	618,349	22,312	1,644,691
Balance -						
June 30, 2009	\$ 6,558,454	\$ 2,125,349	\$ 9,680,282	\$23,681,025	\$10,989,387	\$ 53,034,497

Series A

On June 28, 2005, the Trust issued 8% redeemable subordinated unsecured convertible debentures in the original principal amount of \$13,000,000 with interest payable semi-annually and which mature on June 28, 2010. The debentures are convertible at the request of the holder after June 28, 2007, subject to certain terms and conditions at a conversion price per unit of \$30.60.

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from June 29, 2007 and until June 28, 2009, providing that the 20-day weighted average trading price of the units is at least \$45.90 and, after June 28, 2009, providing that the 20-day weighted average trading price is at least \$38.25.

In the six months ended June 30, 2008, \$2,511,300 of Series A debentures were converted into 82,067 units. In the three months ended June 30, 2008, \$840,300 of Series A debentures were converted into 27,460 units.

Series C

On December 21, 2005, the Trust issued 9% redeemable subordinated unsecured convertible debentures in the original principal amount of \$3,000,000 with interest payable quarterly and which mature on December 21, 2010. The debentures are convertible at the request of the holder after December 21, 2006, subject to certain terms and conditions at a conversion price per unit of \$36.00.

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from December 21, 2006 and until June 21, 2008, providing that the 20-day weighted average trading price of the units is at least \$39.00 and, after June 21, 2008, providing that the 20-day weighted average trading price is at least \$42.00.

In the three and six months ended June 30, 2008, \$465,000 of Series C debentures were converted into 12,917 units.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Series D

On August 14, 2006, the Trust issued 7.5% redeemable subordinated unsecured convertible debentures in the original principal amount of \$10,000,000 with interest payable semi-annually and which mature on July 31, 2011. The debentures are convertible at the request of the holder after July 31, 2007, subject to certain terms and conditions at a conversion price per unit of \$45.00.

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from July 31, 2009 and until July 14, 2010, providing that the 20-day weighted average trading price of the units is at least \$56.25 and, after July 14, 2010, at their principal amount.

Series E

On December 8, 2006, the Trust issued 6.3% redeemable subordinated unsecured convertible debentures in the original principal amount of \$25,000,000 with interest payable semi-annually and which mature on December 31, 2011. The debentures are convertible at the request of the holder, subject to certain terms and conditions at a conversion price per unit of \$41.25.

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from December 31, 2009 and prior to December 31, 2010, providing that the 20-day weighted average trading price of the units is at least \$51.57 and, after December 30, 2010, at their principal amount.

Series F

On July 16, 2008, the Trust issued 6.0% redeemable subordinated unsecured convertible debentures in the original principal amount of \$11,400,000 with interest payable quarterly and which mature on July 15, 2012. The debentures are convertible at the request of the holder after July 15, 2009, subject to certain terms and conditions at a conversion price of \$39.66.

The debentures are redeemable at the option of the Trust at 115% of the principal amount subject to certain terms and conditions.

12. Accounts Payable and Accrued Liabilities

	June 30, 2009	December 31, 2008
Below market rents on acquisitions	\$ 13,747,817	\$ 13,765,468
Accrued mortgage, facility, and debenture interest	1,593,177	1,513,018
Security deposits	869,329	854,428
Distributions payable	1,154,623	-
Other accounts payable and accrued liabilities	5,730,922	5,750,687
	23,095,868	21,883,601
Accumulated amortization		
Below market rents on acquisitions	(6,899,423)	(5,753,786)
	16,196,445	16,129,815
Discontinued operations (Note 21)	-	19,152
	\$ 16,196,445	\$ 16,148,967

13. Units

On December 22, 2008, the Trust consolidated its issued and outstanding units on the basis of one post-consolidation unit for every three pre-consolidation units. All references to units, unit options and

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

warrants in these financial statements, including per unit values, have been adjusted to a post-consolidation basis.

	2009		2008	
	Units	\$	Units	\$
Issued and outstanding, January 1	3,956,516	\$ 115,426,201	3,461,758	\$ 99,571,778
Units issued				
Conversion of Series A debentures	-	-	54,607	1,713,670
Distribution reinvestment plan	7,103	102,645	6,937	197,172
Unit issue costs	-	(24,392)	-	(92,006)
Issued and outstanding, March 31	3,963,619	\$ 115,504,454	3,523,302	\$ 101,390,614
Units issued				
Public offering	735,900	10,891,320	-	-
Conversion of Series A Debentures	-	-	27,460	863,960
Conversion of Series C Debentures	-	-	12,917	472,949
Exercise of options	-	-	2,083	53,750
Issuance of units - trustees	-	-	1,716	50,416
Distribution reinvestment plan	13,644	203,982	18,881	576,526
Value associated with unit option exercised		-		4,677
Unit issue costs		(923,107)		(83,090)
Issued and outstanding, June 30	4,713,163	\$ 125,676,649	3,586,359	\$ 103,329,802

In the three months ended June 30, 2009 the Trust closed a \$10,891,320 bought deal public offering at a price of \$14.80 per unit resulting in a total of 735,900 units being issued.

In the three and six months ended June 30, 2009, the Trust issued 13,644 units and 20,747 units respectively (2008 – 18,881 units and 25,818 units) under the Distribution Reinvestment Plan.

In the six months ended June 30, 2008, the Trust issued 1,716 equity rights to the independent Trustees of Whiterock in lieu of paying the quarterly retainers for the six months ended June 30, 2008 to the Trustees. The equity rights, which were approved by unitholders at Whiterock's Annual Meeting of Unitholders, were issued at a price of \$29.37, based on the 20 day weighted average trading price of the units, and were converted into Whiterock units after approval at the Annual Meeting of Unitholders.

Distribution Reinvestment and Unit Purchase Plan

In April 2006, the Trust established a Distribution Reinvestment Plan which allows unitholders, subject to certain terms and conditions, to elect to have cash distributions from the Trust reinvested in additional units. Units purchased through reinvestment of distributions are purchased at 96% of the weighted average market price of the units for the 10 trading days preceding the distribution payment date.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

14. Unit Options

The Trust may grant unit options to the Trustees, senior officers, investor relations consultants and technical consultants to the Trust. The maximum number of units reserved for issuance under all securities compensation arrangements is limited to 10% of the total number of issued and outstanding units. The Trustees set the exercise price at the time that a unit option is granted under the plan, which exercise price shall not be less than the 5 day weighted average market price of the units. The unit options have a maximum term of five years from the date of grant and vest over a period of up to two years.

	2009		2008	
	Unit Options	Weighted Average Exercise Price	Unit Options	Weighted Average Exercise Price
Outstanding, January 1	295,417	\$30.44	192,292	\$31.87
Granted	-	-	18,333	29.50
Expired	-	-	(1,042)	36.48
Outstanding, March 31	295,417	\$30.44	209,583	\$31.64
Granted	-	-	56,667	\$29.40
Cancelled	-	-	(3,021)	33.30
Exercised	-	-	(2,083)	25.80
Outstanding, June 30	295,417	\$30.44	261,146	\$31.18
Options vested, end of period	294,375	\$30.44	254,531	\$29.55
Weighted average remaining life (years)	2.5		3.3	

The fair value associated with the unit options issued during the six months ended June 30, 2008 was calculated using the Black-Scholes model for option valuation, assuming a weighted average volatility of 22% on the underlying units, the term to expiry of 5 years, an annual distribution of \$3.37, and the five year weighted average risk free interest rate (the five year Canada bond rate at the date of grant).

15. Warrants

	2009		2008	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Outstanding, January 1 and June 30	71,833	\$41.83	71,833	\$41.83
Weighted average remaining life (years)	1.9		2.9	

No warrants were issued during the three and six months ended June 30, 2009 (June 30, 2008 – nil and nil).

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

16. Income Property Rentals

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Revenue from tenant leases	\$ 13,865,784	\$ 11,844,472	\$ 28,593,746	\$ 23,927,414
Accrued rental revenue				
recognized on a straight-line basis	249,836	317,463	536,907	612,969
Above and below market				
lease amortization	481,840	395,595	975,620	781,065
	\$ 14,597,460	\$ 12,557,530	\$ 30,106,273	\$ 25,321,448

17. Interest

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Mortgage interest expense	\$ 3,947,409	\$ 2,946,181	\$ 7,550,922	\$ 5,904,398
Facilities and other interest expense	234,326	69,271	642,833	146,897
Debenture interest expense	1,190,306	980,161	2,376,925	2,024,282
Interest expense - continuing operations	5,372,041	3,995,613	10,570,680	8,075,577
Interest expense				
- discontinued operations (Note 21)	5,608	10,062	15,576	63,087
Deferred finance cost amortization:				
mortgages payable	(101,965)	(48,964)	(177,562)	(99,034)
mortgages payable				
- discontinued operations (Note 21)	-	(1,465)	(1,523)	(2,910)
acquisition and operating facilities	(144,270)	(35,630)	(275,181)	(110,688)
convertible debentures	(128,764)	(113,154)	(254,969)	(240,924)
Implicit interest rate in excess of coupon				
rate - convertible debentures	(123,568)	(92,523)	(246,008)	(190,708)
Change in accrued interest	288,052	385,277	(80,159)	(7,015)
Cash interest paid	\$ 5,167,134	\$ 4,099,216	\$ 9,550,854	\$ 7,487,385

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

18. General and Administrative Expenses

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Salaries and wages	\$ 238,253	\$ 159,359	\$ 519,218	\$ 391,522
Trustee fees - cash	54,375	7,853	100,317	22,706
Non-cash compensation - trustees and officers	246	84,262	584	125,362
Legal, audit and regulatory	77,514	100,238	108,607	149,471
Insurance	10,726	14,216	21,452	28,432
Other general and administrative	31,309	82,092	56,290	109,370
	\$ 412,423	\$ 448,020	\$ 806,468	\$ 826,863

19. Amortization

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Building and improvements	\$ 2,140,863	\$ 1,702,066	\$ 4,281,727	\$ 3,390,477
Deferred charges				
- tenant inducements on acquisitions	530,328	436,342	1,385,618	891,167
- leasing costs	195,598	91,606	363,328	181,746
Intangible assets				
- lease origination costs	627,176	415,467	1,482,663	848,149
- tenant relationships	401,940	263,025	803,881	531,109
Furniture and fixtures	24,130	24,795	47,956	47,602
Amortization expense	\$ 3,920,035	\$ 2,933,301	\$ 8,365,173	\$ 5,890,250

20. Income Taxes

Recent tax legislation has adversely affected the tax status of many trusts. Whiterock intends to take the steps necessary to qualify for exemption from these adverse changes. The following summarizes the legislative changes.

Whiterock currently qualifies as a mutual fund trust for Canadian income tax purposes. Prior to new legislation relating to the federal income taxation of publicly-listed or traded trusts, as discussed below, income earned by the Trust and distributed annually to unitholders was not, and would not be, subject to taxation in the Trust, but was taxed at the individual Unitholder level. For financial statement reporting purposes, the tax deductibility of Whiterock's distributions was treated as an exemption from taxation as Whiterock distributed and was committed to continue distributing all of its taxable income to its Unitholders. Accordingly, the Trust did not previously record a provision for income taxes, or future income tax assets or liabilities, in respect of Whiterock or its wholly-owned subsidiary trust.

On June 22, 2007, legislation relating to the federal income taxation of a "specified investment flow-through" trust or partnership (a "SIFT"), received royal assent (the "SIFT Rules"). A SIFT includes certain publicly-listed or traded partnerships and trusts, such as income trusts and real estate investment trusts which do not meet certain conditions. The Trust is currently a SIFT, as discussed below.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Under the SIFT Rules, following a transition period for Existing Trusts (as defined below), certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income, and a SIFT will be subject to tax on such amounts at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. Distributions paid by a SIFT as returns of capital will not be subject to the tax. In fiscal 2006, 2007 and 2008, all Whiterock's distributions were classed as returns of capital for tax purposes.

A SIFT that was publicly listed before November 1, 2006 (an "Existing Trust") will generally become subject to the tax contemplated under the SIFT Rules commencing in its 2011 taxation year. However, in accordance with the Normal Growth Guidelines released by the Department of Finance on December 15, 2006, as amended, an Existing Trust may become subject to this tax prior to its 2011 taxation year if it issues new equity capital beyond certain limits measured against the market capitalization of the Existing Trust at the close of trading on October 31, 2006. Whiterock has not exceeded such limits, and subject to any "undue expansion", management does not believe the Trust will be subject to the SIFT Rules prior to its 2011 taxation year.

Under the SIFT Rules, the new taxation regime will not apply to a trust that meets prescribed conditions relating to the nature of its revenue and investments (the "REIT Conditions"). The Trust intends to take the necessary steps to qualify for the REIT Conditions prior to 2011. Without further action, commencing in 2011 the Trust would become subject to the tax contemplated under the SIFT Rules, because, as currently structured, the Trust does not meet the REIT Conditions and, therefore, it is a SIFT.

Due to the SIFT Rules, in 2007 Whiterock commenced recognizing future income tax assets and liabilities with respect to the temporary differences between the carrying amounts and tax basis of its assets and liabilities, including those of its subsidiary trust, that are expected to reverse in or after 2011. Future income tax assets and liabilities are recorded using substantively enacted tax rates and laws expected to apply when the temporary differences are expected to reverse. The SIFT Rules resulted in the Trust including a future income tax asset of \$40,000 in the consolidated balance sheet at June 30, 2009 and December 31, 2008, and a future income tax expense of nil in the three and six months ended June 30, 2009 (June 30, 2008 – nil and \$70,000).

The tax effect of temporary differences that give rise to significant portions of the future income tax assets are as follows:

	June 30, 2009	December 31, 2008
Future income tax asset:		
Income producing property	\$ 813,000	\$ (120,000)
Straight line rent receivable	(1,119,000)	(930,000)
Non-capital losses	303,000	1,070,000
Other assets and receivables	43,000	20,000
Net future income tax asset	\$ 40,000	\$ 40,000

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

21. Discontinued Operations

Effective May 29, 2009, the Trust sold its interest in a 29,700 square foot non-core industrial property in Quebec City, Quebec for gross proceeds of \$1.5 million, representing a gain on sale of \$0.5 million. Proceeds from the sale were used in part to repay the \$0.6 million mortgage on the property and \$0.6 million of cross guaranteed mortgages.

Effective January 28, 2008, the Trust sold its interest in an industrial property in Regina, Saskatchewan for gross proceeds totaling \$14.0 million, which approximated the Trust's gross book value. In conjunction with the sale, the Trust provided a \$7.25 million second mortgage (Note 7) at a 10% interest rate which was subsequently repaid.

The operating results for these properties have been reclassified as discontinued operations to comply with the disclosure requirements of the CICA Handbook Section 3475:

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Revenue				
Income property rentals	\$ 32,384	\$ 46,332	\$ 79,333	\$ 208,557
Interest income	365	93	372	503
	32,749	46,425	79,705	209,060
Expenses				
Property operating costs	13,535	11,876	27,274	123,830
Interest	5,608	10,062	15,576	63,087
Amortization	10,864	6,388	17,252	43,654
	30,007	28,326	60,102	230,571
Income (loss) before the undernoted	2,742	18,099	19,603	(21,511)
Gain on disposition of properties	530,088	-	530,088	44,819
Income and gain from discontinued operations	\$ 532,830	\$ 18,099	\$ 549,691	\$ 23,308

Cash flow from discontinued operations for the six months ended June 30, 2009 and 2008 are as follows:

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Cash provided by (used in) operating activities				
Income (loss) and gain from discontinued operations	\$ 532,830	\$ 18,099	\$ 549,691	\$ 23,308
Items not affecting cash				
Amortization	10,864	6,388	17,252	43,654
Deferred finance cost amortization - mortgages payable	-	1,465	1,523	2,910
Accrued rental revenue recognized on a straight-line basis	50	75	124	149
Above and below market lease amortization	-	-	-	(8,831)
Gain on disposition of properties	(530,088)	-	(530,088)	(44,819)
	13,656	26,027	38,502	16,371
Changes in non-cash operating items	12,961	16,287	11,797	(174,968)
	26,617	42,314	50,299	(158,597)
Cash provided by (used in) financing activities				
Mortgage principal instalment payments	(2,725)	(3,890)	(6,769)	(7,730)
Repayment of cross guaranteed mortgages	(621,337)	-	(621,337)	-
	(624,062)	(3,890)	(628,106)	(7,730)
Cash provided (used in) investing activities				
Proceeds from disposition of properties	745,759	-	745,759	6,431,578
	745,759	-	745,759	6,431,578
Change in cash - Discontinued operations	\$ 148,314	\$ 38,424	\$ 167,952	\$ 6,265,251

22. Per Unit Calculations

On December 22, 2008, the Trust consolidated its issued and outstanding units on the basis of one post-consolidation unit for every three pre-consolidation units. All references to units, unit options and warrants in these financial statements, including per unit values, have been adjusted to a post-consolidation basis.

Basic per unit information is calculated based on the weighted average number of units outstanding for the period. The diluted per unit information is calculated based on the weighted average diluted number of units outstanding for the period, considering the potential exercise of outstanding unit options and warrants to the extent that the unit options and warrants are dilutive and the potential conversion of outstanding convertible debentures to the extent that the debentures are dilutive.

Income from continuing operations, discontinued operations and net income per unit calculations are based on the following:

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Weighted average number of units				
Basic	4,364,871	3,570,348	4,162,976	3,520,648
Diluted	4,364,871	3,579,600	4,162,976	3,529,382

The following securities were not included in the diluted net income per unit calculation for the three and six months ended June 30, 2009 as the effect would have been anti-dilutive:

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Exercise / Conversion Price	Number of Units if Converted or Exercised at June 30, 2009
Unit options		
	\$ 18.27	15,000
	\$ 25.80	60,000
	\$ 29.22	10,000
	\$ 29.40	56,667
	\$ 29.55	4,167
	\$ 30.00	43,750
	\$ 30.12	4,167
	\$ 30.63	23,333
	\$ 32.64	16,666
	\$ 34.80	6,250
	\$ 39.24	55,417
Warrants		
	\$ 41.28	41,667
	\$ 42.60	30,166
Convertible Debentures		
Series A (8.0%)	\$ 30.60	222,147
Series C (9.0%)	\$ 36.00	61,444
Series F (6.0%)	\$ 39.66	287,443
Series E (6.3%)	\$ 41.25	606,060
Series D (7.5%)	\$ 45.00	222,222
		1,766,566

23. Segmented Financial Information

The Trust and its subsidiaries operate in the office, retail and industrial segments of the real estate industry in Canada.

Property operating income (excluding discontinued operations) and income properties by segment for the three and six months ended June 30, 2009 and 2008 are summarized as follows:

	Three months ended June 30, 2009			
	Office	Retail	Industrial	Total
Income property rentals	\$ 10,954,306	\$ 1,817,600	\$ 1,825,554	\$ 14,597,460
Property operating costs	4,373,824	495,645	721,268	5,590,737
Property operating income	\$ 6,580,482	\$ 1,321,955	\$ 1,104,286	\$ 9,006,723

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Three months ended June 30, 2008			
	Office	Retail	Industrial	Total
Income property rentals	\$ 9,540,195	\$ 1,501,696	\$ 1,515,639	\$ 12,557,530
Property operating costs	3,949,375	422,968	463,237	4,835,580
Property operating income	\$ 5,590,820	\$ 1,078,728	\$ 1,052,402	\$ 7,721,950

	Six months ended June 30, 2009			
	Office	Retail	Industrial	Total
Income property rentals	\$ 22,599,810	\$ 3,797,676	\$ 3,708,787	\$ 30,106,273
Property operating costs	9,301,054	1,197,471	1,310,408	11,808,933
Property operating income	\$ 13,298,756	\$ 2,600,205	\$ 2,398,379	\$ 18,297,340
Income properties - continuing	\$ 271,046,427	\$ 55,260,806	\$ 49,122,385	\$ 375,429,618

	Six months ended June 30, 2008			
	Office	Retail	Industrial	Total
Income property rentals	\$ 19,159,567	\$ 3,085,324	\$ 3,076,557	\$ 25,321,448
Property operating costs	8,073,791	913,103	971,756	9,958,650
Property operating income	\$ 11,085,776	\$ 2,172,221	\$ 2,104,801	\$ 15,362,798
Income properties - continuing	\$ 219,400,570	\$ 39,330,664	\$ 38,102,647	\$ 296,833,881

For the six months ended June 30, 2009, there is one tenant that accounts for more than 10% of the Trusts' total revenue. SIQ (Quebec government agency) comprised approximately 17% (June 30, 2008 – 20%) of the Trust's total revenue.

24. Capital Management

The Trust defines capital that it manages as the aggregate of unitholders' equity and interest bearing debt. The Trust's objectives when managing capital are to safeguard and build long term unitholder value, fund its ongoing long term business strategies and provide reasonable returns to unitholders taking into account levels of risk.

The Trust manages its capital structure and makes adjustments to it taking into account changes in economic conditions, availability of capital and the risk characteristics of its underlying assets.

The total managed capital for the Trust is summarized below:

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	June 30, 2009	December 31, 2008
Mortgages payable and facilities	\$ 272,109,791	\$ 284,153,909
Convertible debentures	53,034,497	52,533,520
	325,144,288	336,687,429
Unitholders' Equity	82,879,266	80,068,509
	\$ 408,023,554	\$ 416,755,938

The Trust monitors capital from time-to-time using a variety of measures. The Trust's Declaration of Trust contains provisions that have the effect of limiting capital expended by the Trust for, among other items, the following:

Whiterock's Declaration of Trust provides that total indebtedness, which excludes convertible debentures and short term credit facilities, may not exceed 75% of gross book value of the Trust's total assets ("GBV"). Whiterock continues to be in compliance with this ratio. At June 30, 2009, according to the calculation as defined in the Declaration of Trust, this ratio was 59.1% (December 31, 2008 – 54.8%). It is management's intention to reduce Whiterock's leverage ratio over time.

A special resolution was passed at an annual and special meeting of unitholders that this limitation on total indebtedness (which term shall be amended to include the aggregate principal amount of all convertible subordinated debentures of the Trust) be reduced to 65% of GBV. The reduction shall take effect at such time as the total assets of the Trust, as reflected on its audited annual consolidated financial statements for its most recently completed fiscal year, exceeds \$750 million.

Monitoring procedures are typically performed as a part of the overall management of Whiterock's operations. The Trust's strategy during the year, which was unchanged from the prior year, was to maintain its ability to secure access to financing at a reasonable cost. The requirements and terms of sources of capital cannot be predicted and change in ways the Trust cannot predict.

25. Financial Instruments and Risk Management

Fair values

For purposes of disclosure, the Trust calculates the fair value of certain assets and liabilities. The fair values of the Trust's financial assets and liabilities which represent net working capital, and the Trust's acquisition and operating facilities, approximate their recorded values at June 30, 2009 and December 31, 2008, due to their short term nature.

The fair value of the Trust's mortgages payable approximates carrying value. The fair value of mortgages payable has been estimated based on current market rates for mortgages with similar terms and conditions.

The fair value of the Trust's convertible debentures liability component approximates carrying value. The fair value of convertible debenture liability component has been estimated based on current market rates for debentures with similar terms and conditions. Such fair value estimates are not necessarily indicative of the amounts the Trust might pay or receive in actual market transactions.

At June 30, 2009 and December 31, 2008, the Trust did not have any cash flow or interest rate hedges in place.

WHITEROCK REAL ESTATE INVESTMENT TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Risk management

The main risks that arise from the Trust's financial instruments are liquidity, interest and credit risk. The Trust's approach to managing these risks, is summarized below:

Management's risk management policies are typically performed as a part of the overall management of the Trust's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Trust is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Trust has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Trust, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them, are as follows:

Liquidity risk

Liquidity risk is the risk that the Trust may not have sufficient debt and equity capital available to fund its growth program and refinance its debts as they mature. As discussed in Note 24, The Trust's Declaration of Trust provides that total indebtedness, which excludes convertible debentures and short term credit facilities, may not exceed 75% of gross book value of the Trust's total assets. As at June 30, 2009, the Trust had up to \$42.2 million of facilities available for acquisitions, operations and general trust purposes, none of which was drawn, and had cash on hand of \$2.7 million. The Trust also endeavors to stagger its debt maturities. Of the Trust's \$274.7 million of mortgage debt at June 30, 2009, none are scheduled to mature in 2009, \$11.4 million are scheduled to mature in November 2010 and none are scheduled to mature in 2011. None of the Trust's convertible debentures are scheduled to mature in 2009 and \$9.0 million are scheduled to mature in 2010.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. Obtaining long-term mortgages with fixed interest rates minimizes cash flow risk. All of the Trust's outstanding mortgages and convertible debentures are fixed rate. Of the Trust's \$274.7 million of mortgage debt, none are scheduled to mature in 2009, \$11.4 million are scheduled to mature in 2010 and none are scheduled to mature in 2011. None of the Trust's convertible debentures are scheduled to mature in 2009 and \$9.0 million are scheduled to mature in 2010.

Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and may not be able to fulfill their lease commitments. The risk of credit loss is mitigated by leasing policies which require that the financial viability of prospective tenants is investigated and that the tenant mix is comprised of tenants with credit worthy covenants, by staggered lease maturities and by an appropriate geographic mix of tenants.

26. Comparative Amounts

Certain comparative amounts have been re-classified to conform to the current period's presentation.

27. Subsequent Events

Subsequent to June 30, 2009, Whiterock agreed to acquire a 40% interest in an office building in Toronto, Ontario for approximately \$32.9 million excluding closing costs. The acquisition is to be financed by the assumption of a \$25.3 mortgage and by drawing on the Trust's acquisition and operating facilities. Closing is scheduled to occur in August 2009.