InterRent Real Estate Investment Trust

Interim Consolidated Financial Statements

March 31, 2010
(unaudited - See Notice to Reader)

Notice to Reader

The accompanying unaudited interim consolidated financial statements have been prepared by the Trust's management and the Trust's independent auditors have not performed a review of these financial statements.

InterRent Real Estate Investment Trust

Interim Consolidated Balance Sheets

(unaudited - See Notice to Reader)

	Note	March 31 2010	December 31 2009 (audited)
Assets			
Income producing properties	3	**$259,964,030**	$260,177,409
Intangible assets	4	**77,584**	122,306
Prepaids and deposits		**2,081,925**	2,059,688
Cash		**-**	11,768
Other assets	5	**1,544,023**	1,615,964
		$263,667,562	$263,987,135
Liabilities			
Mortgages and vendor take-back loans	7	**$155,476,997**	$156,305,658
Subordinated convertible debentures	8	**25,125,259**	24,732,368
Below market leases	4	**27,428**	44,621
Credit facilities	6	**4,915,000**	1,220,000
Accounts payable and accrued liabilities		**4,313,759**	4,930,976
Bank indebtedness		**392,196**	-
Tenant deposits		**2,671,981**	2,712,543
		192,922,620	189,946,166
Unitholders' Equity			
Unitholders' capital	10	**102,947,000**	102,883,385
Deferred unit capital	9	**145,960**	44,650
Contributed surplus		**1,959,807**	1,959,807
Equity portion of convertible debentures	8	**6,974,115**	6,974,115
Deficit		**(41,281,940)**	(37,820,988)
		70,744,942	74,040,969
		$263,667,562	$263,987,135

On behalf of the Trust **"P. Bouzanis"** Trustee **"D. Nicholds"** Trustee

(Signed) (Signed)

See accompanying notes.

InterRent Real Estate Investment Trust

Interim Consolidated Statements of Operations and Deficit
For the Three Months Ended March 31
(unaudited - See Notice to Reader)

	Note	2010	2009
Revenue			
Rental income		$ 8,604,407	$ 8,799,959
Expenses			
Income producing properties			
Operating costs		2,041,554	1,602,925
Property taxes		1,487,788	1,427,688
Utilities		2,100,293	2,168,988
		5,629,635	5,199,601
Earnings before undernoted		2,974,772	3,600,358
Financing costs		2,943,684	3,040,592
Administrative costs		852,049	721,595
Amortization		1,796,880	2,042,019
		5,592,613	5,804,206
Net loss from continuing operations		(2,617,841)	(2,203,848)
Results from discontinued operations		-	(11,008)
Net loss for the period		(2,617,841)	(2,214,856)
Deficit at beginning of period		(37,820,988)	(25,105,375)
Distributions		(843,111)	(548,369)
Deficit at end of period		$ (41,281,940)	$ (27,868,600)
Loss per unit			
Basic and diluted - from continuing operations		$ (0.093)	$ (0.120)
Basic and diluted - from discontinued operations		-	(0.001)
Basic and diluted		$ (0.093)	$ (0.121)
Weighted average units outstanding			
Basic and diluted		28,045,435	18,279,057

See accompanying notes.

InterRent Real Estate Investment Trust

Consolidated Statements of Cash Flows
For the Three Months Ended March 31
(unaudited - See Notice to Reader)

	Note	2010	2009
Cash flows from operating activities			
Net loss from continuing operations		**$ (2,617,841)**	$ (2,203,848)
Add items not affecting cash			
Amortization		**1,796,880**	2,042,019
Unit-based compensation	9	**99,561**	65,000
Amortization of deferred finance costs and fair value adjustments on assumed debt		**115,265**	139,985
Tenant inducement		**49,662**	47,034
Accretion of discount on convertible debenture		**392,891**	335,764
Amortization of deferred leasing commissions		**44,419**	33,340
		(119,163)	459,294
Changes in non-cash operating assets and liabilities			
Other assets		**(31,560)**	(42,593)
Prepaids and deposits		**(22,237)**	(527,213)
Accounts payable and accrued liabilities		**(617,217)**	(598,509)
Tenant deposits		**(40,562)**	30,326
Cash from continuing operating activities		**(830,739)**	(678,695)
Cash flows used in investing activities			
Acquisition of income producing properties, net of cash acquired		**-**	(3,395,572)
Additions to income producing properties		**(1,546,552)**	(902,660)
		(1,546,552)	(4,298,232)
Cash flows from financing activities			
Mortgage and vendor take back loans repayments		**(943,926)**	(896,123)
Mortgage advances		**-**	2,400,000
Credit facility advances (repayments)		**3,695,000**	3,220,482
Financing fees		**-**	(62,742)
Units issued, net of unit issue costs		**-**	(23,993)
Distributions paid		**(777,747)**	(535,978)
		1,973,327	4,101,646
Cash from discontinued operations		**-**	500,784
Increase (decrease) in cash during the period		**(403,964)**	(374,497)
Cash at the beginning of period		**11,768**	221,231
Cash at end of period		**$ (392,196)**	$ (153,266)

Supplemental disclosure

Cash paid for interest	**$ 3,309,000**	$ 3,081,200

See accompanying notes.

1. FORMATION OF TRUST

InterRent Real Estate Investment Trust (the "Trust" or the "REIT") is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated October 10, 2006, under the laws of the Province of Ontario. The Trust was created to invest in income producing residential properties within Canada.

2. BASIS OF PRESENTATION

The REIT prepares its financial statements in accordance with Canadian generally accepted accounting principles. The disclosures contained in these unaudited interim consolidated financial statements do not include all requirements of Canadian generally accepted accounting principles for annual financial statements. The unaudited interim consolidated financial statements follow the same accounting policies and methods of application as the audited consolidated financial statements for the period ended December 31, 2009, except for the following changes in accounting policies:

Recent Accounting Pronouncements Issued and Not Yet Applied

Section 1582 – Business Combinations will replace the current Section 1581 – Business Combinations while Sections 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests will replace the current Section 1600 – Consolidated Financial Statements. These new sections are effective for years beginning on or after January 1, 2011 with earlier adoption permitted. Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners, members or participants. The Trust is currently evaluating the impact of adopting these sections on its consolidated financial statements.

The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011, when IFRS will be fully adopted. The impact of the adoption of IFRS on the consolidated financial statements of the Trust will be significant and, as such, the Trust has developed a convergence plan in order to transition its financial statement reporting, presentation and disclosure for IFRS to meet the January 1, 2011 deadline. The Trust continues the process of evaluating the potential impact of IFRS on its consolidated financial statements. The process will be an on-going one as new standards and recommendations are issued by the International Accounting Standards Board and AcSB.

3. INCOME PRODUCING PROPERTIES

The Trust's income producing properties consist of residential rental properties located in Ontario.

March 31, 2010

	Cost	Accumulated Amortization	Net
Land	**$ 78,327,411**	**$ -**	**$ 78,327,411**
Buildings	**183,409,480**	**13,713,623**	**169,695,857**
Appliances and equipment	**3,372,738**	**1,167,954**	**2,204,784**
Building improvements	**12,692,210**	**2,956,232**	**9,735,978**
	$277,801,839	**$ 17,837,809**	**$259,964,030**

December 31, 2009 (audited)

	Cost	Accumulated Amortization	Net
Land	$ 78,327,411	$ -	$ 78,327,411
Buildings	183,409,480	12,567,314	170,842,166
Appliances and equipment	3,324,810	1,043,309	2,281,501
Building improvements	11,192,588	2,466,257	8,726,331
	$276,254,289	$ 16,076,880	$260,177,409

4. INTANGIBLE ASSETS AND BELOW MARKET LEASES

March 31, 2010

	Cost	Accumulated Amortization	Net
Value of tenant relationships	**$ 5,596,410**	**$ 5,546,455**	**$ 49,955**
Value of in-place leases	**3,095,288**	**3,067,659**	**27,629**
	8,691,698	**8,614,114**	**77,584**
Value of below market leases	**(1,332,662)**	**(1,305,234)**	**(27,428)**
	$ 7,359,036	**$ 7,308,880**	**$ 50,156**

December 31, 2009 (audited)

	Cost	Accumulated Amortization	Net
Value of tenant relationships	$ 5,596,410	$ 5,517,660	$ 78,750
Value of in-place leases	3,095,288	3,051,732	43,556
	8,691,698	8,569,392	122,306
Value of below market leases	(1,332,662)	(1,288,041)	(44,621)
	$ 7,359,036	$ 7,281,351	$ 77,685

5. OTHER ASSETS

	March 31 2010	December 31 2009 (audited)
Mortgage holdbacks	**$ 265,000**	$ 265,000
Rents and other receivables, net of allowance for uncollectable amounts	**376,566**	453,136
Furniture and fixtures, net of accumulated amortization of $115,215 (2009 - $110,746)	**69,677**	74,697
Mortgages receivable	**560,000**	560,000
Leasehold improvements, net of accumulated amortization $48,033 (2009 - $44,056)	**31,518**	35,495
Deferred leasing commissions	**143,327**	108,288
Tenant inducements	**97,935**	119,348
	$ 1,544,023	$ 1,615,964

6. CREDIT FACILITIES

	March 31 2010	December 31 2009 (audited)
Demand operating loan (i)	**$ 4,915,000**	$ 1,220,000

(i) The Trust has a $5,000,000 (2009 - $5,000,000) demand operating loan bearing interest at prime plus 1%, secured by a general security agreement and a collateral mortgage in the amount of $5,000,000 (2009 - $5,000,000) constituting a second fixed charge on seventeen (2009 -seventeen) of the Trust's properties.

(ii) The Trust has a $4,483,000 (2009 - $4,483,000) operating facility with a financial institution bearing interest at prime plus 3.0% and is due on demand. This credit facility is secured by a collateral second mortgage on eleven (2009 - eleven) of the Trust's properties.

7. MORTGAGES AND VENDOR TAKE-BACK LOANS

Mortgages and vendor take-back loans are secured by the income producing properties and bear interest at fixed rates with a weighted average interest rate of 4.67% and an effective weighted average interest rate of 4.91%.

The mortgages and vendor take-back loans mature at various dates between the years 2011 and 2021.

The aggregate future minimum principal payments are as follows:

2011	$ 16,734,039
2012	13,348,054
2013	41,168,961
2014	33,340,810
2015	10,467,434
Thereafter	43,495,147
	158,554,445
Less: Deferred finance costs and fair value adjustments	3,077,448
	$155,476,997

8. SUBORDINATED CONVERTIBLE DEBENTURES

	March 31 2010	December 31 2009 (audited)
Convertible debenture 1 [(i)]	**$ 5,445,877**	$ 5,415,697
Convertible debenture 2 [(ii)]	**19,679,382**	19,316,671
	$ 25,125,259	$ 24,732,368

(i) The Trust has a $5,517,000 subordinated convertible debenture which bears interest at 7.25% and is due on September 22, 2010. The debentures are convertible into Units of the Trust at $5.50 per Unit at the option of the holder. The difference between the estimated fair value of the debt and the face amount was $462,747 and was recorded in unitholders equity. The discount on the debt results in an effective interest rate on the liability of 10%.

(ii) On January 15, 2008, the Trust issued a $25,000,000 subordinated convertible debenture which bears interest at 7.0% per annum and is due on January 31, 2013. The debentures are convertible into Units of the Trust at $4.60 per Unit at the option of the holder. The difference between the estimated fair value of the debt and the face amount was $6,912,408 and was recorded in unitholders equity. The Trust incurred costs of $1,451,478 in connection with issuing the convertible debt. Of these costs, $1,050,438 has been allocated to the liability component and $401,040 has been allocated to the equity component. The discount on the debt results in an effective interest rate on the liability of 16.7%

9. DEFERRED UNIT PLAN

The Trust implemented a deferred unit plan in 2007 which was subsequently amended in 2009. The Deferred Unit Plan allows the Trust to issue a maximum number of trust units equal to 7.5% (2008 - 3.5%) of the Trust's issued and outstanding trust units. The plan entitles trustees, officers and employees, at the participant's option, to receive deferred units in consideration for trustee fees or bonus compensation under the management incentive plan, as the case may be, with the Trust matching the number of deferred units received. The deferred units vest 50% on the third anniversary and 25% on each of the fourth and fifth anniversaries, subject to provisions for earlier vesting in certain events. The deferred units earn additional deferred units for the distributions that would otherwise have been paid on the deferred units (i.e. had they instead been issued as trust units on the date of grant). The deferred unit plan was approved by unitholders on June 29, 2007 and amendments to the plan were approved by unitholders on September 30, 2009. The changes in deferred unit capital are as follows:

Deferred unit capital	**Amount**
Balance - December 31, 2009	**$ 44,650**
Reinvested distributions on deferred units	1,749
Accretion of value of matched units over the vesting period	1,861
Units issued under deferred unit plan	97,700
Balance - March 31, 2010	**$ 145,960**

9. DEFERRED UNIT PLAN (Cont'd)

Deferred units issued	Amount
Balance - December 31, 2009	**57,905**
Units granted under deferred unit plan in 2010	131,651
Reinvested distributions on deferred units in 2010	1,202
Balance - March 31, 2010	**190,758**

As of March 31, 2010, none of the deferred units outstanding have vested.

10. UNITHOLDERS' CAPITAL

The Declaration of Trust authorizes the Trust to issue an unlimited number of units for the consideration and on terms and conditions established by the Trustees without the approval of any unitholders. The interests in the Trust are represented by two classes of units: a class described and designated as “Trust Units” and a class described and designated as “Special Voting Units”. The beneficial interests of the two classes of units are as follows:

(a) **Trust Units**

Trust Units represent an undivided beneficial interest in the Trust and in distributions made by the Trust. The Trust Units are freely transferable, subject to applicable securities regulatory requirements. Each Trust Unit entitles the holder to one vote at all meetings of unitholders. Except as set out under the redemption rights below, the Trust Units have no conversion, retraction, redemption or pre-emptive rights.

Trust Units are redeemable at any time, in whole or in part, on demand by the holders. Upon receipt by Trust of a written redemption notice and other documents that may be required, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder shall be entitled to receive a price per Trust Unit equal to the lesser of:

i) 90% of the “market price” of the Trust Units on the principal market on which the Trust Units are quoted for trading during the twenty-day period ending on the trading day prior to the day on which the Trust Units were surrendered to Trust for redemption; and

ii) 100% of the “closing market price” of the Trust Units on the principal market on which the Trust Units are quoted for trading on the redemption notice date.

10. UNITHOLDERS' CAPITAL (Cont'd)

(b) Special Voting Units

The Declaration of Trust provides for the issuance of an unlimited number of Special Voting Units that will be used to provide voting rights to holders of LP Class B units or other securities that are, directly or indirectly, exchangeable for Trust Units.

Each Special Voting Unit entitles the holder to the number of votes at any meeting of unitholders, which is equal to the number of Trust Units that may be obtained upon surrender of the LP Class B unit to which the Special Voting Unit relates. The Special Voting Units do not entitle or give any rights to the holders to receive distributions or any amount upon liquidation, dissolution or winding-up of Trust.

The LP Class B units are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Trust units at any time at the option of the holder. Prior to such exchange, distributions will be made on the exchangeable units in an amount equivalent to the distributions which would have been made had the units of Trust been issued.

The changes in unitholders' capital are as follows:

Unitholders' capital contributions	**Number of Units**	**Amount**
Balance - December 31, 2009	**28,032,206**	**$102,883,385**
Units Issued under Distribution Reinvestment Plan	44,301	63,615
Balance - March 31, 2010	**28,076,507**	**102,947,000**

The breakdown of unitholders capital is as follows:

	Number of Units	**Amount**
Trust Units	27,740,401	$101,695,515
LP Class B exchangeable units	336,106	1,251,485
	28,076,507	**$102,947,000**

11. UNIT OPTIONS

(i) Unit Options

The Trust has an incentive Unit Option Plan (the "Plan"). The Plan provides for options to be granted to the benefit of employees, Trustees and certain other third parties. The maximum number of trust units allocated to and made available to be issued under the Plan shall not exceed 530,000. The exercise price of options granted under the Unit Option Plan will be determined by the Trustees, but will be at least equal to the volume weighted average trading price of the trust units for the five trading days immediately prior to the date the option was granted. The term of any option granted shall not exceed 10 years or such other maximum permitted time period under applicable regulations. Except as otherwise provided elsewhere in the Unit Option Plan, the options shall vest over the term of the option at time(s) fixed by the Board of Trustees. Since inception all options granted by the Trust have vested immediately. The Trust will not provide financial assistance to any optionee in connection with the exercise of options.

The Trust had the following unit options outstanding at March 31, 2010:

Number of Options	Exercise Price	Expiry Date
50,000	$4.81	June 1, 2012

The above options were not included in the computation of diluted net loss per unit as they are anti-dilutive.

12. RELATED PARTY TRANSACTIONS

The transactions with related parties are incurred in the normal course of business and are measured at the exchange amounts, believed to represent fair value. Related party transactions have been listed below, unless they have been disclosed elsewhere in the financial statements.

(i) Accounts Payable

As at March 31, 2010, $139,000 (year ended December 31, 2009 - $85,500) was included in accounts payable and accrued liabilities which is due to companies which are controlled by officers and/or trustees of the Trust. The amounts were non-interest bearing and due on demand.

(ii) Services

During the period ended March 31, 2010, the Trust paid approximately $35,100 (year ended December 31, 2009 - $157,000) to a company controlled by a Trustee for laundry and office services.

12. RELATED PARTY TRANSACTIONS (Cont'd)

(ii) Services (Cont'd)

During the period ended March 31, 2010 the Trust incurred $740,000 (year ended December 31, 2009 - $1,178,000) in expenditures from a company controlled by an officer of the Trust. Of the services received approximately $257,000 (year ended December 31, 2009 - $192,000) has been capitalized to the income producing properties and the remaining amounts are included in administrative costs.

13. CAPITAL RISK MANAGEMENT

The Trust's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its unitholders. The Trust defines capital that it manages as the aggregate of its unitholders' equity, which is comprised of issued capital, contributed surplus, deferred unit capital, warrants, equity portion of convertible debentures and deficit.

The Trust manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Trust's working capital requirements. In order to maintain or adjust its capital structure, the Trust, upon approval from its Board of Trustees, may issue or repay long-term debt, issue units, repurchase units through a normal course issuer bid, pay distributions or undertake other activities as deemed appropriate under the specific circumstances. The Board of Trustees reviews and approves any material transactions out of the ordinary course of business, including approval of all acquisitions of income-producing properties, as well as capital and operating budgets.

The Trust monitors capital using a debt to gross book value ratio, as defined in the declaration of trust which requires the Trust to maintain a debt to gross book value ratio below 75%. As at March 31, 2010, the debt to gross book value ratio is 66.4% (year ended December 31, 2009 - 65.3%).

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Overview

The Trust is exposed to credit risk, liquidity risk and market risk. The Trust's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholders value. Risk management strategies, as discussed below, are designed and implemented to ensure the Trust's risks and the related exposures are consistent with its business objectives and risk tolerance.

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

b) Credit Risk

Credit risk represents the financial loss that the Trust would experience if a tenant failed to meet its obligations in accordance with the terms and conditions of the lease. The Trust’s credit risk is attributable to its accounts receivable, mortgage holdbacks and mortgages receivable.

The amounts disclosed as accounts receivable in the consolidated balance sheet are net of allowances for doubtful accounts, estimated by the Trust’s management based on prior experience and their assessment of the current economic environment. The Trust establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures and an overall loss component established based on historical trends. At March 31, 2010, the Trust had accounts receivable of $684,566, net of an allowance for doubtful accounts of approximately $308,000 which adequately reflects the Trust's credit risk.

The Trust believes that the concentration of credit risk of accounts receivable is limited due to its broad tenant base, dispersed across varying geographic locations throughout Ontario.

The Trust has established various internal controls, such as credit checks and security deposits, designed to mitigate credit risk. While the Trust's credit controls and processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Trust's current credit loss experience will improve.

The amounts shown in the consolidated balance sheet as mortgage holdbacks relate primarily to amounts that will be released upon the completion of repairs to certain buildings. Mortgages receivable represent vendor take back loans on the sale of buildings and are secured by the building. Management believes there is minimal credit risk due to the nature of these amounts receivable and the underlying collateral.

c) Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 13 to the consolidated financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

c) Liquidity Risk (Cont'd)

As at March 31, 2010, the Trust had a $4,483,000 operating facility with a financial institution bearing interest at prime plus 3.0%. This line of credit is secured by collateral second mortgages on eleven of the Trust's properties. As at March 31, 2010, this facility was not utilized. In addition, the Trust had a $5,000,000 demand operating facility with a Canadian chartered bank bearing interest at 1% above the prime lending rate. This line of credit is secured by collateral mortgages on seventeen of the Trust's properties. As at March 31, 2010, the Trust had utilized $4,915,000 of this facility.

Notes 7 and 8 reflect the contractual maturities for mortgage and debenture debt of the Trust at March 31, 2010, excluding interest payments. The Trust continues to refinance the outstanding debts as they mature. Given the Trust's available credit and its available liquid resources from both financial assets and on-going operations, management assesses the Trust's liquidity risk to be low.

d) Fair Value

Financial instruments are defined as a contractual right to receive or deliver cash or another financial asset. The fair values of the Trust's financial instruments, except for mortgages and vendor take back loans, approximate their recorded values due to their short-term nature and or the credit terms of those instruments.

The fair value of the mortgages and vendor take back loans has been determined by discounting the cash flows using current market rates of similar instruments. These estimates are subjective in nature and therefore cannot be determined with precision. The fair value of mortgages payable, vendor take-back loans, credit facilities and subordinated convertible debentures is approximately $188,650,000.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

e) Market Risk

Market risk includes the risk that changes in interest rates will affect the Trust's income or the fair value of its financial instruments.

At March 31, 2010, all of the Trust's long-term debt is at fixed interest rates therefore, any change in the interest rate would not effect the interest expense. The Trust's credit facilities bear interest at variable rates. If there was a 100 basis point change in the interest rate, interest expense would have changed by approximately $25,000 for the period ended March 31, 2010.

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

f) Utilities

The Trust has also entered into natural gas supply contracts, which provide a degree of price certainty for natural gas usage. The contracts cover between 95-100% of the Trust's natural gas requirements.

While the above utility contracts reduce the risk of exposure to adverse changes in commodity prices, they also reduce the potential benefits of favourable changes in commodity prices.

15. CONTINGENCIES

In the ordinary course of business activities, the Trust may be contingently liable for litigation and claims with tenants, suppliers and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

Northwest Value Partners Inc. ("Northwest") appealed to the Court of Appeal for Ontario, the Order of the Superior Court of Justice of Ontario dismissing Northwest's application for a declaration that the trustees of InterRent Real Estate Investment Trust were validly removed by a majority of the unitholders in August, 2009. The matter was heard by the Court of Appeal for Ontario on February 24, 2010. The decision of the Court of Appeal for Ontario has not been received to date. Based on rulings to date management does not believe that Northwest will be successful with their appeal. The outcome and impact, if any, of the above appeal is unknown and therefore, no provision has been recorded.

A claim has been filed by the Trust against Northwest to recover legal costs associated with the appeals made by Northwest.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's financial statement presentation reflecting the property that was re-classified from available for sale ito continuing operations in the prior year.