

H&R REAL ESTATE INVESTMENT TRUST

H&R FINANCE TRUST

Notes to Combined Financial Statements

(In thousands of dollars, except unit and per unit amounts)

Years ended December 31, 2010 and 2009

27. Subsequent events:

- (a) In January 2011, the REIT has entered into an agreement to purchase 595 Bay Street, 20 & 40 Dundas Street West and 306 York Street, which are collectively known as the "Atrium on Bay" in Toronto, Ontario for gross proceeds of \$344,800. The REIT will assume a 7-year non-recourse mortgage of \$190,000. The acquisition is conditional upon the vendor meeting certain conditions. It is anticipated that the acquisition will close by April 2011 upon satisfaction of such conditions.
- (b) In January 2011, the REIT completed the acquisition of the remaining 20% beneficial interest, not already owned by the REIT, of a property under development for an aggregate cash purchase price of approximately \$11,000. The REIT now owns 100% of approximately 81 acres of land located in Brampton, Ontario (known as Airport Road).
- (c) In January 2011, the REIT completed a public offering of \$180,000 of 4.778% Series D senior debentures due July 27, 2016.
- (d) In February 2011, the REIT purchased a 42,000 square foot retail property in Teaneck, New Jersey for a purchase price of U.S. \$10,300. A mortgage payable of U.S. \$6,400 was assumed on closing.
- (e) In February 2011, the REIT purchased a 116,000 square foot retail property in Columbus, Ohio for a purchase price of U.S. \$21,700.