



EQUITON RESIDENTIAL INCOME FUND TRUST

OFFERING MEMORANDUM

March 20, 2024

This Confidential Offering Memorandum constitutes an offering of the securities described herein only in Canada and to those persons to whom they may be lawfully offered for sale and only by persons permitted to sell these securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement or a public offering of securities. No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of this material by a securities commission or similar authority.

This Confidential Offering Memorandum is intended for use by investors solely in connection with the consideration of the purchase of these securities. No person is authorized to give any information or to make any representation not contained in this Confidential Offering Memorandum in connection with the offering of these securities and, if given or made, no such information or representation may be relied upon. This Confidential Offering Memorandum is confidential. By their acceptance hereof prospective investors agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

EQUITON RESIDENTIAL INCOME FUND TRUST OFFERING MEMORANDUM



Continuous Private Placement Offering

Date:	March 20, 2024
The Trust:	EQUITON RESIDENTIAL INCOME FUND TRUST (the "Trust")
Head office:	1111 International Blvd, Suite 600, Burlington, ON, L7L 6W1
Phone #:	905-635-1381
Fax #:	905-635-3981
E-mail address:	inquiries@equiton.com
Website	equiton.com
Currently listed or quoted?	No. These securities do not and are not expected to trade on any exchange or market.
Reporting issuer?	No.
SEDAR+ filer?	Yes, but only as required pursuant to section 2.9 of National Instrument 45-106 – <i>Prospectus Exemptions</i> . The Trust is not a reporting issuer and does not file continuous disclosure documents on SEDAR+ that are required to be filed by reporting issuers.

The Offering

Securities Offered:	An unlimited number of Class A, Class B, Class C, Class F, and Class I trust units of the Trust (collectively, the “Trust Units”).
Price Per Security:	The price per security is determined by the Trustees from time to time and will be set forth in the subscription agreement(s) entered into between the Subscribers and the Trust.
Minimum/Maximum Offering:	There is no minimum or maximum amount for the Offering (as defined herein). The Trust will offer an unlimited number of Trust Units on a continuous basis. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription Amount:	\$25,000 or such lower amount as determined by the Trust in its sole discretion. See “ <i>Subscription Procedures</i> ”.
Payment Terms:	Payment in full by certified cheque, bank draft or direct deposit of the subscription price is to be made with the delivery of a duly executed and completed subscription agreement to the Trust. See “ <i>Subscription Procedures</i> ”.
Proposed Closing Date(s):	Closings will take place periodically as agreed upon by the Trust, the Equiton Agent (as defined herein) and the Subscriber.
Income Tax Consequences:	There are important tax consequences to acquiring, holding and disposing of these securities. See “ <i>Certain Canadian Federal Income Tax Considerations</i> ”.
Selling Agents:	<p>A person has received or will receive compensation for the sale of securities under the Offering.</p> <p>Equiton Capital Inc. (the “Equiton Agent”) acts as lead selling agent in connection with the Offering. The Equiton Agent may, at its discretion, engage one or more sub-agents as selling agents. In addition, from time to time, the Trust may separately engage additional selling agents in connection with the Offering (collectively, the “Selling Agents”).</p> <p>In connection with the Offering, the Trust is a “connected” or “related” issuer of the Equiton Agent under applicable Canadian securities legislation. Jason Roque, a Trustee of the Trust, indirectly, through wholly owned subsidiaries, controls the Equiton Agent and is a director and the President of the Equiton Agent. In addition, Helen Hurlbut, a Trustee of the Trust, is the Chief Financial Officer of the Equiton Agent. In addition, the Equiton Agent acts exclusively for certain companies that are either directly or indirectly controlled and/or beneficially owned by Jason Roque, or which hold securities in companies that are either directly or indirectly controlled and/or beneficially owned by Jason Roque.</p> <p>The decision to distribute the Trust Units and the determination of the terms of the distribution were not negotiated at arm’s length between the Equiton Agent and the</p>

	<p>Trust. The determination by the Trust to proceed with the Offering was not made at the request or suggestion of the Equiton Agent. The Equiton Agent will not receive any benefit in connection with the Offering other than its portion of the Equiton Agent's Fees payable by the Trust to the Equiton Agent described under "<i>Compensation Paid to Sellers and Finders</i>". The proceeds of the Offering will not be applied for the benefit of the Equiton Agent. However, the proceeds of the Offering will be used by the Trust to invest in the Partnership, the General Partner of which is an Affiliate of the Equiton Agent. The General Partner and the Equiton Agent are Related Parties (defined herein) to the Trust.</p> <p>See "<i>Compensation Paid to Sellers and Finders</i>", "<i>Relationship Between the Trust, the Equiton Agent and other Related Parties</i>" and "<i>Purchase Options</i>".</p>
Resale Restrictions:	You will be restricted from selling your Trust Units for an indefinite period. See " <i>Resale Restrictions</i> ".
Payments to Related Party:	Some of your investment will be paid to a related party of the Trust. See " <i>Use of Available Funds</i> ".
Redemption Rights:	<p>You will have a right to require the Trust to redeem the Trust Units from you, but this right is qualified by restrictions and the redemption price payable may be subject to set-off against certain fees. As a result, you might not receive the amount of proceeds that you want.</p> <p>The Trust Units are redeemable upon demand of the Trust Unitholder. However, these redemption rights are subject to limitations, including a monthly cash redemption limit of \$50,000 in respect of all Trust Units tendered for redemption in a calendar month. If the redemptions tendered in a calendar month exceed the foregoing limit, then the Trust may satisfy the payment of the Redemption Amount, in part, by the issuance of Redemption Notes, which are promissory notes. Any Redemption Notes which may be received as a result of a redemption of Trust Units will likely not be qualified investments for a Registered Plan and may have adverse tax consequences if held by a Registered Plan. See "<i>Declaration of Trust</i>". See "<i>Redemption of Trust Units</i>". See "<i>Eligibility for Investment by Registered Plans</i>."</p>
Subscriber's Rights:	You have two (2) Business Days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See " <i>Subscriber's Rights of Action</i> ".

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Subscribers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See "*Risk Factors*".

Any OM Marketing Materials (as defined herein) prepared by the Trust are deemed to be incorporated by reference into this Offering Memorandum.

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FORWARD LOOKING INFORMATION

This Offering Memorandum and any OM Marketing Materials incorporated by reference may contain forward-looking statements. These statements relate to future events or the Trust's future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by the management of the Trust as of the date on which the statements are made in this Offering Memorandum or any OM Marketing Materials, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition, this Offering Memorandum and any OM Marketing Materials may contain forward-looking statements attributed to third-party industry sources. Neither the Trust nor the Trustees (as defined herein) have independently verified the accuracy or completeness of such information. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

Forward-looking information contained in this Offering Memorandum includes, but is not limited to, statements with respect to: price of the Trust Units; size of the Offering; use of proceeds of the Offering; the structure of the Trust; the business to be conducted by the Trust and the Partnership; expected or anticipated acquisitions; the issuance of Trust Units pursuant to the DRIP; the expected return on investment for Subscribers (as defined herein); the expected debt levels of the Trust, including assumptions related to debt, interest rates, and repayment terms associated with mortgages for recently acquired properties; expected lease rates, expected average monthly rents; the long term and short term objectives of the Trust and the Partnership; the ability of the Partnership to obtain financing, including the availability of Equiton Loans or issuance of Redeemable LP Units; availability of funds for distributions; timing and payment of distributions; the Trust's investment objectives and strategy; treatment under government regulatory regimes and tax laws; the qualification of the Trust as a mutual fund trust; and the methods of funding.

Although the forward-looking statements contained in the Offering Memorandum and any OM Marketing Materials are based upon assumptions that management of the Trust believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include, among other things: risks related to the Offering, risks related to the Trust and its business, general economic conditions, governmental regulations, tax and risks related to public health crises. See "*Risk Factors*".

The forward-looking statements contained in this Offering Memorandum or in any OM Marketing Materials are expressly qualified by this cautionary statement. These forward-looking statements speak only as of the date of this Offering Memorandum. The Trust is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum or in any OM

Marketing Materials, to conform such statements to actual results or to changes in the Trust's expectations except as otherwise required by applicable legislation. The risks and uncertainties attributable to these forward-looking statements may adversely affect the distributions to be made on the Trust Units. Some of these are discussed in the section "*Risk Factors*". You should carefully consider the risk factors in addition to the other information provided herein or in any OM Marketing Materials.

OM MARKETING MATERIALS

Any OM Marketing Materials prepared and distributed to investors in connection with the Offering, including any OM Marketing Materials that are effective after the date of this Offering Memorandum and before the termination of the Offering, are deemed to be incorporated by reference in this Offering Memorandum.

Copies of any of the OM Marketing Materials incorporated by reference herein may be obtained on request without charge from the Trust at investors@equiton.com and are publicly available on SEDAR+ or on the Trust's website at www.equiton.com.

Any statement contained in this Offering Memorandum or in a document incorporated or deemed to be incorporated by reference herein is deemed to be modified or superseded for the purposes of this Offering Memorandum to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

Information contained or otherwise accessed through the Trust's website or any third-party website does not form part of this Offering Memorandum or the Offering.

MARKET AND INDUSTRY DATA

This Offering Memorandum includes market and industry data that were obtained from third-party sources, industry publications and publicly available information. Management believes that the industry data is accurate but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management believes it to be reliable, the Trust has not independently verified any of the data or third-party sources referred to in this Offering Memorandum, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

GLOSSARY

“Additional Committee” means any additional committee of the Trustees, other than the Finance Committee, which may be established pursuant to the Declaration of Trust.

“Affiliate” means a Person considered to be an affiliated entity of another Person within the meaning of NI 45-106.

“Agency Agreements” means collectively the amended and restated agency agreement made as of October 27, 2016, with effect as of March 4, 2016, between the Trust and the Equiton Agent.

“Applicable Laws” means in respect of any Person, property, transaction or event, all present and future laws, statutes, regulations, treaties, judgments and decrees applicable to that Person, property, transaction or event and, whether or not having the force of law, all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, orders and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction or event.

“Asset Management Agreement” means the amended and restated asset management agreement made as of July 1, 2020 between the Asset Manager and the Partnership, as may be amended or amended and restated from time to time.

“Asset Manager” means a Person that is engaged for the purpose of providing asset management services to the Partnership and, currently, means Equiton Partners.

“Associate” has the meaning given thereto in the *Securities Act* (Ontario), as amended or supplemented from time to time.

“Auditors” means the firm of chartered accountants appointed as the auditors of the Trust from time to time and, currently, means Grant Thornton LLP.

“Business Day” means a day, other than a Saturday or Sunday, on which Schedule 1 chartered banks are open for business in Toronto, Ontario.

“Capital Contribution” means the capital contributed by a Partner to the Partnership pursuant to the LP Agreement.

“Class A LP Unit” means a voting Class A limited partnership unit of the Partnership.

“Class A Trust Unit” means a voting Class A trust unit of the Trust.

“Class A Purchase Options” means the three different purchase options by which Subscribers may subscribe for Class A Trust Units, as described in *“Purchase Options”*.

“Class B LP Unit” means a voting Class B limited partnership unit of the Partnership.

“Class B Trust Unit” means a voting Class B trust unit of the Trust.

“Class C LP Unit” means a voting Class C limited partnership unit of the Partnership.

“Class C Trust Unit” means a voting Class C trust unit of the Trust.

“Class F LP Unit” means a voting Class F limited partnership unit of the Partnership.

“Class F Trust Unit” means a voting Class F trust unit of the Trust.

“Class I LP Unit” means a voting Class I limited partnership unit of the Partnership.

“Class I Trust Unit” means a voting Class I trust unit of the Trust.

“CRA” means the Canada Revenue Agency.

“Declaration of Trust” means the third amended and restated declaration of trust of the Trust made as of February 28, 2019, as it may be further amended from time to time.

“Deferred Sales Charge” means the charge (if any) that is applied against the redemption proceeds payable to a Trust Unitholder for an early redemption of Class A Trust Units, which charge is set out in the subscription agreement entered into between the Subscriber and the Trust in respect of the Class A Trust Units. See *“Purchase Option”*.

“Dissenting Offeree” means, where a Take-Over Bid is made for all of the Trust Units other than those held by the Offeror, a Trust Unitholder who does not accept the Take-Over Bid.

“Distribution Date” means in respect of each Distribution Period, a Business Day on or about the 15th day following such Distribution Period or such other distribution date as may be determined by the Trustees in their sole discretion.

“Distribution Period” means each calendar month in each fiscal year of the Trust or the Partnership, as applicable, or such other distribution period as may be determined by the Trustees or the General Partner, as applicable, in their or its sole discretion.

“Distribution Record Date” means, unless otherwise determined by the Trustees, the last Business Day of each Distribution Period, except for the final Distribution Period in the fiscal year of the Trust, where the Distribution Record Date shall be December 31.

“DRIP” means the distribution reinvestment plan of the Trust, as may be amended from time to time.

“Equiton Agent” means Equiton Capital Inc., a corporation governed by the laws of the province of Ontario and registered as an exempt market dealer in certain jurisdictions.

“Equiton Loans” means loans (if any) made to the Partnership by Equiton Partners.

“Equiton Partners” means Equiton Partners Inc., a corporation governed by the laws of the Province of Ontario.

“Equiton Partners Appointees” has the meaning set out in *“The Business of the Trust – Structure”*.

“Fee Based Account” means an account in which the Subscriber would hold Class F Trust Units and which already has fees attached to the assets in such account and/or where the advisor or portfolio manager is already being paid fees for service such that if commissions or trailers would

be paid to the advisor or portfolio manager, the Subscriber would in effect be paying duplicate fees.

“Finance Committee” means the finance committee of the Trustees which may be established pursuant to the Declaration of Trust.

“Focus Activity” has the meaning set out in *“Material Contracts – Declaration of Trust – Investment Guidelines and Operating Policies”*.

“generally accepted accounting principles” or **“GAAP”** means Canadian generally accepted accounting principles, as amended from time to time. Except as otherwise specified, all accounting terms used in this Offering Memorandum shall be construed in accordance with GAAP.

“General Partner” means Equiton Residential Income Fund GP Inc., a corporation incorporated under the laws of the Province of Ontario to be the general partner of the Partnership, or any successor general partner of the Partnership.

“Governmental Authority” means any:

- (a) multinational, federal, provincial, state, regional, municipal, local, or foreign government, governmental or public department, central bank, court, tribunal, arbitral body, arbitrator, commission, board, bureau, agency or instrumentality, domestic or foreign;
- (b) subdivision, agent, commission, board or authority of any of the foregoing;
- (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above; or
- (d) arbitrator exercising jurisdiction over the affairs of the applicable Person, asset, obligation or other matter.

“Gross Asset Value of the Partnership” means, at any time,

- (a) the greater of:
 - (i) the book value of the assets of the Partnership (including the Properties), as shown on its then most recent balance sheet, plus the amount of accumulated depreciation and amortization thereon, determined in accordance with GAAP; and
 - (ii) the historical cost of Properties, plus (A) the carrying value of cash and cash equivalents, (B) the carrying value of mortgages receivable, and (C) the historical cost of other assets and investments used in operations, determined in accordance with GAAP; or
- (b) if approved by the Partnership, the aggregate appraised value of the Properties as determined internally by the Partnership or externally by way of third-party appraisals.

“Gross Book Value” means, at any time,

- (a) the greater of:
 - (i) the book value of the assets of the Trust, as shown on its then most recent balance sheet, plus the amount of accumulated depreciation and amortization thereon; and
 - (ii) the historical cost of the investment properties, plus (A) the carrying value of cash and cash equivalents, (B) the carrying value of mortgages receivable, and (C) the historical cost of other assets and investments used in operations; or
- (b) if approved by a majority of the Trustees, the appraised value of the assets of the Trust.

“Independent Trustee” means a Trustee who is independent within the meaning of NI 81-107.

“Limited Partner” means any Person who is from time to time admitted to the Partnership as a limited partner of the Partnership in accordance with the provisions of the LP Agreement.

“LP Agreement” means the second amended and restated limited partnership agreement made as of July 1, 2020, between the General Partner and the Limited Partners as it may be amended, supplemented or amended and restated from time to time.

“LP Unit” means an outstanding limited partnership unit of the Partnership including a Class A LP Unit, Class B LP Unit, Class C LP Unit, Class F LP Unit, Class I LP Unit and a Redeemable LP Unit.

“Market Value” has the meaning set out in *“Material Contracts – Declaration of Trust – Redemption of Trust Units”*.

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended from time to time (including any successor rule or policy thereto).

“Monthly Limit” has the meaning set out in *“Material Contracts – Declaration of Trust – Redemption of Trust Units”*.

“Mortgage Insurance Fees” means fees charged by Canada Mortgage and Housing Corporation or a similar mortgage insurer.

“Net Realized Capital Gains” means for any taxation year the amount, if any, by which the aggregate of the capital gains of the Trust realized in such taxation year, calculated in accordance with the provisions of the Tax Act (but without reference to subsection 104(6) thereof), exceeds the aggregate of (i) the aggregate of the capital losses of the Trust realized for such taxation year, calculated in accordance with the provisions of the Tax Act; and (ii) each amount determined by the Trustees in respect of any net capital loss of the Trust for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such taxation year.

“NI 45-106” means National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time (including any successor rule or policy thereto).

“NI 81-107” means National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as amended from time to time (including any successor rule or policy thereto).

“Non-Resident” means “non-resident” within the meaning of the Tax Act.

“Notes” means any promissory notes, bonds, debentures, debt securities or similar evidence of indebtedness issued by a Person.

“Offering” means the offering of Trust Units pursuant to this Offering Memorandum.

“Offering Memorandum” means this confidential offering memorandum, as it may be amended, supplemented and/or amended and restated from time to time.

“Offeror” means a Person, or two or more Persons acting jointly or in concert, that makes a Take-Over Bid.

“OM Marketing Materials” means any marketing materials or other written communication, other than an OM standard term sheet (as such term is defined in NI 45-106), intended for prospective Subscribers regarding the Offering that contains material facts relating to the Trust, Trust Units or the Offering.

“Ordinary Resolution” means a resolution of the Voting Unitholders, approved by not less than 50% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the Trust or by way of a written resolution.

“Partners” means, collectively, the General Partner and the Limited Partners, and **“Partner”** means any of them.

“Partnership” means Equiton Residential Income Fund LP, a limited partnership governed by the laws of the Province of Ontario.

“Partnership Distributable Income” means for or in respect of any period the consolidated net income of the Partnership and its Subsidiaries for the period computed in accordance with GAAP, subject to certain adjustments, including: (i) adding or adding back the following items, as the case may be: depreciation, amortization, future income tax expense, losses on dispositions of assets and amortization of any net discount on long-term debt assumed from vendors of Properties at rates of interest less than fair value incurred after the date of acquisition; (ii) deducting the following items: future income tax credits, maintenance capital expenditures, interest on convertible debentures or other debt to the extent not already deducted in computing net income, gains on dispositions of assets and amortization of any net premium on long-term debt assumed from vendors of Properties at rates of interest greater than fair value incurred after the date of acquisition; (iii) and other reserves or adjustments as determined by the General Partner in its discretion. Partnership Distributable Income may be estimated by the General Partner whenever the actual amount has not been fully determined. Such estimates shall be adjusted as of a subsequent distribution date of the Partnership when the amount of Partnership Distributable Income has been determined by the General Partner. Partnership Distributable Income shall be calculated for each Distribution Period or other calendar period selected by the General Partner.

“Person” means an individual, partnership, limited partnership, corporation, unlimited liability company, trust, unincorporated organization, association, government, or any department or agency thereof and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual, or any other entity recognized by law.

“Prime Rate” means at any time the rate of interest expressed as a rate per annum which the Bank of Montreal establishes from time to time at its head office in Toronto, Ontario as the reference rate of interest in order to determine the interest rate it will charge for loans in Canadian dollars to its Canadian customers and which it refers to as its prime rate.

“Properties” means the properties acquired and set out in Schedule A – Description of Properties, along with such other real estate properties owned by the Partnership from time to time.

“Property Manager” means a Person that is engaged for the purpose of providing property management services to the Partnership and, currently, means Equiton Partners.

“Property Management Agreement” means the property management agreement made as of March 1, 2016, between the Property Manager and the Partnership, as it may be amended from time to time.

“Realization Event” means (a) a sale or other disposition of a property of the Partnership, (b) a financing or refinancing of a property of the Partnership or (c) an issuance of additional LP Units by the Partnership (including, for greater certainty, an issuance of additional LP Units to the Trust following a sale of Trust Units by the Trust);

“Realization Value” means the value of the Partnership’s properties as at the effective time of a Realization Event, as determined by the General Partner, provided that, in respect of a Realization Event that is the issuance of additional LP Units by the Partnership to the Trust following a sale of Trust Units by the Trust, the applicable Realization Value may be determined by reference to the issue price of such Trust Units;

“Redemption Amount” has the meaning set out in *“Material Contracts – Declaration of Trust – Redemption of Trust Units”*.

“Redeemable LP Unit” means a voting limited partnership unit of the Partnership redeemable at the option of the Partnership, which limited partnership units may only be held by Equiton Partners and its affiliates. Holders of Redeemable LP Units will receive Special Voting Units that will entitle the holder thereof to one vote at meetings of Voting Unitholders.

“Redemption Date” has the meaning set out in *“Material Contracts – Declaration of Trust – Redemption of Trust Units”*.

“Redemption Notes” means Notes issued by the Trust to redeeming Trust Unitholders in principal amounts equal to all or a portion of the Redemption Price of the Trust Units to be redeemed, and having the following terms and conditions;

- (a) unsecured and shall bear interest at the Prime Rate plus 2% and such interest shall be payable in cash to the holder of the Redemption Notes in the same manner as distributions under the Declaration of Trust, *mutatis mutandis*;

- (b) may be tendered for payment in the same manner as Trust Units are tendered for redemption; and
- (c) having a maturity date determined by the Trustees in their sole discretion, but in any event, not exceeding five (5) years from the date of issuance;

all as more particularly described in “*Material Contracts – Declaration of Trust – Redemption of Trust Units*”.

“**Redemption Notice**” has the meaning set out in “*Material Contracts – Declaration of Trust – Redemption of Trust Units*”.

“**Redemption Price**” means the most recent Market Value of any Trust Units to be redeemed. See “*Material Contracts – Declaration of Trust – Redemption of Trust Units*” and “*Purchase Options*”.

“**Related Party**” means, with respect to any Person, a Person who is a “related party” as that term is defined in MI 61-101 and, in respect of the Trust, shall include all Subsidiaries and all nominee corporations of the Trust.

“**Registered Plan**” has the meaning set out in “*Certain Canada Income Tax Considerations – Eligibility for Investment*”.

“**Resident Canadian**” means a Person who is a resident of Canada for purposes of the Tax Act.

“**Securities Act**” means the *Securities Act* (Ontario), R.S.O. 1986, c. S.5, as amended.

“**Short Term Trading Fee**” means the fee (if any) that is applied against the redemption proceeds payable to a Trust Unitholder for an early redemption of Trust Units (other than Special Voting Units), which fee is set out in the subscription agreement entered into between the Subscriber and the Trust in respect of the subject Trust Units;

“**Special Resolution**” means a resolution of the Voting Unitholders, approved by not less than 66 $\frac{2}{3}$ % of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the Trust or by way of a written resolution.

“**Special Voting Units**” means special voting units of the Trust, which shall entitle the holder to one vote per Special Voting Unit and are issued in connection with or in relation to Redeemable LP Units, for the purpose of providing voting rights with respect to the Trust to the holders of the Redeemable LP Units.

“**Subscriber**” means a Subscriber of Trust Units in connection with the Offering.

“**Subsidiary**” has the meaning set out in NI 45-106.

“**Take-Over Bid**” has the meaning given to such term in the Securities Act.

“**Tax Act**” means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c.1, as amended.

“**Trust**” means Equiton Residential Income Fund Trust.

“Trust Distributable Income” means the Trust Income plus the Net Realized Capital Gains, subject to any other adjustments as determined by the Trustees.

“Trust Income” means, for any taxation year of the Trust, the amount by which the income of the Trust for such taxation year, computed in accordance with the provisions of the Tax Act (but without reference to paragraph 82(1)(b) and subsection 104(6) thereof) and taking into account such other amounts and adjustments as are determined in the discretion of the Trustees regarding the calculation of income for the purposes of determining the “taxable income” of the Trust, exceeds each amount determined by the Trustees in respect of any non-capital loss for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such year; provided, however, that capital gains and capital losses will be excluded from the computation of the Trust Income and, if an amount has been designated by the Trust under subsection 104(19) or subsection 104(22) of the Tax Act, such designation shall be disregarded.

“Trust Property” means, at any particular time, any and all assets of the Trust, including, without limitation, all proceeds therefrom.

“Trust Unit” means a unit of beneficial interest in the Trust and includes a Class A Trust Unit, Class B Trust Unit, Class C Trust Unit, Class F Trust Unit or a Class I Trust Unit and a fraction of a unit and such other classes of units of the Trust authorized by the Trustees from time to time.

“Trust Unitholder” means a holder of one or more Trust Units.

“Trustees” means the trustees of the Trust as appointed from time to time in accordance with the Declaration of Trust.

“Vendor” means the vendor of the Properties as applicable.

“Voting Unitholder” means a holder of one or more Trust Units or Special Voting Units.

“Voting Units” means the Trust Units and the Special Voting Units.

“Wholesale Costs” has the meaning set out in *“Compensation Paid to Sellers and Finders”*.

SUMMARY

The following is a summary only and is qualified by the more detailed information and financial statements, including the notes thereto, appearing elsewhere in this Offering Memorandum. Certain terms used in this Offering Memorandum are defined in the Glossary. All dollar amounts in this Offering Memorandum are in Canadian dollars unless otherwise indicated.

Description of Trust

Equiton Residential Income Fund Trust (the “**Trust**”) is an unincorporated open-ended real estate investment trust created by a declaration of trust dated March 1, 2016, as amended and restated on February 28, 2019, and as amended as of March 30, 2022, governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See “*Declaration of Trust*” and “*Terms of Trust Units*”. The Trust was established with the objective of investing indirectly in the business of the Partnership through its acquisition of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units. All or substantially all of the net proceeds of the Offering will be invested in the Partnership through the purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units, in equal proportion to the number of Class A Trust Units, Class B Trust Units, Class C Trust Units, Class F Trust Units and Class I Trust Units sold pursuant to the Offering.

The Offering

Issuer:	Equiton Residential Income Fund Trust.
Issue:	An unlimited number of Class A, Class B, Class C, Class F and Class I trust units of the Trust (collectively, the “ Trust Units ”).
Price:	Determined by the Trustees from time to time and set forth in the subscription agreement(s) entered into between the Subscriber and the Trust.
Eligible Subscribers for Trust Units:	Investors who are eligible to purchase Trust Units on an exempt basis under, and subject to compliance with, applicable securities laws.
Closings:	Closings will take place periodically as agreed upon by the Trust, the Equiton Agent and the Subscriber.
Attributes of Trust Units:	The Trust Units represent the beneficial ownership interest of the holders thereof in the Trust. Each Trust Unit carries one (1) vote at meetings of Voting Unitholders and a holder thereof is entitled to distributions as described herein. See “ <i>Material Contracts – Declaration of Trust</i> ” and “ <i>Terms of Trust Units</i> ”.
Use of Proceeds:	Net proceeds of the Offering are to be used to purchase Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units of the Partnership, as applicable. See “ <i>Use of Available Funds</i> ”.

Any OM Marketing Materials prepared by the Trust and made available to a prospective investor are deemed to be incorporated by reference into this Offering Memorandum.

Management of Trust

The Declaration of Trust provides that the assets and operations of the Trust will be subject to the control and authority of a minimum of two (2) and a maximum of nine (9) Trustees, a majority of whom must be resident Canadians.

Equiton Partners is entitled to appoint up to four (4) Trustees, provided that following such appointments, a majority of the Trustees are Independent Trustees. Pursuant to NI 81-107, an “independent” trustee is one who has no direct or indirect material relationship with the Trust which could, in the view of the board of trustees, reasonably interfere with a trustee’s independent judgement. Trustees (other than the Equiton Partners Appointees) are elected at a special meeting of the Voting Unitholders or in the absence of a special meeting of Voting Unitholders, appointed by the remaining Trustees. Certain decisions respecting the affairs of the Trust must be made by unanimous consent of the Independent Trustees, of which there must be more than one. The Declaration of Trust provides that the Trustees may appoint a Finance Committee and Additional Committees, and the majority of the members of each such committee must be Independent Trustees.

See “*Material Contracts – Declaration of Trust*”.

The Asset Manager

Equiton Partners has been engaged by the Partnership to act as the Asset Manager. The Asset Manager is responsible for managing the assets of the Partnership and providing advice with respect to the Partnership’s real property investment portfolio and is entitled to receive fees pursuant to the Asset Management Agreement.

The Asset Manager is to perform the services set out in the Asset Management Agreement. The initial term of the Asset Management Agreement was for five (5) years and expired on March 1, 2021. In accordance with the terms of the Asset Management Agreement, upon expiration of the initial term, the Asset Management Agreement was automatically renewed for a further five (5) year term expiring on March 1, 2026 and thereafter will automatically continue for further terms of five (5) years unless terminated by either party. The Asset Manager is responsible for: providing ongoing analysis of the market in Canada and elsewhere for multi-unit residential rental properties; providing acquisition, disposition and asset management advice to the Partnership; performing due diligence on any properties being considered for acquisition by the Partnership; hiring and managing specialists, consultants, advisors or other like persons reasonably required from time to time in furtherance and support of its services, provided that the fees and out-of-pocket costs of each such specialist, consultant and advisor will be for the account of the Partnership and not for the account of the Asset Manager; preparing and distributing annual estimates on a property-by-property basis of the amount to be reserved from the revenues of the Properties for any necessary capital repairs; establishing and maintaining a commercial bank overdraft line of credit to protect the Partnership and any Subsidiary against overdraft charges; using cash reserves from the Properties to manage the cash flow requirements of the Partnership and any Subsidiaries, including the invoice and collection of interest on any short term loans made to individual Subsidiaries from such cash reserves; considering and implementing, in its discretion, as aforesaid, interest rate, currency, commodity and other financial hedges and other policies to manage (increasing, maintaining or decreasing) risk exposure for the Partnership and its Subsidiaries on a consolidated basis; opening and managing any investment, banking, trading or brokerage account required for it to manage the aforementioned financial hedges; and using

commercially reasonable efforts to arrange with third-party lenders short and long term financing or refinancing for one or more Properties or for the Partnership, provided the foregoing shall in no circumstances constitute an undertaking by the Asset Manager to make any loan to the Partnership or any Subsidiary at any time in any amount.

See “*Material Contracts – The Asset Management Agreement*”.

The Property Manager

Equiton Partners has been engaged by the Partnership to act as the Property Manager. The Property Manager is to manage the Properties and is to receive fees pursuant to the Property Management Agreement for an initial term of five (5) years which expired on March 1, 2021. In accordance with the terms of the Property Management Agreement, upon expiration of the initial term, the Property Management Agreement was automatically renewed for a further five (5) year term expiring on March 1, 2026 and thereafter will automatically continue for further terms of five (5) years unless terminated by either party. The Property Manager has the right to hire a subcontractor to sub-manage any of the Properties if, in the opinion of the Property Manager, this would be in the best interest of the Property in question. See “*The Property Manager*” and “*Material Contracts – Property Management Agreement*”.

The Partnership’s portfolio of residential properties’ occupancy of rent ready units as at January 31, 2024 was 98%. Overall, the portfolio is in good condition with an average age of 50 years.

Management and Investment Strategy

The personnel of the Asset Manager have significant experience in all aspects of the rental housing business, including acquisitions and dispositions, finance and administration, property management, construction and renovation, and marketing and sales. See the principal occupation and related experience of Jason Roque and Helen Hurlbut in “*Interests of Trustees, Management, Promoters and Principal Holders – Management Experience*”. These skills will permit the Partnership to capitalize upon many multi-unit residential real estate opportunities which may be unavailable to other real estate investors who lack the requisite diversity of real estate experience. Pursuant to the Declaration of Trust, the Trust is limited in acquiring a single asset (excluding any portfolio of properties) with an acquisition cost (net of the amount of debt secured by such asset) of more than 20% of Gross Book Value once Gross Book Value reaches or exceeds one hundred and fifty million dollars (\$150,000,000). The Gross Book Value currently exceeds this threshold.

The Asset Manager seeks to enhance the value of the Properties through a number of distinct and well executed strategies, including: a commitment to customer satisfaction; maintenance and repair programs; quality on-site building staff; detailed financial reporting; strategic debt management; enhancement of the Partnership’s portfolio; and timely communications and disclosure. The Asset Manager was initially focused on secondary markets as well as value add opportunities, but has now also moved into primary markets as opportunities have become available. The Asset Manager is now focused on building scale and efficiencies in markets in Ontario and expanding into other provinces. Two properties were acquired in Alberta in 2022 and the Asset Manager will look to expand into other major Canadian markets as the Partnership’s portfolio grows. The Asset Manager seeks to use the strength of the Partnership’s portfolio to obtain more competitive financing and pricing on commodities and contracted expense items. See “*Management and Investment Strategies*”.

The Trust

The Trust is a “mutual fund trust” for purposes of the Tax Act and has been established to carry on activities in order to produce income for the exclusive benefit of the Trust Unitholders. The objective of the Trust is to invest indirectly in properties and other investments held by the Partnership from time to time through its acquisition of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units. All or substantially all of the net proceeds of the Offering will be invested in the Partnership through the purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units.

The Trust currently indirectly owns, through its ownership of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units, a number of Properties in various communities. See *Schedule “A” – Description of Properties*.

The Partnership

The Partnership seeks to directly or indirectly acquire, invest, hold, transfer, dispose of or otherwise deal with investments in and undertake the business, ownership, operation and lease of assets and property. The Partnership’s focus is in Canada.

Investment Guidelines and Operating Policies

The Declaration of Trust contains investment guidelines and operating policies. The investment guidelines in the Declaration of Trust set out generally the parameters under which the Trust and its Subsidiaries will be permitted to invest and include, among other things, criteria with respect to the types of properties which the Trust and its Subsidiaries may acquire and the maximum amount of mortgage loans in which the Trust and its Subsidiaries may invest. The operating policies address, among other things, the level of the Trust’s debt and the requirements for insurance coverage and environmental audits. The operating policies may be changed upon the approval of a majority of the votes cast by Trust Unitholders at a meeting called for such purpose. See *“Investment Guidelines and Operating Policies”*.

The investment guidelines may be amended by a Special Resolution at a meeting of the Voting Unitholders called for the purpose of amending the investment guidelines unless such change is necessary to ensure compliance with Applicable Laws, regulations or other requirements by applicable regulatory authorities from time to time, to maintain the status of the Trust as a “mutual fund trust” for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof.

Property Mortgages, Equiton Loans and Redeemable LP Units

No indebtedness shall be incurred or assumed by the Trust, or any Subsidiary of the Trust, or the Partnership, if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the Trust would amount to more than 75% of Gross Book Value. See *“Investment Guidelines and Operating Policies”*. See *Schedule “B” – Summary Information about Mortgages*.

Equiton Loans and Redeemable LP Units

In the event that the available funds invested in the Partnership are not sufficient to complete any future acquisitions, the Partnership may arrange the following forms of financing (See *“Property Mortgages, Equiton Loans and Redeemable LP Units”*):

- (a) Equiton Loans to the Partnership from Equiton Partners in order to complete any future acquisitions. The terms and conditions of such Equiton Loans will be determined at the time of making such loans, however, the Trust anticipates such Equiton Loans will be interest only payable loans, with no fixed term, and will bear interest at a fixed annual rate of the Prime Rate plus 2.00%, payable monthly. Additionally, the Trust anticipates the Equiton Loans will be repayable to Equiton Partners in cash or Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units (at the discretion of Equiton Partners) and will be assignable by Equiton Partners; and
- (b) the issuance of Redeemable LP Units to Equiton Partners. For each Redeemable LP Unit issued, the Trust shall issue to such recipient one Special Voting Unit, which Special Voting Unit entitles the holder to one vote.

As at July 20, 2020, 995,733 Redeemable LP Units had been issued to Equiton Partners. On July 20, 2020, all of the Redeemable LP Units held by Equiton Partners were transferred to the Trust at a purchase price equal to the fair market value of such transferred Redeemable LP Units. As at the date of this Offering Memorandum, no further Redeemable LP Units have been issued to Equiton Partners.

Equiton Partners, as the Asset Manager, receives a financing fee equal to 1.0% of the loan amount for each senior or first ranking financing transaction; a financing fee equal to 0.5% of the loan amount for each refinancing transaction with an existing lender; and a financing fee equal to 1.5% of the loan amount for each mezzanine or non-first ranking financing transaction. See “*Asset Management Agreement – Asset Manager Fees*” and “*Relationship Between the Trust, the Equiton Agent, and Other Related Parties*”.

Distribution Policy

The Declaration of Trust provides that the Trust may distribute to the Trust Unitholders on or about each Distribution Date such percentage of the Trust Distributable Income (other than capital gains on which the tax may be recoverable by the Trust) for the Distribution Period then ended as the Trustees may determine in their discretion.

On the last day of each fiscal year, an amount equal to the Trust Distributable Income (other than capital gains on which the tax may be recoverable by the Trust) for such fiscal year not previously made payable to or treated as having been paid to the Trust Unitholders in such fiscal year shall be payable to the Trust Unitholders at the close of business on such day.

In addition, the Trustees may declare to be payable and make distributions, from time to time, out of the Trust Income, the Net Realized Capital Gains (other than capital gains on which the tax may be recoverable by the Trust), the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates on or before December 31 of that year as the Trustees may determine, to the extent such income, capital gains and capital has not already been paid, allocated or distributed to the Trust Unitholders. Distributions are declared and paid at the discretion of the Trustees and have been paid in cash out of the Trust’s income; however, for the majority of Trust Unitholders who have elected to participate in the DRIP, such distributions are automatically reinvested in additional Trust Units. The Trustees, in their discretion, may allocate distributions among the classes of Trust Units to adjust for the commissions, trailers and other costs attributable to the sales channels relating to each class of Trust Unit. Distributions per Trust

Unit of the same class shall be identical. See “*Material Contracts – Declaration of Trust – Distribution Policy*”.

In reporting income for income tax purposes, the Trust shall claim the maximum amount available to it as deductions under Applicable Laws, unless the Trustees determine otherwise.

Distribution Reinvestment Plan

The Trust has implemented a DRIP whereby Trust Unitholders who are Resident Canadian holders of Class A Trust Units, Class B Trust Units, Class C Trust Units, Class F Trust Units or Class I Trust Units are entitled to elect to have all or some of the cash distributions of the Trust automatically reinvested in additional Trust Units. Participants in the DRIP will receive additional bonus Trust Units in an amount equal in value to 2% of the distributions reinvested. See “*Material Contracts – Declaration of Trust – Distribution Policy – Distribution Reinvestment Plan*”.

Certain Canadian Federal Income Tax Considerations

The Trust has advised counsel that it currently qualifies, and anticipates that it will continue to qualify at all times, as a “mutual fund trust” within the meaning of the Tax Act. This summary is based on the assumption that the Trust qualifies and will continue to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act. In the event that the Trust were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described herein would, in some respects, be materially different.

The Trust is generally subject to tax under Part I of the Tax Act on its income for each taxation year, including net realized taxable capital gains for that year and its allocated share of income of each source of the Partnership for its fiscal periods ending in or coincidentally with such taxation year, less the portion thereof that the Trust deducts in respect of the amounts paid or payable, or deemed to be paid or payable, in the year to Trust Unitholders.

A Trust Unitholder is generally required to include in income for a particular taxation year the portion of the Trust Income and the taxable portion of Net Realized Capital Gains of the Trust for the taxation year ending in or coincidentally with the particular taxation year of the Trust Unitholder, that is paid or payable, or deemed to be paid or payable, to the Trust Unitholder in the particular taxation year, whether such portion is received in cash, additional Trust Units or otherwise.

Any other amount in excess of the Trust Income and Net Realized Capital Gains of the Trust that is paid or payable, or deemed to be paid or payable, by the Trust to a Trust Unitholder in a taxation year, generally is not required to be included in the Trust Unitholder’s income for the year. A Trust Unitholder is generally required to reduce the adjusted cost base of its Trust Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Trust Units and the non-taxable portion of Net Realized Capital Gains of the Trust for the year, the taxable portion of which was designated by the Trust in respect of the Trust Unitholder) paid or payable to such Trust Unitholder by the Trust that was not included in computing the Trust Unitholder’s income. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Trust Unitholder from the disposition of the Trust Unit and will be added to the adjusted cost base of the Trust Unit so that the adjusted cost base will be reset to zero.

On a disposition or deemed disposition of a Trust Unit (including a redemption), a Trust Unitholder who holds their Trust Units as capital property will generally realize a capital gain (or a capital loss) equal to the amount by which the Trust Unitholder's "proceeds of disposition" (as defined in the Tax Act) exceed (or are less than) the aggregate of the adjusted cost base of the Trust Unit and any reasonable costs of disposition. Generally, one-half of any capital gain (a "taxable capital gain") realized by a Trust Unitholder will be included in income as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") realized by a Trust Unitholder must generally be deducted from taxable capital gains realized by the Trust Unitholder in the year of disposition.

See "*Certain Canadian Federal Income Tax Considerations*" and "*Risk Factors – Tax Related Risks*".

Risk Factors

There are certain risk factors inherent in an investment in the Trust Units and in the activities of the Trust, including, but not limited to, risks related to availability of distributable income, liquidity and potential price fluctuations of the Trust Units, redemption risk, tax related risks, litigation risks, risks of real estate investment and ownership, development risks, mortgage refinancing, availability of cash flow, risk of changes in government regulation, environmental matters, Trust Unitholder liability, dependence on key personnel, potential conflicts of interest, changes in legislation, investment eligibility and dilution arising from the issue of additional Trust Units. See "*Risk Factors*".

Tax Related Risks

There can be no assurance that Canadian federal or provincial income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust or the Trust Unitholders.

If the Trust ceases to qualify as a "mutual fund trust" for the purposes of the Tax Act, the income tax consequences described under "*Certain Canadian Federal Income Tax Considerations*" would in some respects be materially and adversely different.

The Trust or its Subsidiaries may be reassessed for taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect the Trust and the Trust Unitholders.

See "*Risk Factors – Tax Related Risks*".

Subscription Procedures

Subscribers wishing to subscribe for Trust Units will be required to enter into a Subscription Agreement with the Trust which will contain, among other things, representations, warranties and covenants by the Subscriber in favour of the Trust. See "*Subscription Procedure*".

Purchase Options

Class A Trust Units:

Subscribers may subscribe for Class A Trust Units through the Equiton Agent or through a registered dealer acting as a sub-agent using one of three purchase options (the “**Purchase Options**”):

Option 1 – Deferred Sales Charge Option – the Equiton Agent or sub-agent or other Selling Agents receive an upfront commission of 6% of the subscription price. A Deferred Sales Charge will be set-off against the redemption price of any such Class A Trust Units prior to the fifth anniversary of a Subscriber’s subscription.

Option 2 – Low Load Option – the Equiton Agent or sub-agent or other Selling Agents receive an upfront commission of 3% and an ongoing trailing commission of 0.75% per annum for so long as the Subscriber remains a holder of such Class A Trust Units. There will be a Short Term Trading Fee set-off against the redemption price of any such Class A Trust Units prior to the third anniversary of a Subscriber’s subscription.

Option 3 – Front Load Option – the Equiton Agent or sub-agent or other Selling Agents negotiate a commission (if any) which the Subscriber pays directly and the Equiton Agent or sub-agent or other Selling Agents receive an ongoing trailing commission of 1% per annum for as long as the Subscriber remains a holder of such Class A Trust Units. There will be a Short Term Trading Fee set-off against the redemption price of any Class A Trust Unit within the first 6 months of a Subscriber’s subscription.

Class B Trust Units:

Subscribers may subscribe for Class B Trust Units through the Equiton Agent or through a registered dealer acting as a sub-agent. The Equiton Agent or sub-agent receives an upfront commission of 3% of the subscription price and an ongoing trailing commission of 0.25% per annum for as long as the subscriber remains a holder of such Class B Units. Subscribers purchasing Class B Trust Units must hold upon Closing, unless waived by the issuer, Class B Trust Units with an aggregate initial purchase cost not less than an amount determined by the Trust (the “**Class B Minimum Investment Amount**”). The Class B Minimum Investment Amount may be changed by the Trust from time to time. There will be a Short Term Trading Fee set-off against the redemption price of any such Class B Trust Units prior to the third anniversary of a Subscriber’s subscription.

Class C Trust Units:

Subscribers may subscribe for Class C Trust Units through the Equiton Agent or through a registered dealer acting as a sub-agent. The Equiton Agent or sub-agent receives an upfront commission of 1.0% of the subscription price. Subscribers purchasing Class C Units must hold upon Closing, unless waived by the issuer, Class C Trust Units with an aggregate initial purchase cost not less than an amount determined by the Trust (the “**Class C Minimum Investment Amount**”). The Class C Minimum Investment Amount may be changed by the Trust from time to time. There will be a Short Term Trading Fee set-off against the redemption price of any such Class C Trust Units prior to the third anniversary of a Subscriber’s subscription.

Class F Trust Units:

Class F Trust Units may generally only be subscribed for by Fee-Based Accounts where the Subscriber pays an annual fee to a dealer pursuant to a fee-based program. No upfront commission and no trailing commission are paid on Class F Trust Units. There will be a Short Term Trading Fee set-off against the redemption price of any such Class F Trust Units within the first 6 months of a Subscriber's subscription.

Investment advisors and/or Subscribers that purchase or purchased Class F Trust Units in an aggregate amount equal to \$5,000,000, or such other amount as may be determined by the Trustees from time to time, will have the option, subject to the consent of the Trustees, to re-designate such Class F Trust Units as Class I Trust Units at a ratio of one Class F Trust Unit to one Class I Trust Unit.

Class I Trust Units:

Class I Trust Units are designed for institutional investors. The fees payable on Class I Trust Units will be determined based on negotiation and agreement between a Subscriber and the Trust.

Redemption Rights

The Trust Units are redeemable upon demand of the Trust Unitholder. However, these redemption rights are subject to limitations, including a monthly cash redemption limit of \$50,000 in respect of all Trust Units tendered for redemption. If the redemptions tendered in a calendar month exceed the foregoing limit, then the Trust may satisfy the payment of the Redemption Amount, in part, by the issuance Redemption Notes, which are promissory notes. Any Redemption Notes which may be received as a result of a redemption of Trust Units will likely not be qualified investments for a Registered Plan and may give rise to adverse tax consequences if held by a Registered Plan. See "*Material Contracts – Declaration of Trust – Redemption of Trust Units*" and "*Eligibility for Investment by Registered Plans.*" It is the Trustees' intention to manage liquidity in the Trust and Partnership to enable the Trust to accommodate redemptions representing in aggregate 5% of the outstanding Trust Units annually. For information about the Trust's historical redemptions, see *Schedule "D" – Historical Redemptions*.

Resale Restrictions

The Trust Units are not listed on an exchange. There is currently no secondary market through which the Trust Units may be sold, there can be no assurance that any such market will develop, and the Trust has no current plans to develop such a market. Accordingly, the sole method of liquidation of an investment in Trust Units is by way of a redemption of the Trust Units. Aggregate redemptions are limited to \$50,000 per month in cash unless otherwise approved by the Trustees, with the remainder of any redemptions in excess of \$50,000 being satisfied by the issuance of Redemption Notes. See "*Material Contracts – Declaration of Trust – Redemption of Trust Units*".

Subscribers of Trust Units are advised to seek legal advice prior to any resale of the Trust Units. Pursuant to the Declaration of Trust, Trust Unitholders may transfer Trust Units only with the approval of the Trustees. The Trustees shall have the power to restrict the transfer of Trust Units on the books of the Trust without liability to Trust Unitholders or others who will thereby be restricted from accepting a transfer of Trust Units. See "*Resale Restrictions*".

Subscribers' Rights of Action

Each Subscriber has two Business Days to cancel its subscription to purchase the Trust Units. Subscribers of Trust Units pursuant to this Offering Memorandum have a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the Offering Memorandum and any amendment to it contains an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the Subscriber within the time limits prescribed by applicable securities legislation. See "*Subscribers' Rights of Action*".

USE OF AVAILABLE FUNDS

Funds

The following table discloses the net proceeds of the Offering:

		Assuming Minimum Offering (1)	Assuming Maximum Offering (1)
A	Amount to be raised pursuant to the Offering	N/A	N/A
B	Selling commissions and fees (2)	N/A	N/A
C	Estimated offering costs (including printing, legal, accounting and audit) (3)	N/A	N/A
D	Available funds: $D = A - (B+C)$	N/A	N/A
E	Additional sources of funding required (4)	N/A	N/A
F	Working capital deficiency	N/A	N/A
G	Total: $G = (D+E) - F$	N/A	N/A

Notes:

- (1) There is no minimum or maximum Offering. The Trust will offer an unlimited number of Trust Units on a continuous basis. The minimum subscription amount per subscription is \$10,000 or such lower amount as the Trust may determine from time to time and set forth in the subscription agreement entered into between the Subscriber and the Trust.
- (2) Trust Units are sold through the Equiton Agent and sub-agents or other Selling Agents (the "**securities dealers**"). It is expected that the Trust will pay compensation to the Equiton Agent and/or other securities dealers, up to a maximum of 6% of the subscription proceeds. The Trust may also pay trailing commissions to the Equiton Agent and/or other securities dealers in respect of Trust Units sold by them or held in the client accounts of such securities dealers. The trailing commission varies based on the Class A Purchase Option through which the Trust Units are purchased, and the class of Trust Units purchased. In addition, the Trust will pay: wholesale costs to the Equiton Agent equal to 1.25% of the gross proceeds of the Offering, other than for Trust Units purchased pursuant to the Deferred Sales Charge Option (defined herein), and 0.5% of the gross proceeds of the Offering with respect to Trust Units purchased pursuant to the Deferred Sale Charge Option; a dealer fee of 1.5% of the gross proceeds of the Offering to the selling agent dealer based on sales made by that dealer, and a lead agent fee of up to 0.5% of the gross proceeds of the Offering to the Equiton Agent and any co-lead agent appointed by the Equiton Agent. To the extent that the Trust is responsible for the payment of compensation to the Equiton Agents and/or other securities dealers, the funds available to the Trust will be reduced. See "*Compensation Paid to Sellers and Finders*" and "*Purchase Option*". The Trust is considered a "connected" or "related" issuer to the Equiton Agent. See "*Relationship between the Trust and the Equiton Agent*".

- (3) The estimated costs include legal, consulting, accounting and printing costs associated with the Offering are estimated to be approximately \$150,000.
- (4) If additional funding is required by the Partnership, the Partnership may arrange for access to the Equiton Loans and issuance of Redeemable LP Units. See “*Additional Financing*”. Equiton Partners is a Related Party of the Trust. See “*Relationship between the Trust, the Equiton Agent and other Related Parties*”.

Use of Available Funds

The following table provides a detailed breakdown of how the Trust will use the available funds of the Offering in the 12 months following the date of this Offering Memorandum:

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming Minimum Offering ⁽¹⁾	Assuming Maximum Offering
Investment by the Trust in Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units ^{(1) (2)}	N/A	N/A

Notes:

- (1) There is no minimum or maximum Offering. The Trust is offering an unlimited number of Trust Units on a continuous basis.
- (2) The Partnership proposes to use the net proceeds of the sale of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units it receives from the investment by the Trust (i) for future acquisitions; (ii) to pay expenses of the acquisition of the Properties including reports and mortgage financing fees; (iii) to pay the Transaction Fee and Financing Fee to the Asset Manager; (iv) to repay debt; and (v) for working capital purposes. The General Partner and Equiton Partners are considered Related Parties to the Trust as a result of Jason Roque and Helen Hurlbut being two of the Trustees of the Trust and acting as director and President and Chief Financial Officer, respectively, of each of the General Partner and Equiton Partners. Additionally, the General Partner and Equiton Partners are controlled by Jason Roque. See “*Relationship between the Trust, the Equiton Agent and Other Related Parties*”.

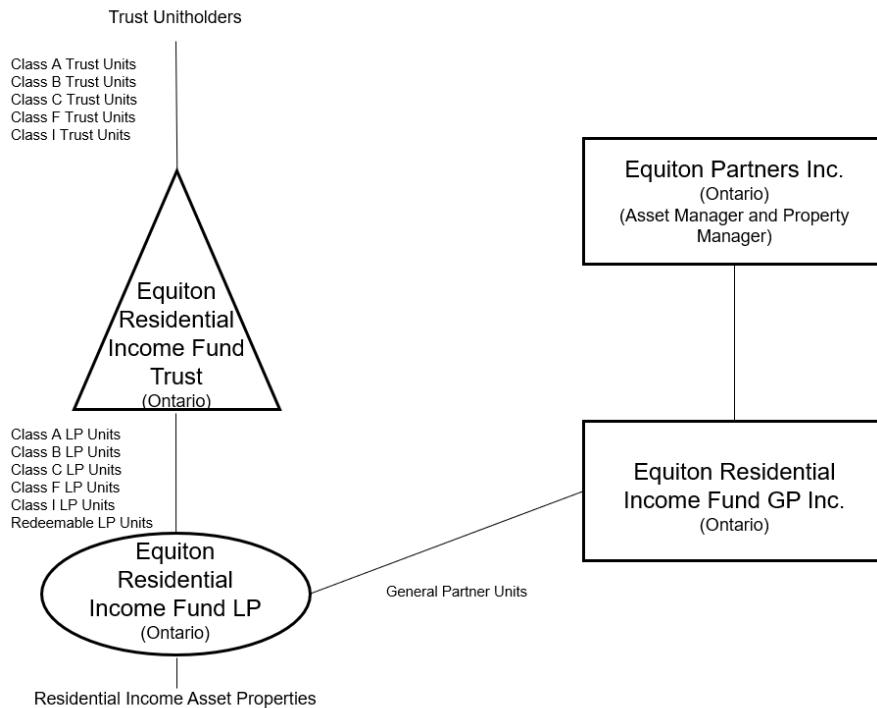
All of the net proceeds raised by the Trust from the sale of Trust Units pursuant to the Offering will be invested in the Partnership through the purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units, in equal proportion to the number of Class A Trust Units, Class B Trust Units, Class C Trust Units, Class F Trust Units and Class I Trust Units sold pursuant to the Offering. The proceeds of such sale of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units will be utilized by the Partnership to carry out its investment objectives and strategy. See “*The Partnership’s Business*”.

THE TRUST

Structure

The Trust is an unincorporated open-ended real estate investment trust created by a declaration of trust dated March 1, 2016, as amended and restated on February 28, 2019, and as amended as of March 30, 2022, governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See “*Declaration of Trust*” and “*Terms of Trust Units*”. The Trust was established with the objective of investing indirectly in the business of the Partnership through its acquisition of LP Units. All or substantially all of the net proceeds of the Offering are invested in the Partnership through the purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units.

The following diagram sets out the principal operating structure of the Trust:



Trustees are responsible for the general control and direction of the Trust. The only business of the Trust will be to own Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units. The Partnership will in turn own all of the shares of all of the nominee corporations which are intended to own the Properties.

The Asset Manager manages the day-to-day operations of the assets of the Partnership. See *“The Asset Manager”*. The Property Manager manages all aspects of the operation of the Properties. See *“The Property Manager”*. Acquisitions will be subject to specific investment guidelines and the Trust, and indirectly the Partnership, will be subject to specific operating policies. See *“Investment Guidelines and Operating Policies”*.

Trustees

The Declaration of Trust provides that the assets and operations of the Trust will be subject to the control and authority of a minimum of two (2) and a maximum of nine (9) Trustees. Each Trustee holds office until his or her successor is appointed at a special meeting of the Voting Unitholders or otherwise in accordance with the Declaration of Trust. Any Trustee may resign upon written notice to the Trust, which resignation shall become effective on the later of thirty (30) days from the date of the notice or at the time specified in the resignation, unless waived by the remaining Trustees in their discretion. An Independent Trustee may be removed at any time with or without cause by a majority of the remaining Trustees. Equiton Partners is entitled to appoint up to four (4) Trustees (the **“Equiton Partners Appointees”**), provided that following such appointments, a majority of the Trustees are Independent Trustees. The board of Trustees is currently comprised of Jason Roque and Helen Hurlbut and three Independent Trustees: David Hamilton, Aida Tammer, and C. Scot Caithness. Neither of Jason Roque and Helen Hurlbut are Independent Trustees.

The Declaration of Trust provides that the Trustees may appoint a Finance Committee and any Additional Committees. No committees of the board of Trustees have been formed at this time. Pursuant to the Declaration of Trust, each Trustee is required to exercise the powers and duties of his or her office honestly, in good faith with a view to the best interests of the Trust and the Trust Unitholders and, in connection therewith, to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Partnership

The Partnership is a limited partnership created under the laws of the Province of Ontario pursuant to a limited partnership declaration filed under the *Limited Partnership Act* (Ontario) to carry on the business of (i) acquiring, holding, maintaining, improving, leasing and/or managing of multi-unit residential revenue-producing properties (including apartment buildings and townhouses and ancillary commercial and other real estate ventures) for investment purposes through one or more nominee corporations beneficially owned by the Partnership, (ii) participating in joint venture arrangements with other investors in multi-unit residential properties (including apartment buildings and townhouses and ancillary commercial and other real estate ventures) for investment purposes, and (iii) engaging in any other business or undertaking whatsoever approved by the General Partner and not inconsistent with the provisions of the LP Agreement.

The Trust intends to use all or substantially all of the available funds from the Offering to purchase Class A LP Units, Class F LP Units and Class I LP Units in the Partnership. **The Trust is a Limited Partner of the Partnership through its ownership of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units, Class I LP Units and Redeemable LP Units.** See “*Material Contracts – The LP Agreement*”.

The General Partner

The General Partner was incorporated under the *Business Corporations Act* (Ontario) on March 1, 2016. The General Partner has full power and the exclusive authority to administer, manage, control and operate the business of the Partnership. See “*LP Agreement – The General Partner – Function and Duties of the General Partner*”.

The General Partner is indirectly owned and controlled by Jason Roque, who is also a director and President of the General Partner. Helen Hurlbut is Chief Financial Officer of the General Partner. See “*Management Experience*” and “*Relationship between the Trust, the Equiton Agent and Other Related Parties*”.

The Asset Manager

The Asset Manager is responsible for managing the Partnership and providing advice with respect to the Partnership’s Properties. Equiton Partners has been engaged by the Partnership to act as Asset Manager. See “*Material Contracts – Asset Management Agreement*”.

All of the directors and senior officers of the Asset Manager have been involved in a broad range of real estate activities over at least the past five years.

The Asset Manager, Equiton Partners, is a Related Party to the Trust because Jason Roque and Helen Hurlbut, both Trustees of the Trust, are the President and Chief Financial Officer, respectively, of Equiton Partners and Jason Roque is the sole director of Equiton Partners. In

addition, Mr. Roque indirectly, through wholly owned subsidiaries, controls Equiton Partners. See “*Management Experience*” and “*Relationship between the Trust, the Equiton Agent and Other Related Parties*”. The Asset Manager may also be deemed a Related Party to the Trust at any time, from time to time, that it holds 10% or more of the Voting Units.

The Property Manager

The Property Manager is responsible for managing all aspects of the operation of the Properties pursuant to the Property Management Agreement. Equiton Partners has been engaged by the Partnership to act as Property Manager. See “*Material Contracts – Property Management Agreement*”.

All of the directors and senior officers of the Property Manager have been involved in a broad range of real estate activities over at least the past five years.

The Property Manager, Equiton Partners, is a Related Party to the Trust because Jason Roque and Helen Hurlbut, both Trustees of the Trust, are the President and Chief Financial Officer, respectively, of Equiton Partners and Jason Roque is the sole director of Equiton Partners. In addition, Mr. Roque indirectly, through wholly owned subsidiaries, controls Equiton Partners. See “*Management Experience*” and “*Relationship between the Trust, the Equiton Agent and Other Related Parties*”.

The Trust

The Trust is a “mutual fund trust” for the purposes of the Tax Act and has been established to carry on activities in order to produce income for the exclusive benefit of the Trust Unitholders. The objective of the Trust is to invest indirectly in the properties and other investments held by the Partnership from time to time through its acquisition of LP Units. All or substantially all of the net proceeds of the Offering will be invested in the Partnership through the purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units in equal proportion to the number of Class A Trust Units, Class B Trust Units, Class C Trust Units, Class F Trust Units and Class I Trust Units issued in connection with the Offering.

Distributions will be determined by the Trustees in their sole discretion. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions, including the adoption, amendment or revocation of any distribution policy. It is the Trust’s current intention to make distributions to Trust Unitholders at least equal to the amount of Trust Income and Net Realized Capital Gains of the Trust as is necessary to ensure that the Trust will not be liable for non-refundable income taxes on such income under Part I of the Tax Act.

The Partnership

The Partnership is engaged in the acquisition, ownership and management of strategically located, income-producing multi-residential properties, including student housing.

The objectives of the Partnership are (i) to provide LP Unit holders with stable and growing cash distributions, payable monthly from investments in a diversified portfolio of income-producing multi-unit residential properties located in Canada; and (ii) to maximize LP Unit value through the ongoing management of the Partnership’s assets and through the future acquisition of additional properties. In order to achieve its objectives, the Partnership must successfully raise capital

through the sale of LP Units (including sales of LP Units to the Trust funded through offerings of Trust Units) for subsequent acquisitions of multi-residential rental properties.

Management and Investment Strategies

The Partnership has engaged the Asset Manager to manage the assets of the Partnership and provide advice with respect to the Properties, including market analysis, acquisition, disposition and asset management advice.

The Asset Manager seeks to create mass for the Partnership's portfolio through acquisition and consolidation of Canadian markets where the opportunity exists for stabilized, value add and select developable properties. Acquisitions may include the development and construction of multi-unit residential real estate properties. The personnel of the Asset Manager have significant experience in all aspects of the rental housing business, including acquisitions and dispositions, finance and administration, property management, project development, construction and renovation, and marketing and sales. The Asset Manager believes that these skills will permit the Partnership to capitalize upon many multi-unit residential real estate opportunities which may be unavailable to other real estate investors who lack the requisite diversity of real estate experience. The Asset Manager seeks to enhance the value of the Properties through a number of distinct and well executed strategies, including:

- **Customer Satisfaction.** The Asset Manager strives to keep all customers satisfied and as long-term tenants by creating an environment that is clean and comfortable. By developing a sense of community within the Properties through various programs, the Asset Manager seeks to reduce turnover and vacancy which will create demand for people wanting to live in the Partnership's buildings. Through the reduction in costs associated with turnover and through higher demand allowing increasing rents, net income will grow accordingly.
- **Maintenance and Repair Programs.** The Asset Manager is fundamentally driven by efficiencies and cost-effective programs that are accretive to the Partnership's short-term and long-term value. The Asset Manager believes that it has positioned the Partnership to take full advantage of efficiency programs and capital investments that will attract customers and enhance the value of the Partnership's portfolio.
- **Quality On-Site Building Staff.** The Asset Manager believes that the success of each Property from both a financial and customer satisfaction standpoint starts with the attitudes and work ethic of the on-site building staff. From being the first point of contact, to the ongoing attention to the customer's needs, the building staff represent the Partnership. As well as being attentive and dedicated, the Asset Manager will seek on-site staff that is skilled in many areas in order to reduce the requirement for outside trades to be required for ordinary day-to-day repairs and maintenance.
- **Detailed Financial Reporting.** The Asset Manager utilizes sophisticated financial tools to maximize the Partnership's income and measure the effectiveness of cost control and efficiency programs. The Property Manager and the Asset Manager disclose financial reporting to those involved who have a direct impact on the financial success and control of those particular incomes and expenses.

- **Strategic Debt Management.** The Asset Manager works diligently to seek out financing opportunities to optimize the Partnership’s leveraged returns. The Asset Manager believes that attention to staggered maturities and terms, at leverage amounts set out under the Declaration of Trust, will ensure the Partnership’s exposure to fluctuating interest rates over the short and long term are both minimized and utilized to benefit the Partnership. The Asset Manager makes use of operating lines of credit for capital expenditures and acquisitions to improve the returns of the Partnership.
- **Enhancement of the Partnership’s Portfolio.** The Asset Manager is always looking at opportunities to maximize the Partnership’s portfolio. The Asset Manager may consider opportunities including but not limited to condominium conversion, utility retrofits, sub-metering and strategic upgrades as part of this strategy. Properties that are “mature” and are no longer adding value to the Partnership may be sold or repositioned if there is a market for an enhanced property. The Asset Manager will continue to diversify the Partnership’s portfolio by purchasing properties in thriving communities that will seek to strengthen and insulate the Partnership from concerns that may arise in any one community.
- **Communications.** The Asset Manager will deliver concise and current information to existing LP Unit holders with respect to the activities within the Partnership’s portfolio.
- ***Environmental, Social and Governance (“ESG”) Strategy Integration.*** The Asset Manager is committed to embedding its multi-year ESG road map into the Partnership’s overall growth strategy. Supported by the Trustees and the Asset Manager’s ESG Committee, the Asset Manager is dedicated to the advancement of a comprehensive ESG strategy to ensure continual improvement as a steward of the environment, real estate investor, community developer and employer, and to make progress as an ethically responsible forward-thinking organization. The integration of ESG into the Asset Manager’s investment process sits primarily with the Asset Manager’s Investment Committee and the Asset Manager’s Operations team. The Asset Manager’s Investment Committee utilizes a proprietary ESG scorecard to formalize its approach to assessing and evaluating new acquisitions. This approach undertakes a fulsome analysis of ESG factors that, when combined with other non-ESG factors, aids in the understanding of the Partnership’s investments including their risk profile. The Asset Manager’s Operations Team supports the Partnership’s ongoing commitment to providing and maintaining a working environment based on respect, dignity and the rights of everyone in the organization and, further, incorporating relevant ESG issues into the decision-making processes results in better risk assessment, better buildings for the communities served, increased transparency, and measured investment decisions for investors.

The Asset Manager believes that multi-unit residential properties offer an attractive investment opportunity with stability of yield, inflation protection characteristics and growth potential.

The Asset Manager believes that focusing on predominantly one asset class will enable the Partnership to acquire a critical mass of residential units and will also enable the Partnership to bolster its market presence, thereby enhancing the Partnership’s opportunities for future multi-

unit residential property acquisitions at attractive prices. As well, as the Partnership grows through the acquisition of new properties and the issuance of additional LP Units or other securities, the Partnership expects to increase the stability of its income stream and provide LP Unit holders with increased liquidity.

Given current market conditions, the Asset Manager will continue to concentrate on communities that have low vacancy levels, attractive economic prospects and strong population demographics that align with the class of multi-residential properties that are acquired by the Partnership. The Asset Manager will also pursue opportunities in both secondary economic hubs and major metropolitan areas when it believes that the acquisitions are accretive to the Partnership and/or provide further opportunities for diversification. See “*Multi-Unit Residential Real Estate Market*”.

MULTI-UNIT RESIDENTIAL REAL ESTATE MARKET

The real estate industry is divided into two segments: (i) residential – where people live, and (ii) commercial. The Partnership’s focus is on multi-residential properties where large numbers of individuals live in either apartment buildings, townhouses or land lease communities. This offers the Partnership the ability to diversify the income generated by its portfolio, and, in addition, allows the Partnership the opportunity to acquire properties that are primarily residential but may have a commercial component (mixed use).

With the portfolio consisting primarily of multi-residential real estate, rental revenue from each property is generated from a large and diverse mix of individual tenants. This large and diverse group minimizes the impact of losing any single tenant as compared to other real estate classes that are more reliant on key anchor tenants. This characteristic helps mitigate cyclical swings in the multi-residential real estate market, but the market is not immune to supply and demand imbalances. For this reason, and because the Asset Manager believes the three main drivers of rental demand are population growth, the higher cost of home ownership and changing demographics, the Asset Manager looks to acquire properties which may have one or more of the following characteristics: (i) located in economic hubs and metropolitan areas where population growth, lifestyle changes and the increasing cost of home ownership have been increasing the demand for rental units, which has helped to create lower vacancy rates and higher market rental rates, (ii) have in-place revenues that are below market levels and can be increased to market level through operational efficiencies and capital improvements, which in turn can create an increase in both operating income and property value, and (iii) located in areas that have an acquisition cost per unit that are below the cost to build new units, which the Asset Manager believes helps reduce the likelihood of new competitive construction and thereby restricts supply. In areas where there is new construction, the Asset Manager views such construction as an indicator that there is a market for more expensive units, which may translate into rental rate increases in the Partnership’s buildings within that community and opportunities to develop or acquire newly-built properties that will be accretive to the portfolio.

Overall demand for residential rental accommodation has historically been high and the Asset Manager expects that such demand will continue into the foreseeable future. According to the Canada Mortgage Housing Corporation’s (“CMHC”) Fall 2023 report, the vacancy rate in Ontario was 1.7% and the vacancy rate in Alberta was 2.1% while the national vacancy rate in Canada was 1.5%.¹ The Asset Manager monitors CMHC statistical data and forecasts as a benchmark

¹ Canada Mortgage Housing Corporation - Primary Rental Market Statistics-Canada Fall 2023.

tool when developing its investment objectives for the Partnership.

Population growth in Canada is expected to continue to be high going forward due to increasing immigration. The affordability gap between home ownership and rental accommodation has increased, leading to an increase in the propensity to rent across most age groups for longer periods of time. This affordability issue has been further compounded by the introduction of more stringent mortgage regulations that, combined with rising interest rates, will further increase income qualification requirements for prospective mortgage borrowers. Due to the importance of age on housing decisions, demographic shifts can have a profound impact on demand for different types of housing. The Asset Manager believes one prime renter demographic is the under-35 age group, an age group demographic in which the Asset Manager believes there is a prevailing trend for delaying major life decisions such as getting married, having children and purchasing a home in favour of putting greater emphasis on career development and a more carefree lifestyle. Additionally, the Asset Manager believes the aging baby boomer generation is looking toward rental living in order to unlock the equity in their homes to fund retirement and to remove many of the burdens associated with home ownership.

The Asset Manager believes that there are significant barriers to the creation of multi-residential rental supply in many of the Asset Manager's target markets given the challenging economics of building new rental buildings, including but not limited to high development and construction costs. This barrier further limits the supply of more affordable rental suites as newly-built suites are often only economically feasible at the high-end segment of the market. In addition, the multi-residential rental sector is generally more management intensive relative to other real estate sectors, primarily due to short-term leases coupled with higher tenant turnover, large numbers of individual tenants, a heavily regulated rent and development environment, as well as the large number of capital projects required throughout the life of an asset. The foregoing factors contribute to making an institutional management platform a critical component for achieving income maximization, while also acting as a further barrier to entry for smaller market participants. There has been limited new purpose-built rental supply in the country and the Asset Manager believes that the growing demand coupled with a supply-constrained market creates a compelling investment opportunity for investors.

Development of the Business

The Trust was formed on March 1, 2016 pursuant to the Declaration of Trust and has not carried on any active business since its inception other than the sale of Trust Units and purchase of Class A LP Units, Class F LP Units and Class I LP Units.

The Partnership was formed under the laws of the Province of Ontario on March 1, 2016 pursuant to the filing of a limited partnership declaration, and has not carried on any active business since its inception other than entering into the material contracts set out in "*Material Contracts*" and the transactions described in this Offering Memorandum.

For information about the Trust's acquisition activities, see *Schedule "A" - Description of Properties*. For information about the Trust's activities other than acquisitions, see "*Capital Structure*".

Property Mortgages, Equiton Loans and Redeemable LP Units

No indebtedness shall be incurred or assumed by the Trust, or any Subsidiary of the Trust, including the Partnership, if, after giving effect to the incurring or assumption thereof of the indebtedness, the total indebtedness as a percentage of Gross Book Value, would be more than

75%. See “*Investment Guidelines and Operating Policies*”. See Schedule “B” – *Summary Information about Mortgages*.

Equiton Loans and Redeemable LP Units

In the event that the available funds invested in the Partnership are not sufficient to complete future acquisitions or other activities, the Partnership may arrange the following forms of financing:

- (a) Equiton Loans to the Partnership from Equiton Partners in order to fund various activities of the Partnership. The terms and conditions of such Equiton Loans will be determined at the time of making such loans, however, the Trust anticipates such Equiton Loans will be interest only payable loans, with no fixed term, and will bear interest at a fixed annual rate of the Prime Rate plus 2.00%, payable monthly. Additionally, the Trust anticipates the Equiton Loans will be repayable to Equiton Partners in cash or in Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units (at the discretion of Equiton Partners) and will be assignable by Equiton Partners; and
- (b) the issuance of Redeemable LP Units to Equiton Partners. The Redeemable LP Units will have a subscription price per Redeemable LP Unit that is determined by the Trustees of the Trust from time to time and set forth in the subscription agreement(s) entered into between Equiton Partners and the Partnership and will be redeemable, in whole or in part, at any time at the option of the Partnership at a price equal to the market value of such Redeemable LP Units, as determined by the General Partner from time to time. A holder of Redeemable LP Units will have the right to one vote for each Redeemable LP Unit held in respect of all matters to be decided by the Limited Partners. Holders of Redeemable LP Units shall be entitled to receive distributions per Redeemable LP Unit equal to the distributions per Class A LP Unit. The Redeemable LP Units will rank equal with the Class A LP Units in the event of liquidation of the Partnership. For each Redeemable LP Unit issued by the Partnership, the Trust shall issue to such recipient one Special Voting Unit entitling such holder to one vote per Special Voting Unit at a meeting of Voting Unitholders.

As at July 20, 2020, 995,733 Redeemable LP Units had been issued to Equiton Partners. On July 20, 2020, all of the Redeemable LP Units held by Equiton Partners were transferred to the Trust at a purchase price equal to the fair market value of such transferred Redeemable LP Units. As at the date of this Offering Memorandum, no further Redeemable LP Units have been issued to Equiton Partners.

Equiton Partners, as the Asset Manager, receives a financing fee equal to 1.0% of the loan amount for each senior or first ranking financing transaction; a financing fee equal to 0.5% of the loan amount for each refinancing transaction with an existing lender; and a financing fee equal to 1.5% of the loan amount for each mezzanine or non-first ranking financing transaction. See “*Asset Management Agreement – Asset Manager Fees*” and “*Relationship Between the Trust, the Equiton Agent, and Other Related Parties*”.

Long-Term Objectives

The long-term objectives of the Trust are (i) to maximize Trust Unitholders' value with regular and growing cash distributions payable monthly, and (ii) through the holding of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units to maximize Trust Unit value through the ongoing management of the Partnership's assets and through the Partnership's future acquisition of additional properties. Distributions will be determined by the Trustees in their sole discretion. See "*Business of the Trust – The Trust's Business*".

In order to achieve its objectives, the Trust must successfully raise capital through the Offering and future offerings for subsequent acquisitions of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units to fund the Partnership's acquisition of multi-residential rental properties. The Partnership seeks to invest in existing residential and other income-producing multi-unit residential properties located in Canada.

Short-Term Objectives

The primary objective of the Trust in the ensuing 12 months is to seek out Subscribers, close the Offering and complete additional offerings. The Trust will invest funds raised by such offerings in the Partnership by way of purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units which the Partnership will in turn invest in income-producing investments in Canada.

The following table discloses how the Trust intends to meet these objectives:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
1. Complete additional offerings and acquire additional Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units.	Periodically throughout the next 12 months	See " <i>Use of Available Funds</i> "

Insufficient Funds

The majority of the available funds raised pursuant to the Offering will be invested in the Partnership through the purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units. If the available funds invested in the Partnership are not sufficient to complete acquisitions or other activities of the Partnership, including funding its expenses, the Partnership may arrange for Equiton Loans to the Partnership from Equiton Partners and/or the issuance of Redeemable LP Units.

The terms and conditions of such Equiton Loans will be determined at the time of making such loans. However, the Trust anticipates such Equiton Loans will be interest only payable loans, with no fixed term, and will bear interest at a fixed annual rate of the Prime Rate plus 2.00%, payable monthly. Additionally, the Trust anticipates the Equiton Loans will be repayable to Equiton Partners in cash or Redeemable LP Units (at the discretion of Equiton Partners) and will be assignable by Equiton Partners.

MATERIAL CONTRACTS

Declaration of Trust

The following is only a summary of certain of the provisions of the Declaration of Trust and the Trust Units. This summary is qualified in its entirety by reference to the provisions of the Declaration of Trust, a copy of which can be obtained by contacting investors@equiton.com. Capitalized terms used in this section but not defined have the meaning given to them in the Declaration of Trust.

General

The Trust is a limited purpose unincorporated, open-ended investment trust. The Trust is governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for the Trust by:

- (a) Applicable Laws; and
- (b) the terms, conditions and trusts set forth in the Declaration of Trust.

The Trust was established for the purpose of qualifying as a “mutual fund trust” pursuant to the Tax Act and to establish and carry on activities in order to produce income for the exclusive benefit of the Trust Unitholders and to distribute the property of the Trust upon termination of those activities by the Trust.

Trustees

The Declaration of Trust provides for a minimum of two (2) and a maximum of nine (9) Trustees. Equiton Partners is entitled to appoint up to four (4) Equiton Partners Appointees as Trustees, provided that following such appointments, a majority of the Trustees are Independent Trustees. The Trustees (other than the Equiton Partners Appointees) shall be elected at a special meeting of Voting Unitholders or in the absence of a special meeting of Voting Unitholders, shall be appointed by the remaining Trustees. An Independent Trustee may be removed at any time with or without cause by a majority of the remaining Trustees. Certain decisions respecting the affairs of the Trust must be made by the Independent Trustees. The board of Trustees is currently comprised of Jason Roque, Helen Hurlbut, David Hamilton, Aida Tammer, and C. Scot Caithness. Jason Roque and Helen Hurlbut are Equiton Partners Appointees and are not Independent Trustees. David Hamilton, Aida Tammer and C. Scot Caithness are Independent Trustees.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “**conflict of interest**” provisions. Given that the Trustees and senior officers of the Trust are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions for a Trustee or officer of the Trust or any of their respective affiliates or associates that state:

A “**Conflict of Interest Matter**” shall mean a situation where a reasonable person would consider a Trustee or an officer of the Trust, or an entity related to a Trustee or an officer of the Trust, to have an interest that may conflict with such Trustee’s or officer’s ability to act in good faith and in the best interest of the Trust (or as the term “Conflict of Interest Matter” may be amended in Section 1.2(a) of NI 81-107 from time to time) and shall include, but not be limited to, situations

where such officer or Trustee: (i) is a party to a material contract or transaction (as determined by the Trustees acting reasonably), whether made or proposed, with the Trust or any of its Subsidiaries or Affiliates (a “**Material Transaction**”); or (ii) is a director, trustee or officer of, or otherwise has a material interest in, any Person or in any Affiliate, Related Party or Subsidiary of any Person who is a party to a Material Transaction. In connection with any Conflict of Interest Matter, the conflicted Trustee or officer shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees, the nature and extent of the conflict as follows and as set out in section 4.7 of the Declaration of Trust:

- (a) the disclosure required in the case of a Trustee shall be made:
 - (i) at the meeting of Trustees or the applicable committee thereof, as the case may be, at which a Conflict of Interest Matter is first considered;
 - (ii) if such Trustee was not then interested in a Conflict of Interest Matter, at the first such meeting after he or she becomes so interested;
 - (iii) if such Trustee becomes interested after an agreement pertaining to the Conflict of Interest Matter is entered into, at the first such meeting after he or she becomes so interested; or
 - (iv) if an individual who is interested in a Material Transaction later becomes a Trustee, at the first such meeting after he or she becomes a Trustee;
- (b) the disclosure required in the case of an officer of the Trust, who is not a Trustee, shall be made:
 - (i) forthwith after such officer becomes aware that the Conflict of Interest Matter is to be considered or has been considered at a meeting of the Trustees, or the applicable committee thereof, as the case may be;
 - (ii) if such officer becomes interested after an agreement pertaining to the Conflict of Interest Matter is entered into, forthwith after such officer becomes aware that he has become so interested; or
 - (iii) if an individual who is interested in a Conflict of Interest Matter later becomes an officer of the Trust, forthwith after such individual becomes an officer of the Trust;
- (c) notwithstanding Sections 4.7(a) and 4.7(b) of the Declaration of Trust, (i) the holding of Trust Units or LP Units by Equiton Partners or any of its Affiliates shall not be deemed to be a Conflict of Interest Matter, and (ii) if a matter is one that, in the ordinary course of the affairs of the Trust, would not require approval by the Trustees or the Voting Unitholders, if such matter is a “Conflict of Interest Matter”, the conflicted Trustee or officer of the Trust shall disclose, in writing to the Trustees or applicable committee thereof, as the case may be, the nature and extent of his interest immediately after he becomes aware of the Conflict of Interest Matter and such matter shall be put before the Independent Trustees for approval in accordance with unanimous approval requirements, as described in “ – *Independent Trustee Matters*” below.

- (d) a Trustee referred to in Section 4.7 of the Declaration of Trust shall not vote on any resolution to approve the Conflict of Interest Matter unless the Conflict of Interest Matter is:
 - (i) one relating primarily to his remuneration as a Trustee, officer, employee or agent of the Trust; or
 - (ii) one for indemnity under Section 14.1 of the Declaration of Trust or the purchase of liability insurance;
- (e) for the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing the basis of a conflict, such as that he is a director, trustee or officer of or has a material interest in a Person or in any Affiliate, Related Party or Subsidiary of any Person and is to be regarded as interested in any Conflict of Interest Matter entered into or which may be entered into, is a sufficient disclosure of interest in relation to any Conflict of Interest Matter so made or entered into or which may be made or entered into, provided that such general notice is delivered to the principal office and centre of administration of the Trust and to each Trustee personally. In the event that a meeting of the Voting Unitholders is called to confirm or approve a Conflict of Interest Matter which is the subject of a general notice to the Trustees, the nature and extent of the interest in the Conflict of Interest Matter of such Trustee or officer giving such general notice shall be disclosed in reasonable detail in the notice calling the said meeting of the Voting Unitholders or in any information circular to be provided by the Declaration of Trust or by Applicable Law;
- (f) where a Conflict of Interest Matter is entered into between the Trust and a Trustee or an officer of the Trust, or between the Trust and another Person or any Affiliate, Related Party or Subsidiary of such other Person in which a Trustee or an officer of the Trust has a material interest:
 - (i) such Trustee or officer of the Trust is not accountable to the Trust or to the Trust Unitholders for any profit or gain realized from the Conflict of Interest Matter; and
 - (ii) the Conflict of Interest Matter is neither void nor voidable,

by reason only of that relationship or by reason only that such Trustee or officer is present at or is counted to determine the presence of a quorum at the meeting of the Trustees or a committee that authorized the Conflict of Interest Matter, if such Trustee or officer of the Trust disclosed his interest in accordance with Section 4.7 of the Declaration of Trust, and the Conflict of Interest Matter was reasonable and fair to the Trust at the time it was approved;
- (g) notwithstanding anything in this Section, but without limiting the effect of Section 4.7(f) of the Declaration of Trust, a Trustee or an officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Trust Unitholders for any profit or gain realized from any such Conflict of Interest Matter by reason only of the disclosed relationship, and the Conflict of Interest Matter, if it was reasonable

and fair to the Trust at the time it was approved, is not by reason only of such Trustee's or officer's interest therein void or voidable, where:

- (i) the Conflict of Interest Matter is confirmed or approved at a meeting of the Voting Unitholders duly called for that purpose; and
 - (ii) the nature and extent of such Trustee's or officer's interest in the Conflict of Interest Matter are disclosed in reasonable detail in the notice calling the meeting or in any information circular to be provided by the Declaration of Trust or by Applicable Law; and
- (h) subject to Sections 4.7(f) and 4.7(g) of the Declaration of Trust, where a Trustee or an officer of the Trust fails to disclose his interest in a Conflict of Interest Matter in accordance with the Declaration of Trust or otherwise fails to comply with Section 4.7 of the Declaration of Trust, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the Conflict of Interest Matter and directing that such Trustee or officer account to the Trust for any profit or gain realized.

Independent Trustee Matters

Notwithstanding anything herein to the contrary, in addition to requiring the approval of a majority of the Trustees, the unanimous approval of the Independent Trustees holding office at such time who have no interest in the matter (given by vote at a meeting of Trustees or by written consent) shall be required with respect to any decision to approve a Conflict of Interest Matter, including, but not limited to:

- (a) entering into any agreement or transaction in which any Related Party has a material interest or making a material change to any such agreement or transaction;
- (b) relating to a claim by or against any Related Party;
- (c) relating to a claim in which the interests of a Related Party differ from the interests of the Trust;
- (d) to permit the Partnership to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party;
- (e) granting Trust Units under any unit incentive or unit compensation plan approved by the Trustees and, if required, by the Trust Unitholders or awarding any right to acquire or other right or interest in the Trust Units or securities convertible into or exchangeable for Trust Units under any plan approved by the Trustees and, if required, by the Trust Unitholders;
- (f) to approve or enforce any agreement entered into by the Trust or its Subsidiaries or Related Parties with a Trustee who is not an Independent Trustee or an Associate thereof, with another Subsidiary or Related Party;

- (g) authorizing the Trustees to change the number of Trustees from time to time; and
- (h) determining the compensation of any officer or employee of the Trust.

Notwithstanding the foregoing, no Conflict of Interest Matter may be approved unless there are at least two Independent Trustees permitted to vote on such matter, and no Conflict of Interest Matter may be approved without unanimous consent of all Independent Trustees permitted to vote on such matter.

Additionally, pursuant to the Declaration of Trust, the Trust must deliver to Unitholders a report of the Independent Trustees regarding their review and approval of any Conflict of Interest Matters during the prior fiscal year along with the audited financial statements delivered to Unitholders.

Finance Committee

The Declaration of Trust provides that the Trustees may appoint a Finance Committee, consisting of at least three (3) Trustees, the majority of whom shall be Independent Trustees and Resident Canadians.

The Finance Committee shall:

- (a) review the Trust's procedures for internal control with the Auditors and Chief Financial Officer of the Trust;
- (b) review the engagement of the Auditors;
- (c) review and recommend to the Trustees for their approval annual and quarterly financial statements and management's discussion and analyses of financial condition and results of operation;
- (d) assess the Trust's financial and accounting personnel; and
- (e) review any significant transactions outside the Trust's ordinary activities and all pending litigation involving the Trust.

The Auditors are entitled to receive notice of every meeting of the Finance Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Finance Committee, shall attend any meeting of the Finance Committee held during the term of office of the Auditors. Questions arising at any meeting of the Finance Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Finance Committee. The Auditors or a member of the Finance Committee may call a meeting of the Finance Committee on not less than 48 hours' notice.

Additional Committees

The Declaration of Trust provides that the Trustees may create such Additional Committees as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust; provided that the majority of the members of any Additional Committee must be Resident Canadians. Further, the Trustees may not delegate to any such Additional Committees any powers or authority in respect of which a board of directors of a

corporation governed by the *Business Corporations Act* (Ontario), as amended from time to time, may not delegate.

Remuneration of Trustees and Senior Officers

The Trustees are paid such compensation for their services as the Trustees may from time to time unanimously determine. Trustees who are employed by and receive a salary from the Trust will not receive any remuneration from the Trust for serving as a Trustee other than reimbursement of expenses. See “*Interests of Trustees, Management, Promoters and Principal Holders – Compensation and Securities Held*”.

Trust Units

The beneficial interests in the Trust, other than the initial trust unit, are divided into interests of different classes, described as “Class A Trust Units”, “Class B Trust Units”, “Class C Trust Units”, “Class F Trust Units”, “Class I Trust Units”, “Special Voting Units” and such other classes of trust units of the Trust which may be created by the Trustees (collectively described as “**Trust Units**”). The number of Trust Units and Special Voting Units, which the Trust may issue, is unlimited. Trust Units and Special Voting Units shall be issued only as fully paid and non-assessable. Each Trust Unit and Special Voting Unit when issued shall vest indefeasibly in the holder thereof. The issued and outstanding Trust Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees with the approval of the majority of the Voting Unitholders, or as otherwise provided in Section 6.6 of the Declaration of Trust. The Trust Units and Special Voting Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such act or any other legislation. The Trust Units and Special Voting Units shall not be listed on any stock exchange or other public market.

As of February 29, 2024, there were 18,462,085 Class A Trust Units, 888,379 Class B Trust Units, 1,528,944 Class C Trust Units, 16,820,182 Class F Trust Units, 10,759,720 Class I Trust Units and Nil Special Voting Units issued and outstanding.

Purchase of Trust Units

The Trust shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding Trust Units, at a price per Trust Unit and on a basis determined by the Trustees in compliance with all Applicable Laws.

Redemption of Trust Units

Pursuant to the Declaration of Trust, each Trust Unitholder is entitled to require the Trust to redeem at any time or from time to time at the demand of the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the following conditions:

- (a) The monthly redemption date (the “**Redemption Date**”) is the 15th day of each and every month. If the 15th day of the month is not a Business Day, the Redemption Date for that month will be the next succeeding Business Day. To exercise a Trust Unitholder’s right to require redemption, a duly completed and properly executed notice (the “**Redemption Notice**”) requiring the Trust to redeem said Trust Units, in a form approved by the Trustees, specifying the class of Trust

Units and the number of Trust Units to be so redeemed, shall be sent to the Trust at its head office. The Redemption Notice must be received no later than 30 days before the Redemption Date to be considered for that particular Redemption Date. If a minimum of 30 days' notice is not given, the Trustees will not be required to consider redeeming the Trust Units until the next subsequent Redemption Date. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the Person giving the Redemption Notice.

- (b) As of the Redemption Date, upon the payment of the Redemption Amount (defined below), plus the pro rata share of any unpaid distributions declared on the Trust Units to be redeemed and paid prior to the Redemption Date, the Trust Unitholder shall thereafter cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the Redemption Amount therefor) including ceasing to have the right to receive any distributions thereon which are declared payable to the Trust Unitholders of record on a date which is subsequent to the Redemption Date. Trust Units shall be considered to be tendered for redemption on the Redemption Date, provided that the Trust has, to the satisfaction of the Trustees, received the Redemption Notice and other required documents or evidence as aforesaid.
- (c) Upon receipt by the Trust of the Redemption Notice in accordance with Section 6.26 of the Declaration of Trust, the Holder of the Trust Units tendered for redemption shall be entitled to receive a redemption amount (the "**Redemption Amount**") equal to the Redemption Price times the number of Trust Units that a Trust Unitholder tenders for redemption, less, (i) any applicable Deferred Sales Charge, and (ii) any applicable Short Term Trading Fee.
- (d) Subject to Paragraph (e) below, the Redemption Amount payable in respect of the Trust Units tendered for redemption during any month shall be paid on the Redemption Date by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to or to the order of the Trust Unitholder who exercised the right of redemption. Payment of the Redemption Amount is conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Person who redeemed the Trust Units, unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the Person who redeemed the Trust Units in respect of the Trust Units so redeemed.
- (e) Paragraph (d) above shall not be applicable to Trust Units tendered for redemption by a Trust Unitholder, if the total amount payable by the Trust pursuant to Paragraph (c) above in respect of such Trust Units and all other Trust Units tendered for redemption prior thereto in the same calendar month exceeds \$50,000 (the "**Monthly Limit**"); provided that the Trustees may, in their sole discretion, increase such Monthly Limit in respect of all Trust Units tendered for redemption in any calendar month.
- (f) If, pursuant to Paragraph (e) above, Paragraph (d) is not applicable to the Trust Units tendered for redemption by a Trust Unitholder, the Redemption Amount to

which the Trust Unitholder would otherwise be entitled shall be paid and satisfied as follows:

- (i) a portion of the Redemption Amount equal to the Monthly Limit divided by the total number of Trust Units tendered by all Trust Unitholders for redemption in the month times the number of Trust Units tendered for redemption by a Trust Unitholder shall be paid and satisfied in cash, in accordance with Paragraph (d) applied *mutatis mutandis*; and
- (ii) the remainder of the Redemption Amount shall be paid and satisfied by way of the issuance to the Trust Unitholder of one or more Redemption Notes, in accordance with Paragraph (g).

Upon such payment or satisfaction of the Redemption Amount in accordance with Paragraph (f)(i) and (f)(ii) above, the Trust shall be discharged from all liability to the Trust Unitholder or former Trust Unitholder in respect of the Trust Units so redeemed.

- (g) The Redemption Price for Units paid by the Trust may not be paid in cash in certain circumstances but instead may be satisfied through the issuance of Redemption Notes by the Trust. If Paragraph (f) above is applicable to some or all of the Trust Units tendered for redemption by a Trust Unitholder, the Trust shall, subject to receipt of all necessary regulatory approvals, issue to the Trust Unitholder one or more Redemption Notes having a principal amount equal to the Redemption Amount minus the cash paid or payable to the Trust Unitholder pursuant to Paragraph (f)(i) above. The Redemption Note shall bear interest at the Prime Rate plus 2% and such interest shall be payable in cash to the holder of the Redemption Note in the same manner as distributions hereunder, *mutatis mutandis*. Subject to Applicable Laws, the Redemption Note shall be issued to or to the order of the Trust Unitholder on or before the last day of the calendar month following the month in which the Trust Units were tendered for redemption. A Redemption Note may be tendered for payment in the same manner as Trust Units are tendered for redemption, and Paragraphs (a), (d), (e) and (f) above shall apply thereto, *mutatis mutandis*.
- (h) All Trust Units which are redeemed in accordance with the foregoing paragraphs shall be cancelled and such Trust Units shall no longer be outstanding and shall not be reissued.
- (i) For the purposes hereof, “**Market Value**” means the market value of the Trust Units (other than the Special Voting Units) which shall be determined by the Trustees in their sole discretion at least annually, or more frequently as the Trustees may determine, using reasonable methods of determining the Market Value. See “*Terms of Trust Units – Valuation Policy*”.

For information about the Trust’s historical redemptions, see *Schedule “D” – Historical Redemptions*.

Take-Over Bids

If there is a Take-Over Bid for all of the outstanding Trust Units and, within the time limited in a Take-Over Bid for its acceptance, or 120 days after the date of such Take-Over Bid, whichever period is the shorter, the Take-Over Bid is accepted by the holders of not less than 90% of the Trust Units (including Trust Units issuable upon the surrender or exchange of any securities for Trust Units but not including any such securities held at the date of the Take-Over Bid by or on behalf of the Offeror or Affiliates or Associates of the Offeror), other than Trust Units held at the date of the Take-Over Bid by or on behalf of the Offeror or an Affiliate or Associate of the Offeror, then the Offeror shall be entitled, on complying with this Section, to acquire the Trust Units held by the Dissenting Offerees.

An Offeror may acquire the Trust Units held by a Dissenting Offeree by sending to each Dissenting Offeree a notice within 60 days after the date of termination of the Take-Over Bid with the information prescribed in the Declaration of Trust. A Dissenting Offeree shall within 10 days after receiving such notice, transfer such Trust Units to the Trust. Within 10 days after the Offeror sends such notice, the Offeror shall pay to the Trust the consideration that would have had to be paid to such Dissenting Offeree if such Dissenting Offeree had accepted the Take- Over Bid.

Within 30 days after the Offeror's notice to Dissenting Offerees, if the consideration has been paid to the Trust, the Trust shall:

- (a) issue such number of Trust Units that were held by the Dissenting Offerees;
- (b) deliver to each Dissenting Offering who has transferred their Trust Units the consideration to which such Dissenting Offeree is entitled; and
- (c) deliver a notice to each Dissenting Offeree who has not transferred their Trust Units a notice stating that such Dissenting Offeree's Trust Units have been cancelled and that the Trust (or a designated Person) holds the consideration for such Trust Units in trust for the Dissenting Offeree until certificates representing the Trust Units are delivered to the Trust.

Meetings of Trust Unitholders

Annual meetings of Unitholders shall not be required. The Trustees shall have power at any time to call special meetings of the Trust Unitholders at such time and place in Canada as the Trustees may determine. The Voting Unitholders shall also be entitled to attend and vote at special meetings of the Trust Unitholders. The Voting Unitholders holding in the aggregate not less than 10% of the votes attaching to all outstanding Voting Units (on a fully-diluted basis) may requisition the Trustees in writing to call a special meeting of the Voting Unitholders for the purposes stated in the requisition. The requisition must state in reasonable detail the business proposed to be transacted at the special meeting and shall be sent to each of the Trustees and to the principal office of the Trust. The Voting Unitholders have the right to obtain a list of the Voting Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the *Business Corporations Act* (Ontario). Voting Unitholders may attend and vote at all meetings of Voting Unitholders either in person or by proxy.

Issuance of Trust Units

The Trustees may allot and issue Trust Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by the Trust Unitholders of distributions of the Trust in Trust Units) and to such Person, Persons or class of Persons as the Trustees in their sole discretion shall determine. The price or the value of the consideration for which Trust Units may be issued and the terms and conditions of issuance of the Trust Units shall be determined by the Trustees in their sole discretion, generally (but not necessarily) in consultation with investment dealers or brokers who may act as underwriters in connection with offerings of Trust Units. In the event that Trust Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Trust Units shall express the fair equivalent in money of the other consideration received.

Special Voting Units

The Special Voting Units are non-participating special voting units of the Trust that have no economic entitlement in the Trust or in distributions or assets of the Trust but entitle the holders thereof to one vote per unit. Special Voting Units may only be issued in connection with or in relation to Redeemable LP Units, for the purpose of providing such voting rights with respect to the Trust to the holders of such securities. Special Voting Units will be issued in conjunction with the Redeemable LP Units to which they are related, and will be evidenced only by the certificates representing such Redeemable LP Units. Special Voting Units will not be transferable separately from the Redeemable LP Units to which they are attached and will be automatically transferred upon the transfer of such Redeemable LP Units. Upon redemption of a Redeemable LP Unit by the Partnership, the Special Voting Unit attached to such Redeemable LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto. Special Voting Units will not be entitled to the redemption rights available to Trust Units.

Limitation on Non-Resident Ownership

The Trust was not established and is not maintained primarily for the benefit of one or more non-resident persons within the meaning in the Tax Act. At no time may more than 49% of the Trust Units then outstanding be held by or for the benefit of Persons who are not resident Canadians (the “**Non-Resident Beneficiaries**”). The Trustees may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident or declarations from Trust Unitholders as to whether such Trust Units are held for the benefit of Non-Resident Beneficiaries. If the Trustees become aware that more than 49% of the Trust Units then outstanding are, or may be, held by or for the benefit of Non-Resident Beneficiaries or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for such Trust Units from or issue or register a transfer of such Trust Units to a Person unless the Person provides a declaration that the Person is not a non-resident of Canada (or, in the discretion of the Trustees, that the Person is not a Non-Resident Beneficiary) and does not hold his Trust Units for a Non-Resident Beneficiary.

If the Trustees determine that more than 49% of the Trust Units then outstanding are held by or for the benefit of Non-Resident Beneficiaries, the Trustees may send a notice to non-resident Trust Unitholders and holders of Trust Units for Non-Resident Beneficiaries chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell or redeem their Trust Units or a portion thereof

within a specified period of not more than 30 days (unless the CRA has confirmed in writing that a longer period is acceptable).

If the Trust Unitholders receiving such notice have not sold or redeemed the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents and do not hold their Trust Units for the benefit of Non-Resident Beneficiaries within such period, the Trustees may sell or redeem such Trust Units on behalf of such Trust Unitholders (and the Trustees shall have the power of attorney of such Trust Unitholders to do so) and, in the interim, the voting and distribution rights, if any, attached to such Trust Units shall be suspended. Upon such sale the affected Trust Unitholders shall cease to be Trust Unitholders and their rights shall be limited to receiving the net proceeds of sale upon surrender of such Trust Units. In any situation where it is unclear whether Trust Units are held for the benefit of Non-Resident Beneficiaries, the Trustees may exercise their discretion in determining whether such Trust Units are or are not so held, and any such exercise by them of their discretion shall be binding on the relevant Trust Unitholders.

Information and Reports

Upon a Voting Unitholder's request, the Trustees shall provide such Unitholder with audited financial statements for the Issuer.

Amendments to Declaration of Trust

A majority of all Trustees including a majority of the Independent Trustees may, without the approval of the Trust Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) for the purpose of ensuring continuing compliance with Applicable Laws (including the Tax Act), regulations, requirements or policies of any Governmental Authority having jurisdiction over: (1) the Trustees or over the Trust; (2) the status of the Trust as a "mutual fund trust" under the Tax Act; or (3) the distribution of Trust Units;
- (b) which, in the opinion of the Trustees, acting reasonably, are necessary to maintain the rights of the Trust Unitholders set out in the Declaration of Trust;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Trust Unitholders;
- (d) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation or other laws or the administration or enforcement thereof;
- (e) for any purpose (except one in respect of which a Trust Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, are not prejudicial to the Trust Unitholders and are necessary or desirable;
- (f) deemed necessary or advisable to ensure that the Trust has not been established nor maintained primarily for the benefit of persons who are not Resident Canadians; and

(g) to implement any distribution reinvestment plan or any amendments thereto.

In no event may the Trustees amend the Declaration of Trust without Voting Unitholders consent if such amendment would (i) amend Article 12 of the Declaration of Trust; (ii) amend the Voting Unitholders' voting rights; or (iii) cause the Trust to fail or cease to qualify as a "mutual fund trust" under the Tax Act or to be subject to tax under Part XII.2 of the Tax Act.

Term of Trust

Unless the Trust is terminated earlier pursuant to the terms of the Declaration of Trust, the Trust will continue in full force and effect so long as any Trust Property is held by the Trustees, and the Trustees will have all the powers and discretions, expressed and implied, conferred upon them by Applicable Law or by the Declaration of Trust. Notwithstanding the foregoing, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on the date hereof.

Upon the termination of the Trust, the liabilities of the Trust shall be discharged with due speed, the net assets of the Trust shall be liquidated and the proceeds distributed to the Trust Unitholders in accordance with their entitlements as provided in the Declaration of Trust.

The Trust may be terminated by the vote of at least two-thirds of the votes cast at a special meeting of Trust Unitholders called for that purpose.

Distribution Policy

The Declaration of Trust provides that the Trust may distribute to the Trust Unitholders on or about each Distribution Date such percentage of the Trust Distributable Income (other than capital gains, the tax on which may be recoverable by the Trust) for the Distribution Period then ended as the Trustees may determine in their discretion.

On the last day of each fiscal year an amount equal to the Trust Distributable Income (other than capital gains on which the tax may be recoverable by the Trust) for such fiscal year not previously made payable to or treated as having been paid to the Trust Unitholders in such fiscal year shall be payable to the Trust Unitholders at the close of business on such day.

In addition, the Trustees may declare to be payable and make distributions, from time to time, out of the Trust Income, the Net Realized Capital Gains (other than capital gains, the tax on which may be recoverable by the Trust), the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates on or before December 31 of that year as the Trustees may determine, to the extent such income, capital gains and capital has not already been paid, allocated or distributed to the Trust Unitholders. Distributions are declared and paid at the discretion of the Trustees and have been paid in cash out of the Trust's income; however, since majority of Trust Unitholders have elected to participate in the DRIP, such distributions are automatically reinvested in additional Trust Units. Trustees, in their discretion, may allocate distributions among the classes of Trust Units to adjust for the commissions, trailers and other costs attributable to the sales channels relating to each class of Trust Unit, provided that the proportion of Trust Income, Net Realized Capital Gains allocated or capital of the Trust distributed to Trust Unitholders of each class of Trust Unit shall be equal to the proportion of the aggregate distribution received by such class of Trust Units. Distributions on Class A Trust Units will be

identical among each Class A Trust Unit, notwithstanding the Class A Purchase Option selected by the Subscriber.

The Trustees, in their discretion, may allocate distributions among the classes of Trust Units to adjust for the commissions, trailers and other costs attributable to the sales channels relating to each class of Trust Unit, provided that the proportion of Trust Income, Net Realized Capital Gains allocated or capital of the Trust distributed to Trust Unitholders of each class of Trust Unit shall be equal to the proportion of the aggregate distribution received by such class of Trust Units. Distributions on Class A Trust Units will be identical among each Class A Trust Unit, notwithstanding the Class A Purchase Option selected by the Subscriber.

Distributions may be adjusted for amounts paid in prior Distribution Periods if the actual Trust Distributable Income for the prior Distribution Periods is greater than or less than the Trustees' estimates for such prior Distribution Periods. At the option of each Trust Unitholder, but subject to the Declaration of Trust, distributions shall be made in cash or shall be invested in similar Trust Units pursuant to any distribution reinvestment plan or unit purchase plan adopted by the Trustees. Any distribution shall be made proportionately to Persons who are the Trust Unitholders as at the Distribution Record Date.

Each year, the Trustees shall make such designations for income tax purposes in respect of amounts paid or payable or deemed to be paid to the Trust Unitholders for such amounts that the Trustees consider to be reasonable in all the circumstances, including designations relating to taxable dividends received or deemed to be received by the Trust in the year on shares of taxable Canadian corporations (if any), the taxable portion of the Net Realized Capital Gains in the year, and foreign source income of the Trust and foreign taxes in respect of such foreign source income for the year, if any, other than capital gains, the tax on which may be recoverable by the Trust. Where permitted by the Tax Act, the Trustees will make designations under the Tax Act so that the amount paid or payable to a Trust Unitholder but not deducted by the Trust would not be included in the Trust Unitholder's income for the purposes of the Tax Act. Any distributions of Net Realized Capital Gains shall include the non-taxable portion of the capital gains of the Trust which are included in such distribution.

The Trustees may deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distributions, whether such distributions are in the form of cash, additional Trust Units or otherwise. In the event of a distribution in the form of additional Trust Units, the Trustees may sell Trust Units of a Trust Unitholder on behalf of such Trust Unitholder to pay such withholding taxes and to pay all the Trustees' reasonable expenses with regard thereto and the Trustees shall have the power of attorney of such Trust Unitholder to do so. Upon such sale, the affected Trust Unitholder shall cease to be the holder of such Trust Units.

Where the Trust determines that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to the Declaration of Trust on the due date for such payment, the payment may, at the option of the Trustees, include the issuance of additional Trust Units or fractions of such Trust Units, as the case may be, if necessary, having a fair market value as determined by the Trustees equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution in the case of Trust Units.

Distribution Reinvestment Plan

The Trust has implemented a DRIP whereby Trust Unitholders of Class A Trust Units, Class B Trust Units, Class C Trust Units, Class F Trust Units, or Class I Trust Units who are Resident Canadians are entitled to elect to have all or some of the cash distributions of the Trust automatically reinvested in additional Trust Units. Participants in the DRIP will receive additional bonus Trust Units in an amount equal in value to 2% of the distributions reinvested.

Investment Guidelines and Operating Policies

Investment Guidelines

The Declaration of Trust provides for certain guidelines on investments which may be made by the Trust. Additionally, the guidelines below are intended to set out generally the parameters under which any Subsidiary of the Trust or the Partnership will be permitted to invest. References to the Trust below shall be read as applying to such Subsidiary or the Partnership. The guidelines are as follows:

- (a) The Trust shall focus its activities primarily on the acquisition, holding, maintaining, improving, leasing or managing of multi-unit residential revenue producing properties (and ancillary commercial or other real estate ventures) for investment purposes and assets ancillary thereto necessary for the operation thereof and such other activities as are consistent with the other investment guidelines of the Trust in Canada (the “**Focus Activity**”);
- (b) notwithstanding anything contained in the Declaration of Trust to the contrary, the Trust will not, or permit a Subsidiary to, make or hold any investment, take any action or omit to take any action which would, at any time, result in the Trust:
 - (i) Trust Units being disqualified for any class of Registered Plan at any time after the date on which the Trust has over 150 Trust Unitholders each holding not less than 100 Trust Units; or
 - (ii) The Trust ceasing to qualify as a “mutual fund trust” for purposes of the Tax Act;
- (c) from and after the date on which the Trust has a Gross Book Value of at least one hundred fifty million dollars (\$150,000,000), no single asset (excluding the units of the Partnership and any portfolio of properties) shall be acquired if the cost of such acquisition (net of the amount of debt secured by such asset) will exceed 20% of Gross Book Value, provided that where such asset is the securities of or an interest in an entity, the foregoing tests shall be applied individually to each asset of such entity;
- (d) The Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more Persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited), unlimited liability companies and limited liability companies;
- (e) except for temporary investments held in cash, deposits with a Canadian or U.S. chartered bank or Trust company registered under the laws of a province of

Canada, short-term government debt securities or money market instruments of, or guaranteed by, a Schedule I Canadian chartered bank maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the Trust, the Trust directly or indirectly, may not hold securities of a Person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to (a) and (b) above, the Trust may hold securities of a Person:

- (i) acquired in connection with the carrying on, directly or indirectly, of the Trust's activities or the holding of the Trust Property; or
 - (ii) which focuses its activities primarily on Focus Activities, provided that, in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the "**Acquired Issuer**"), the investment is made for the purpose of pursuing the merger or combination of the business and assets of the Trust and the Acquired Issuer or for otherwise ensuring that the Trust will control the business and operations of the Acquired Issuer;
- (f) no investment will be made, directly or indirectly, in operating businesses unless such investment is incidental to a transaction:
- (i) where revenue will be derived, directly or indirectly, principally from a Focus Activity; or
 - (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property held for investment purposes;
- (g) notwithstanding any other provisions of this section, the securities of a reporting issuer in Canada may be acquired provided that:
- (i) the activities of the issuer are focused on Trust Investment Activities; and
 - (ii) in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding equity securities of the securities issuer, the investment or acquisition is of strategic interest to the Trust as determined by the Trustees in their discretion;
- (h) no investments will be made in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (i) investments may be made in a mortgage, mortgage bonds, notes (except as provided for in the Declaration of Trust) or debentures ("**Debt Instruments**") (including participating or convertible) only if:
- (i) the real property which is security thereof is real property;

- (ii) the security therefore includes a mortgage registered on title to the real property which is security thereof;
 - (iii) the amount of the investment (not including any Mortgage Insurance Fees incurred in connection therewith) does not exceed 85% of the market value of the real property which is the security thereof; and
 - (iv) the aggregate value of the investments of the Trust in Debt Instruments, after giving effect to the proposed investment, will not exceed 20% of the Gross Book Value;
- (j) no investment shall be made in raw land except for the acquisition of properties adjacent to existing properties for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 10% of Gross Book Value; and
- (k) notwithstanding any other provisions of the Declaration of Trust, investments may be made which do not comply with the provisions of Section 5.1 of the Declaration of Trust (other than paragraph (b) thereof) provided:
- (i) the aggregate cost thereof (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred in connection with the acquisition and secured by a mortgage on such property) does not exceed 15% of the Gross Book Value; and
 - (ii) the making of such investment would not contravene the Declaration of Trust.

The Trust has complied with the guidelines set out above since its formation.

Operating Policies

The operations and affairs of the Trust shall be conducted in accordance with the following operating policies:

- (a) the construction or development of real property may be engaged in order to maintain its real properties in good repair or to enhance the revenue-producing potential of real properties in which it has an interest;
- (b) title to each real property shall be held by and registered in the name of (i) a corporation or other entity wholly-owned by the Partnership, (ii) the General Partner, or (iii) a corporation or other entity wholly-owned indirectly by the Trust or jointly owned indirectly by the Trust with joint ventures;
- (c) no indebtedness shall be incurred or assumed if, after giving effect to the incurring or assumption thereof of the indebtedness, the total indebtedness including amounts drawn under an acquisition and operating facility but not including Mortgage Insurance Fees incurred in connection with the incurrence or assumption of such indebtedness as a percentage of Gross Book Value, would be more than 75%;

- (d) the Trust will not directly or indirectly guarantee any indebtedness or liabilities of any Person unless such guarantee is given in connection with or incidental to an investment that is otherwise permitted under Section 5.1 and/or 5.2 of the Declaration of Trust, or in circumstances where the guarantee would result in the Trust ceasing to qualify as a mutual fund trust pursuant to the Tax Act;
- (e) at all times insurance coverage will be obtained and maintained in respect of potential liabilities of the Trust and the accidental loss of value of any of the Trust Property from risks, in amounts and with such insurers, in each case as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties and, for clarity, the Trust is not required to title insure; and
- (f) a Phase I environmental audit shall be conducted or obtained for each real property to be acquired and, if the Phase I environmental audit report recommends that further environmental audits be conducted or obtained, such further environmental audits shall be conducted or obtained, in each case by or from an independent and experienced environmental consultant.

For the purpose of the foregoing operating policies, the assets, indebtedness, liabilities and transactions of a corporation, trust, partnership or other entity in which the Trust has an interest, directly or indirectly, will be deemed to be those of the Trust on a proportionate consolidated basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement.

The term “**indebtedness**” means (without duplication):

- (a) any obligation, directly or indirectly, of the Trust for borrowed money;
- (b) any obligation, directly or indirectly, of the Trust incurred in connection with the acquisition of property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;
- (c) any obligation, directly or indirectly, of the Trust issued or assumed as the deferred purchase price of property;
- (d) any capital lease obligation, directly or indirectly, of the Trust;
- (e) any obligation, directly or indirectly, of the type referred to in clauses (a) through (d) of another Person, the payment of which the Trust has, directly or indirectly, guaranteed or for which the Trust is responsible for or liable; and
- (f) any amounts secured by any of the assets of the Trust;

provided that (i) for the purposes of (a) through (b), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with generally accepted accounting principles in Canada, (ii) obligations referred to in clauses (a) through (c) exclude trade accounts payable, distributions payable and accrued liabilities arising in the ordinary course of business; and (iii) convertible debentures will constitute indebtedness to the extent of the principal amount outstanding.

The Trust has complied with the operating policies set out above since its formation.

Amendments to Investment Guidelines and Operating Policies

Subject to the Declaration of Trust, any of the investment guidelines of the Trust set forth in this section may be amended by a Special Resolution at a meeting of the Voting Unitholders called for the purpose of amending the investment guidelines unless such change is necessary to ensure compliance with Applicable Laws, regulations or other requirements by applicable regulatory authorities from time to time or to maintain the status of the Trust as a “mutual fund trust” for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof.

The Asset Management Agreement

The following is only a summary of certain of the material provisions of the Asset Management Agreement and related commitments between the Asset Manager and the Partnership. This summary is qualified in its entirety by reference to the provisions of the Asset Management Agreement, a copy of which can be obtained by contacting investors@equiton.com. The Asset Manager is a Related Party to the Trust and the Asset Management Agreement was not negotiated at arm’s length between the parties.

Asset Manager’s Duties

Pursuant to the terms of the Asset Management Agreement, Equiton Partners has been appointed as the Asset Manager and is responsible for managing the Partnership and providing advice with respect to the Partnership’s Properties. The Asset Manager provides strategic, advisory, asset management, lending and financial management and administrative services necessary to manage the day-to-day operations of the Partnership and its assets. In carrying out its obligations under the Asset Management Agreement, Equiton Partners is required to exercise its powers and discharge its duties in good faith.

Among other duties, the Asset Manager is responsible for: providing acquisition, disposition and asset management advice to the Partnership; performing due diligence on any properties being considered for acquisition by the Partnership; hiring and managing specialists, consultants, advisors or other like persons reasonably required from time to time in furtherance and support of the services set out in the Asset Management Agreement provided that the fees and out-of-pocket costs of each such specialist, consultant and advisor will be for the account of the Partnership and not to the account of the Asset Manager; preparing and distributing annual estimates on a property-by-property basis of the amount to be reserved from the revenues of the Properties for any necessary capital repairs; establishing and maintaining commercial bank overdraft line of credit to protect the Partnership and any Subsidiary against overdraft charges; using cash reserves from the Properties to manage the cash flow requirements of the Partnership and any Subsidiaries, including the invoice and collection of interest on any short term loans made to individual Subsidiaries from such cash reserves; considering, and implementing, in its discretion, as aforesaid, interest rate, currency, commodity and other financial hedges and other policies to manage (increasing, maintaining or decreasing) risk exposure for the Partnership and its Subsidiaries on a consolidated basis; opening and managing any investment, banking, trading or brokerage account required for it to manage the aforementioned financial hedges; and using commercially reasonable efforts to arrange with third-party lenders short and long term financing or refinancing for one or more Properties or for the Partnership provided the foregoing shall in no

circumstances constitute an undertaking by the Asset Manager to make any loan to any of the Partnership or any Subsidiary at any time in any amount. The Asset Manager is subject to oversight by the General Partner and all acquisitions and dispositions of Properties shall be subject to approval by the General Partner.

Term of the Asset Management Agreement

The Asset Manager is to perform the services set out in the Asset Management Agreement. The initial term of the Asset Management Agreement was for five (5) years and expired on March 1, 2021. In accordance with the terms of the Asset Management Agreement, upon expiration of the initial term, the Asset Management Agreement was automatically renewed for a further five (5) year term expiring on March 1, 2026 and thereafter will automatically continue for further terms of five (5) years unless terminated by either party. The Asset Management Agreement shall terminate at the earliest of the following: (a) upon the expiry of the initial term or a renewal term, as set out in the Asset Management Agreement; (b) if the Asset Manager or the Partnership is in material breach of the Asset Management Agreement which has not been cured within 30 days' notice thereof; (c) anytime, upon 180 days prior written notice by the Asset Manager; or (d) if either the Asset Manager or the Partnership becomes bankrupt or insolvent.

All of the directors and senior officers of the Asset Manager have been involved in a broad range of real estate activities over the past five years. The Asset Manager, Equiton Partners, is a Related Party to the Trust because Jason Roque and Helen Hurlbut, both Trustees of the Trust, are the President and Chief Financial Officer, respectively, of Equiton Partners. In addition, Mr. Roque indirectly controls Equiton Partners. The Asset Manager may also be deemed a Related Party to the Trust at any time, from time to time, that it holds 10% or more of the Voting Units. See "*Management Experience*" and "*Relationship between the Trust, the Equiton Agent and Other Related Parties*".

Asset Manager's Fees

During the term of the Asset Management Agreement, the Partnership will pay the Asset Manager the following:

- (a) a transaction fee ("**Transaction Fee**") equal to 1.0% of the purchase price of each Property acquired or sold by the Partnership (calculated without duplication), plus any applicable taxes;
- (b) a management fee ("**Management Fee**") equal to 1.0% of the Gross Asset Value of the Partnership; and
- (c) a financing fee ("**Financing Fee**") in respect of any financing transaction involving any of the Properties, equal to: (i) 1% of the loan amount for each senior or first ranking financing transaction, (ii) 0.5% of the loan amount for each refinancing transaction with an existing lender, and (iii) up to 1.5% of the loan amount for each mezzanine or non-first ranking financing transaction.

In addition, the Partnership will pay directly, or reimburse the Asset Manager for all out-of-pocket expenses incurred by it in respect of the management services rendered by Asset Manager pursuant to the Asset Management Agreement. For greater clarity, the Partnership shall reimburse the Asset Manager for costs and expenses incurred by the Asset Manager in respect

of software, payroll, human resources, training and development and other similar operational costs and expenses.

Minimum Ownership Requirement

Independent from the terms of the Asset Management Agreement, the Asset Manager and Partnership have agreed that during the term of the Asset Management Agreement, the Asset Manager shall not permit its aggregate beneficial ownership of:

- (a) LP Units (including, but not limited to Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units and Redeemable LP Units, in aggregate); and
- (b) Trust Units,

at the last day of any fiscal quarter of the Partnership to be an amount equal to the lesser of:

- (c) 10% of the outstanding voting securities of the Partnership as at the last day of such fiscal quarter (with the number of Trust Units beneficially owned by the Asset Manager deemed to be LP Units, without duplication, for the purposes of this calculation, determined on a consolidated basis, in accordance with generally accepted accounting principles); and
- (d) \$2,000,000.

Property Management Agreement

The following is a summary only of certain material provisions of the Property Management Agreement. This summary is qualified in its entirety by reference to the provisions of the Property Management Agreement, a copy of which can be obtained by contacting investors@equiton.com. The Property Manager is a Related Party to the Trust and the Property Management Agreement was not negotiated at arm's length between the parties.

Pursuant to the Property Management Agreement, Equiton Partners acts as the Property Manager. The Property Manager manages all aspects of the operation of the Properties, including property management services and project management services.

The initial term of the Property Management Agreement is five (5) years and expired on March 1, 2021. In accordance with the terms of the Property Management Agreement, upon expiration of the initial term, the Property Management Agreement was automatically renewed for a further five (5) year term expiring on March 1, 2026 and thereafter will automatically continue for further terms of five (5) years unless terminated by either party. The Property Manager has the right to hire a subcontractor to sub-manage any of the Properties, if in the opinion of the Property Manager, this would be in the best interest of the Property in question.

The Property Management Agreement may be terminated by the Partnership upon the occurrence of any of the following:

- (a) failure of the Property Manager to materially perform the property management and project services as set out in the Property Management Agreement;

- (b) if the Property Manager acts in a grossly negligent manner and not remedied within 30 days; or
- (c) upon the occurrence of an insolvency event of the Property Manager.

The Property Management Agreement may be terminated by the Property Manager:

- (a) in the event the Partnership fails to pay any fees within 30 days of the presentation of an invoice and fails to remedy such default within 15 days; of
- (b) upon the occurrence of an insolvency event of the Partnership.

The Partnership pays to the Property Manager a fee of 4% of the gross income collected from the Properties as compensation for providing property management services. The Partnership pays the Property Manager a fee of 5% of the total cost to construct and/or co-ordinate the construction or material repairs of any tenant premises or any portion of the Properties. The Partnership also pays the Property Manager other fees customarily paid to a property manager in similar circumstances.

In addition, the Partnership pays directly, or reimburses the Property Manager for all out-of-pocket expenses incurred by it in respect of the management services rendered by the Property Manager pursuant to the Property Management Agreement. For greater clarity, the Partnership is to reimburse the Property Manager for costs and expenses incurred by the Property Manager in respect of software, payroll, human resources, training and development and other similar operational costs and expenses.

The Property Manager, Equiton Partners, is a Related Party to the Trust because Jason Roque and Helen Hurlbut, both Trustees of the Trust, are the President and Chief Financial Officer, respectively, of Equiton Partners. In addition, Mr. Roque indirectly controls Equiton Partners.

See “*Management Experience*” and “*Relationship between the Trust and the Equiton Agent and Other Related Parties*”.

The LP Agreement

The following is a summary only of certain of the material provisions of the LP Agreement and the LP Units which will be issued under the LP Agreement. Defined terms used but not defined herein have the meanings ascribed to such terms in the LP Agreement. This summary is qualified in its entirety by reference to the provisions of the LP Agreement, a copy of which can be obtained by contacting investors@equiton.com.

All Limited Partners are entitled to the benefit of and are bound by the LP Agreement. Set out below is a brief summary of some of the terms of the LP Agreement and attributes of the LP Units that are not described elsewhere in this Offering Memorandum. For information regarding the General Partner, see “*Management of the Partnership – The General Partner*”.

Limited Liability of Limited Partners

Under the terms of the LP Agreement, the liability of each Limited Partner is limited to such Limited Partner’s Capital Contribution plus such Limited Partner’s pro rata share of the undistributed

income of the Partnership. Limited Partners generally will not be liable for any debt, obligation or default of the Partnership beyond their investment in the Partnership.

LP Units

The Partnership is authorized to issue various classes of partnership interests, including an unlimited number of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units, an unlimited number of Redeemable LP Units and general partnership interests as described therein. A partnership interest is personal property. A Partner has no interest in specific Partnership Property (as defined in the LP Agreement) by way of its LP Units.

Except as otherwise provided in the LP Agreement, no Class A LP Unit, Class B LP Unit, Class C LP Unit, Class F LP Unit or Class I LP Unit shall have any preference or right in any circumstances over any other Class A LP Unit, Class B LP Unit, Class C LP Unit, Class F LP Unit or Class I LP Unit, respectively. The holders of the Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units shall have the right to one vote for each Class A LP Unit, Class B LP Unit, Class C LP Unit, Class F LP Unit or Class I LP Unit held in respect of all matters to be decided by the Limited Partners. The Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units each have the right to participate in the distributions of the Partnership as provided for in the LP Agreement. The Trust is the holder of all issued and outstanding Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units.

The Redeemable LP Units will have a subscription price per Redeemable LP Unit that is determined by the Trustees of the Trust from time to time and set forth in the subscription agreement(s) entered into between Equiton Partners and the Partnership and will be redeemable, in whole or in part, at any time at the option of the Partnership at a price equal to the market value of such Redeemable LP Units, as determined by the General Partner from time to time. A holder of Redeemable LP Units will have the right to one vote for each Redeemable LP Unit held in respect of all matters to be decided by the Limited Partners. Holders of Redeemable LP Units shall be entitled to receive distributions per Redeemable LP Unit equal to the distributions per Class A LP Unit. The Redeemable LP Units will rank equal with the Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units in the event of liquidation of the Partnership. As of the date of this offering memorandum, there are no issued and outstanding Redeemable LP Units.

The General Partner

The General Partner, in its capacity as a general partner of the Partnership, holds a 0.001% undivided interest in the Partnership. The General Partner has the right to receive distributions in respect of its interest by way of cash or the issuance of LP Units.

Restrictions on Transfers of LP Units

The LP Agreement provides that LP Units may be sold only in accordance with the terms of the LP Agreement and may not be sold, assigned, or otherwise, transferred, without the agreement of the General Partner. Subject to the provisions of the LP Agreement, LP Units may not be transferred without, among other things, delivery by the transferee of a duly completed transfer form.

Any permitted transfer of LP Units must be made in accordance with the applicable requirements of Canadian securities laws.

Power of Attorney

The LP Agreement contains an irrevocable power of attorney in respect of various enumerated matters, authorizing the General Partner, on behalf of the Limited Partners, to execute certain documents and instruments, including but not limited to any amendments to the LP Agreement (subject to any approvals required under the LP Agreement) and all instruments necessary to effect the dissolution of the Partnership (pursuant to the terms of the LP Agreement) as well as any registration, election, determination, designation, information return, objection, notice of objection or similar document or instrument, whether jointly with third parties or otherwise under the Tax Act or the taxation legislation of any province or territory with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership.

The LP Agreement provides that a permitted transferee of an LP Unit will, upon becoming the holder thereof, be conclusively deemed to have acknowledged and agreed to be bound by the provisions of the LP Agreement as a Limited Partner and shall be conclusively deemed to have provided the General Partner with the irrevocable power of attorney described above.

Allocation of Net Income or Loss

The income for tax purposes or loss for tax purposes for a given taxation year is allocated among the General Partner and the Limited Partners as follows:

- 1) To the General Partner, 20% of the Adjusted Income for Tax Purposes or Adjusted Loss for Tax Purposes from each source for that taxation year; provided that the Partnership Loss for Tax Purposes allocated to the General Partner shall not exceed an amount equal to the amount of Partnership Income for Tax Purposes allocated to the General Partner in all prior taxation years less the amount of any Partnership Loss for Tax Purposes allocated to the General Partner in all prior taxation years; and
- 2) To the Limited Partners, the balance of all Partnership Income for Tax Purposes or Partnership Loss for Tax Purposes for that taxation year that is not allocated to the General Partner, and all other items of income, gain, loss, deduction, recapture and credit of the Partnership that are allocable for purposes of the Tax Act and other relevant taxing statutes.

Notwithstanding the foregoing, the General Partner may adjust the allocation of income for tax purposes and losses for tax purposes in a manner determined by the General Partner to be fair and reasonable to the Partners.

The income or loss of the Partnership for accounting purposes for a given fiscal year is allocated among the Partners in the same proportion as income for tax purposes or loss for tax purposes is allocated for such taxation year, in accordance with the terms of the LP Agreement.

Distributions

For each Partnership Distribution Period, the Partnership will distribute:

- (i) to the General Partner an amount equal to 20% of Partnership Distributable Income less any portion of such amount that was distributed to the General Partner in a prior period or distributable to the General Partner in the current period pursuant to (ii) below;
- (ii) to the General Partner an amount equal to 20% of any increase in the value of the Partnership's properties recognized in connection with a Realization Event from the value of such properties on the date of the LP Agreement or the time of acquisition, whichever is later (an "**Accretion Distribution**"), provided that the General Partner shall only be entitled to an Accretion Distribution to the extent that the Realization Value in respect of a particular Realization Event was not taken into account in the calculation of a prior Accretion Distribution;
- (iii) to the Limited Partners any Partnership Distributable Income not distributed to the General Partner.

The General Partner may, in its discretion, elect to defer payment of any distribution to which it is entitled pursuant to (i) or (ii) above, provided that the amount distributed to the General Partner for any Partnership Distribution Period shall not be less than 0.001% of Partnership Distributable Income for such period. Any distribution so deferred shall be added to the distributions payable to the General Partner in subsequent Partnership Distribution Periods until such deferred distributions have been paid in full.

The Partnership may, in addition, make a distribution at any other time.

The General Partner may elect to receive any distribution payable to it in the form of Trust Units having a fair market value equal to the amount of such distribution.

Reporting to Limited Partners

The Partnership maintains financial statements separate from the Partners and the Partnership shall provide to each of the Partners copies of its audited annual financial statements no later than 120 days following each fiscal year end, in each case prepared in accordance with generally accepted accounting principles. The General Partner prepares, or causes to be prepared, any federal, provincial and municipal tax or information returns required to be filed by the Partnership and all financial statements required by each Partner to enable the filing of any tax or information return which is required to be filed by such Partner.

Meetings of Limited Partners

The General Partner may at any time and shall, upon receipt of a written request from Limited Partners holding not less than 50.1% of all LP Units specifying the purpose or purposes of the meeting, call a meeting of Partners. If the General Partner fails to call a meeting of Partners within 21 days after receipt of such written request from the Limited Partners in the case of a special meeting any Limited Partner may call such meeting in accordance with the terms of the LP Agreement. Meetings shall be held at the time and in the place set out in the notice calling the meeting, provided that the meeting may be held by telephone conference call. The expenses of calling and holding all meetings shall be borne by the Partnership. At any such meeting, each Limited Partner (other than a defaulting Limited Partner) will be entitled to one vote for each whole LP Unit registered in the Limited Partner's name.

Pursuant to the LP Agreement, the following matters require the approval of Limited Partners by special resolution, which means a resolution approved by a vote cast in person or by proxy, by holders of more than 75% of the aggregate number of issued and outstanding LP Units at a duly constituted meeting of Limited Partners, or a written resolution signed by Limited Partners holding in the aggregate more than 75% of the aggregate number of issued and outstanding LP Units:

- (a) removing the General Partner where the General Partner has committed a material breach of the LP Agreement, which breach has continued for 30 days after notice and, if such removal would result in the Partnership having no general partner, electing a new general partner as provided in Section 6.16(c) of the LP Agreement;
- (b) waiving any default, other than in respect of any insolvency, receivership or bankruptcy of the Partnership, on the part of the General Partner on those terms as the Limited Partners may determine and releasing the General Partner from any claims in respect thereof;
- (c) amending, modifying, altering or repealing any Special Resolution previously passed by holders of LP Units;
- (d) amending the LP Agreement pursuant to Section 9.1 of the LP Agreement in accordance with the provisions of the LP Agreement;
- (e) a merger or consolidation involving the Partnership, except for a merger or consolidation involving only the Partnership and one or more of its affiliates;
- (f) a consolidation, subdivision or reclassification of the LP Units or of any class of LP Units;
- (g) electing the chairperson of a meeting of Partners as provided in Section 8.11 of the LP Agreement;
- (h) continuing the Partnership if the Partnership is terminated by operation of law;
- (i) adding to, changing or removing any right, privilege, restriction or condition attaching to the LP Units which may reasonably be considered materially adverse to the holders of the LP Units; and
- (j) consenting to any judgment entered in a court of competent jurisdiction against the Partnership.

Indemnification of General Partner

The General Partner and each of its directors, officers, employees and agents, among others, are indemnified by the Partnership to the fullest extent permitted by law out of the assets of the Partnership for all liabilities, claims, losses, costs and expenses incurred by them in the manner and to the extent provided by Section 6.8 of the LP Agreement.

Books and Records

The General Partner shall keep, or cause to be kept on behalf of the Partnership, at its principal office, appropriate books of proper and complete accounts, records, and registers of the

operations and affairs of the Partnership, including the record of the names and addresses of all of the Partners.

The books of the Partnership are maintained for financial reporting purposes on an accrual basis in accordance with generally accepted accounting principles.

Right to Inspect Books and Records

The LP Agreement provides that a Limited Partner can, for a purpose reasonably related to such Limited Partner's interest as a Limited Partner, upon reasonable demand and at its own expense, have access to: copies of the LP Agreement, the Limited Partnership Declaration, the record of Partners and amendments to those documents; copies of all documents filed by the Partnership with a securities regulatory authority in Canada; copies of minutes of meetings of the Partners; and any other information regarding the affairs of the Partnership as is just and reasonable or to which a Limited Partner is entitled pursuant to the *Partnerships Act* (Ontario).

Trust Unitholders are not Limited Partners and accordingly do not have the aforesaid rights afforded to Limited Partners. However, Trust Unitholders may, upon reasonable demand and at their own expense, review certain books and records of the Partnership available at the head office of the Trust during regular business hours.

The General Partner may keep confidential from the Limited Partners any information (other than the books and records noted above) which in the reasonable opinion of the General Partner, should be kept confidential in the best interests of the Partnership or which the Partnership is required by law or agreements with third parties to keep confidential.

Termination

Subject to following the procedures set out in Section 10.3 of the LP Agreement, the Partnership will terminate upon the earliest to occur of: (i) the removal or deemed removal of a sole general partner unless such general partner is replaced as provided for in the LP Agreement; (ii) the sale, exchange or other disposition of all or substantially all of the assets of the Partnership, if approved by a Special Resolution in accordance with Section 8.16 of the LP Agreement, (iii) the passage of a Special Resolution approving the dissolution of the Partnership, and (iv) the date of dissolution caused by operation of law.

The General Partner

The General Partner is incorporated under the *Business Corporations Act* (Ontario). The General Partner is indirectly owned and controlled by Jason Roque, who is also a director and President of the General Partner. Helen Hurlbut is a director and Chief Financial Officer of the General Partner. See "*Management Experience*" and "*Relationship between the Trust, the Equiton Agent and Other Related Parties*".

Functions and Powers of the General Partner

The LP Agreement incorporates by reference the Investment Guidelines and Operating Policies set out in the Declaration of Trust and the General Partner is bound by such Investment Guidelines and Operating Policies and is to conduct the business of the Partnership in a manner consistent therewith.

The General Partner is authorized to carry on the business of the Partnership and, subject to the terms of the LP Agreement, has full power and exclusive authority to administer, manage, control and operate the business of the Partnership. The General Partner's duties include: negotiating, executing and performing all agreements on behalf of the Partnership; opening and managing bank accounts in the name of the Partnership; borrowing funds or incurring indebtedness or liabilities in the name of the Partnership; issuing Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units, Class I LP Units and / or Redeemable LP Units to Limited Partners; making distributions of distributable income; issuing debt and/or debt instruments of the Partnership; mortgaging, charging, assigning, hypothecating, pledging or otherwise creating a security interest in all or any property of the Partnership or any affiliate of the Partnership; managing, controlling and developing all the activities of the Partnership; incurring and paying all costs and expenses in connection with the Partnership; employing, retaining, engaging or dismissing from employment, personnel, agents, representatives or professionals or other investment participants within its discretion; engaging agents, including any affiliate or associates to assist it to carry out its management obligations to the Partnership; investing cash assets in any investment approved in its sole discretion; acquiring, holding, transferring, voting or otherwise dealing with securities of entities engaged primarily in the business of the Partnership which are permitted businesses for the Partnership as provided in the LP Agreement; maintaining, improving or changing any assets from time to time of the Partnership; seeing to the sound management of the Partnership, and to manage, control and develop all the activities of the Partnership; acting as attorney-in-fact or agent of the Partnership in disbursing and collecting moneys for the Partnership; paying debts and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership; commencing or defending any action or proceeding by, against or in connection with the Partnership; filing returns or other documents (including tax returns) required by any Governmental Authority or like authority; retaining legal counsel, experts, advisors or consultants as it considers appropriate; acquiring or, subject to Section 8.16 of the LP Agreement, disposing of assets of the Partnership; entering into hedge contracts or similar arrangements to permit the Partnership to mitigate or eliminate the Partnership's exposure to interest rate, foreign exchange or other risks associated with the business of the Partnership; doing anything that is in furtherance of or incidental to the business of the Partnership or that is provided for in the LP Agreement; executing, acknowledging and delivering the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the business of the Partnership; filing any tax elections, forms, objections or notices of objection or similar documents on behalf of the Partnership and (to the extent necessary) on behalf of the Partners under the Tax Act or any other tax legislation; obtaining any insurance coverage; and carrying out the objects, purposes and business of the Partnership.

The General Partner may from time to time delegate its power and authority or procure assistance from other parties pursuant to the terms of the LP Agreement.

Reimbursement of the General Partner

The General Partner is entitled to recover from the Partnership all reasonable direct costs and expenses incurred by the General Partner in the performance of its duties under the LP Agreement on behalf of the Partnership.

Conflict of Interest Policy of the General Partner

The directors of the General Partner have adopted a conflict of interest policy on substantially the same terms as those set out in the section titled *Conflict of Interest Restrictions and Provisions of*

this Offering Memorandum, with such revisions as are necessary for such policy to be applicable to directors of the General Partner, *mutatis mutandis*.

The Riverain District Development Project Purchase Agreement and Co-Owners Agreement

On January 19, 2022, the Trust announced that it had acquired a development project in Ottawa, Ontario, referred to as the Riverain District development project (the “**Development Project**”) in partnership with Selkirk & Main Holdings Inc. (“**Main**”), a real estate investment and development firm. Pursuant to an agreement of purchase and sale dated December 9, 2021 between Main, ML Eastview Realty Investments Inc. and Equiton Acquisition Corporation, the interest of Equiton Acquisition Corporation having been assigned to and assumed by the Partnership, as amended from time to time (the “**Purchase Agreement**”) and a co-owners agreement dated January 18, 2022 between Main and the Partnership (the “**Co-Owners Agreement**”), the Partnership holds a 75% interest in the Development Project.

The Development Project is a multi-phased project with Phase 1 construction started in summer 2022. The development plan includes a three-phase development totalling 833,608 square feet of gross building area with three towers consisting of 22, 28 and 32 storeys with over 1,000 residential rental units, including a two-storey podium featuring over 32,000 square feet of commercial space. The 4.2-acre site occupies an entire block in the up-and-coming Vanier neighbourhood and is situated on the banks of the Rideau River.

Site plan approval along with superstructure and interim permits have been issued for Phase 1 of the Development Project. Phase 2 and Phase 3 of the Development Project have been re-prioritized with site plan approval for Phase 2 targeted for the second quarter of 2024.

Total estimated development cost to complete the Development Project is over \$435 million with over \$56 million incurred to date. Construction financing has been obtained and construction has commenced on Phase 1 with the superstructure completed and occupancy projected for 15 months starting in summer 2025. Phase 2 construction is targeted to start mid-2024 with occupancy commencing in 2027. Phase 3 will follow with completion in 2027 and occupancy in 2028.

The Co-Owners Agreement continues in effect, unless sooner terminated in accordance with the provisions of the Co-Owners Agreement, until the Development Project is sold (to a third party, or to Main or the Partnership). Under the Co-Owners Agreement, the Partnership and Main shall, as between themselves, be liable for obligations, liabilities and losses relating to the Development Project in the same proportion as their ownership interests. Under the Co-Owners Agreement, each of the Partnership and Main agree to indemnify each other for (i) certain liabilities arising from or incurred in connection with the Development Project, to the extent of that portion of the liabilities which the Partnership or Main, as applicable, has incurred and which is in excess of the Partnership’s or Main’s respective ownership interest, and (ii) any and all claims not related to the Development Project.

In connection with the Development Project, Main and the Partnership have also entered into an equity loan agreement (the “**Equity Loan Agreement**”), pursuant to which the Partnership has agreed to advance to Main one or more loans in a principal amount equal to half of the equity amounts that Main must contribute to the Development Project, being 12.5% (the “**Equity Loan**”). The Equity Loan bears interest at a rate equal to 7.75% per annum, calculated and compounded

semi-annually, and interest on the Equity Loan is payable by Main quarterly on the 1st day of each quarter, as to interest only. The outstanding portions of the Equity Loan are to be repaid by Main (together with all outstanding and accrued interest thereon) upon the earlier of the day upon which the first advance of any long term financing for such phase of the Development Project is made following the construction thereof and the day upon which the Partnership ceases to be a co-owner of the property or such phase of the Development Project. The Equity Loan is secured by a guarantee made by Main & Main Asset Management Inc. (“**Main & Main**”) in favour of the Partnership.

Main & Main is the developer of the Development Project. Main & Main, an experienced real estate developer incorporated in Ontario on June 21, 2018, has assembled over 25 real estate projects and is currently developing over 3500 residential units in mid-rise and high-rise mixed-use developments in Ottawa and Toronto, Ontario. The name, principal occupation and description of experience associated with such occupation for each director and officer of Main & Main, is set out below:

Directors and Executive Officers of Main & Main

Full Legal Name	Principal occupation and description of experience associated with the occupation
Rick Iafelice	Mr. Iafelice is the President and Director of Main & Main and has over 30 years of real estate experience in brokerage, land development, construction and operations.
Bart Munn	Mr. Munn is the Chief Financial Officer of Main & Main and has over 35 years’ experience as a financial and real estate executive.
Daniel Byrne	Mr. Byrne is the Vice President, Development of Main & Main and has over 30 years of real estate experience including managing entitlements for mixed-use developments.
Chris Bartoff	Mr. Bartoff is the Vice President, Finance & Investments of Main & Main. Mr. Bartoff has significant real estate experience in asset management, development and finance including managing large scale development projects.
Reza Ayel	Mr. Ayel is the Vice President, Acquisitions & Leasing of Main & Main. Mr. Ayel has over 15 years real estate experience in property management, leasing, acquisitions and asset management.
Larry Gayne	Mr. Gayne is the Vice President, Construction of Main & Main and has over 40 years construction experience building high rise, commercial and retail buildings for developers and builders.

To the Trust's knowledge, no director, executive officer or control person of Main & Main, or any issuer of which any of those persons was a director, executive officer or control person has:

- (a) during the last 10 years, been subject to any penalty or sanction, or any cease trade order that has been in effect for a period of more than 30 consecutive days;
- (b) during the last 10 years, made a declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, or appointed a receiver, receiver-manager or trustee to hold assets; or
- (c) ever pled guilty to, or been found guilty of (i) a summary conviction or indictable offence under the Criminal Code (Canada); (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction; (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America; or (iv) an offence under the criminal legislation of any other foreign jurisdiction.

INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

Compensation and Securities Held

Name and municipality of principal residence or, if not an individual, jurisdiction of organization	Positions held (e.g., trustee, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the issuer in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of minimum Offering	Number, type and percentage of securities of the issuer held after completion of maximum Offering
Jason Roque <i>Hamilton, Ontario</i>	Trustee, Chief Executive Officer, since March 1, 2016	\$0 ⁽¹⁾	15,522.9958 Class A Trust Units 5,203.6638 Class F Trust Units 18,889.8761 Class IS1 Trust Units N/A% ⁽⁴⁾	15,522.9958 Class A Trust Units 5,203.6638 Class F Trust Units 18,889.8761 Class IS1 Trust Units N/A% ⁽⁴⁾
Helen Hurlbut <i>Mississauga, Ontario</i>	Trustee, Chief Financial Officer, since March 1, 2016	\$0 ⁽¹⁾	1,517.4395 Class A Trust Units	1,517.4395 Class A Trust Units 2,726.5829 Class F Trust Units

			2,726.5829 Class F Trust Units 3,136.7494 Class IS1 Trust Units N/A ⁽⁴⁾	3,136.7494 Class IS1 Trust Units N/A ⁽⁴⁾
David Hamilton ⁽²⁾ <i>Toronto, Ontario</i>	Trustee, since July 19, 2016	\$30,000 (2023) \$30,000 ⁽²⁾ (anticipated 2024)	8,407.9803 Class C Trust Units 19,135.5154 Class F Trust Units N/A ⁽⁴⁾	8,407.9803 Class C Trust Units 19,135.5154 Class F Trust Units N/A ⁽⁴⁾
C. Scot Caithness ⁽²⁾ <i>Calgary (Chestermere Lake), Alberta</i>	Trustee, since September 1, 2017	\$30,000 (2023) \$30,000 ⁽²⁾ (anticipated 2024)	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Aida Tammer ⁽²⁾ <i>Toronto, Ontario</i>	Trustee, since March 31, 2022	\$22,500 (2022) \$30,000 ⁽²⁾ (anticipated 2024)	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Equiton Partners Inc. <i>Ontario</i>	Promoter, since March 1, 2016	\$0 ⁽³⁾	2,712,339.5850 Class F Trust Units 1,022.7464 Class B Trust Units 1,032.6375 Class C Trust Units N/A ⁽⁴⁾	2,712,339.5850 Class F Trust Units 1,022.7464 Class B Trust Units 1,032.6375 Class C Trust Units N/A ⁽⁴⁾

Notes:

- (1) Mr. Roque and Ms. Hurlbut will not receive any compensation from the Trust. Mr. Roque receives compensation from Equiton Partners as President of Equiton Partners. Ms. Hurlbut receives compensation from Equiton Partners as Chief Financial Officer of Equiton Partners.
- (2) Each Independent Trustee is paid \$7,500 plus applicable taxes per quarter.
- (3) Equiton Partners will not receive any compensation from the Trust. Equiton Partners will receive fees from the Partnership as manager of the Trust and Partnership. See "The Asset Management Agreement – Asset Manager's Fees", "The Property Management Agreement" and "Relationship between the Issuer, the Equiton Agent, and Other Related Parties".
- (4) There is no maximum or minimum Offering. The Trust will offer an unlimited number of Trust Units on a continuous basis. The class of Trust Units outstanding will depend on which Trust Units are subscribed for.

Management Experience

The following table discloses the principal occupations of each trustee, officer, promoter and principal holder over the past five years:

Name	Principal occupation and description of experience associated with the occupation
Jason Roque	<p>Jason Roque is the President of Equiton Partners, which he founded in 2014 with a focus on real estate investment. Prior to this role, Mr. Roque was the Chief Executive Officer of a private real estate development company from 2006 to 2014.</p> <p>Mr. Roque has more than 20 years of real estate and development experience. Previously, as Chief Executive Officer of LIV Communities (formerly Landmart Homes), he transformed the regionally based custom home builder into a full-scale real estate development company. While there, he oversaw all aspects of the development and construction business, carefully selecting properties and overseeing operations with a dedicated team to ensure profitability. Mr. Roque received his B.A. in Economics from the University of Toronto.</p>
Helen Hurlbut	<p>Helen Hurlbut is the Chief Financial Officer of Equiton Partners. Ms. Hurlbut is responsible for Equiton Partners' overall financial management growth, development and security. Prior to this role, Ms. Hurlbut was Chief Financial Officer with Cherishome Living (formerly McArthur Properties) from 2011 to 2014, Chief Financial Officer of Empire Communities from 2007 to 2010 and Vice President and Treasurer of Mattamy Homes from 1998 to 2007.</p> <p>In her over 30 years of experience in the commercial, industrial and residential real estate industries, she has held executive leadership roles at some leading real estate investment and development companies. She is a Certified Management Accountant and Chartered Professional Accountant and holds an Honours B.A. in Economics and Business from York University. She regularly volunteers her time and expertise on local boards and charities.</p>
David Hamilton	<p>David Hamilton is a lawyer with over 30 years of experience as a partner with both a multi-national and a national law firm while specializing in commercial real estate, capital and commercial markets lending transactions, commercial real estate development, project financing for condominiums, asset-based lending and in the area of bankruptcy and insolvency law. He has acted for the major banks and financial institutions both in Canada and internationally as well as for a major Canadian real estate developer. He served as counsel to the board of directors of a national van line and worked for an extensive period for the liquidators of a life insurance and trust company on the liquidation of their commercial real estate portfolios. Currently he is counsel for an established boutique firm that specializes in corporate and commercial real estate law.</p>

C. Scot Caithness	<p>Scot Caithness has more than 40 years of commercial real estate, consulting and management experience in Canada and around the world. He has provided strategic consulting to companies on their real estate portfolios from acquisitions and dispositions to facility management and development.</p> <p>Fluent in English and French, he holds a Bachelor of Commerce Degree in Urban Planning and Development, Marketing and Finance from the University of Alberta. He is also a professionally accredited appraiser and chartered surveyor.</p>
Aida Tammer	<p>Aida Tammer has over 30 years of experience in the capital markets, corporate governance and real estate investment realm, having advised on numerous REIT IPO and M&A transactions, debt and equity offerings and property trades. She spent 19 years with the CIBC Group of Companies, including over a decade as a real estate investment banker at CIBC World Markets and, prior to that, in progressively senior roles at CIBC Development Corporation. Her real estate consulting work since 2010 has included providing written opinions as an expert witness. Ms. Tammer holds the MBA (Finance) degree from the Rotman School of Management, CFA designation, specialized training in derivative securities and financial risk management (Canadian Securities Institute) and undergraduate degrees from the University of Waterloo School of Architecture and became a licensed architect early in her career. She holds the ICD.D designation and has served on a number of public company boards. She currently serves on the board of Artis REIT and is a member of the Investment Advisory Committee of the Canada Post Pension Plans.</p>

Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

To the Trust’s knowledge, no trustee, officer, or control person of the Trust (an “**Insider**”) has, or any issuer of which an Insider was a trustee, director, officer or control person, has:

- (a) during the last 10 years, been subject to any penalty or sanction, or any cease trade order that has been in effect for a period of more than 30 consecutive days;
- (b) during the last 10 years, made a declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, or appointed a receiver, receiver-manager or trustee to hold assets; or
- (c) ever pled guilty to, or been found guilty of (i) a summary conviction or indictable offence under the Criminal Code (Canada); (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction; (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America; or (iv) an offence under the criminal legislation of any other foreign jurisdiction.

Certain Loans

As at the date of this Offering Memorandum, there are no debentures, bonds or loans between the Trust and a related party. However, Equiton Partners, may provide the Partnership with Equiton Loans to (a) form part of the payment of existing and future investments; (b) repay debt; or (c) redeem the Redeemable LP Units. The Trust anticipates the Equiton Loans will be interest only payable loans, with no fixed term, and will bear interest at a fixed annual rate of the Prime Rate plus 2.00% payable monthly. Additionally, the Trust anticipates the Equiton Loans will be repayable to Equiton Partners in cash or Redeemable LP Units (at the discretion of Equiton Partners) and will be assignable by Equiton Partners. See “*Capital Structure – Long Term Debt*”.

CAPITAL STRUCTURE

Trust Unit Capital

Description of security	Number authorized to be issued	Price per security	Number outstanding as at June 30, 2023	Number outstanding after minimum Offering	Number outstanding after maximum Offering
Class A Trust Units ⁽¹⁾	Unlimited	\$12.36	18,462,058	N/A ⁽²⁾	N/A ⁽²⁾
Class B Trust Units	Unlimited	\$12.36	888,739	N/A ⁽²⁾	N/A ⁽²⁾
Class C Trust Units	Unlimited	\$12.36	1,528,944	N/A ⁽²⁾	N/A ⁽²⁾
Class F Trust Units ⁽¹⁾	Unlimited	\$12.36	16,820,182	N/A ⁽²⁾	N/A ⁽²⁾
Class I Trust Units ⁽¹⁾	Unlimited	\$12.36	10,759,720	N/A ⁽²⁾	N/A ⁽²⁾
Special Voting Units	Unlimited	\$0.00	Nil	N/A ⁽²⁾	N/A ⁽²⁾

Notes:

(1) See “Declaration of Trust and Description of Trust Units – Trust Units”, for the terms of the Trust Units.

(2) There is no maximum or minimum offering. The Trust will offer an unlimited number of Trust Units on a continuous basis. The class of Trust Units outstanding will depend on which Trust Units are subscribed for.

Long Term Debt

As at the date hereof, the Trust has no long-term debt. The Partnership’s long term debt is set out in Schedule B – *Summary Information about Mortgages*.

Prior Sales

The following table discloses the issuance of Trust Units, or securities exchangeable for Trust Units within the 12 months prior to the date hereof⁽¹⁾:

Date of Issuance	Type of Security	No. of Securities Issued	Price per Security	Total Funds Received
7/4/2023	Class "A" Trust Unit	160,315.190000	\$11.97	\$1,916,537.34
7/17/2023	Class "A" Trust Unit	133,085.835759	\$11.97	\$1,592,580.41
7/26/2023	Class "A" Trust Unit	57,124.533787	\$11.97	\$683,220.00
8/8/2023	Class "A" Trust Unit	314,800.520780	\$11.99	\$3,770,771.71
8/21/2023	Class "A" Trust Unit	137,566.641841	\$11.99	\$1,648,844.17
8/28/2023	Class "A" Trust Unit	8,995.707711	\$11.99	\$107,800.00
9/5/2023	Class "A" Trust Unit	78,717.179830	\$12.32	\$959,708.58
9/18/2023	Class "A" Trust Unit	121,180.250306	\$12.32	\$1,481,708.41
10/2/2023	Class "A" Trust Unit	125,923.922629	\$12.34	\$1,551,640.77
10/16/2023	Class "A" Trust Unit	91,274.004941	\$12.34	\$1,125,736.97
11/6/2023	Class "A" Trust Unit	237,552.038303	\$12.35	\$2,930,638.41
11/20/2023	Class "A" Trust Unit	144,108.922088	\$12.35	\$1,779,558.47
11/30/2023	Class "A" Trust Unit	63,491.324000	\$12.35	\$784,062.50
12/4/2023	Class "A" Trust Unit	131,706.157468	\$12.36	\$1,627,026.72
12/18/2023	Class "A" Trust Unit	97,237.746884	\$12.36	\$1,201,712.18
12/27/2023	Class "A" Trust Unit	42,046.368851	\$12.36	\$519,600.00
1/8/2024	Class "A" Trust Unit	90,196.114056	\$12.36	\$1,114,823.97
1/22/2024	Class "A" Trust Unit	120,781.135814	\$12.36	\$1,492,822.45
2/5/2024	Class "A" Trust Unit	167,913.157091	\$12.36	\$2,074,976.24
2/20/2024	Class "A" Trust Unit	138,007.872208	\$12.36	\$1,705,468.71
Date of Issuance	Type of Security	No. of Securities Issued	Price per Security	Total Funds Received
7/4/2023	Class "B" Trust Unit	28,299.332711	\$11.97	\$338,600.00
7/17/2023	Class "B" Trust Unit	19,101.300752	\$11.97	\$228,642.57
8/8/2023	Class "B" Trust Unit	22,115.686771	\$11.99	\$265,000.00
8/21/2023	Class "B" Trust Unit	25,187.656379	\$11.99	\$302,000.00
9/5/2023	Class "B" Trust Unit	13,928.273561	\$12.32	\$167,000.00
9/18/2023	Class "B" Trust Unit	40,133.146670	\$12.32	\$491,000.00
10/2/2023	Class "B" Trust Unit	27,178.403040	\$12.34	\$335,000.00
10/16/2023	Class "B" Trust Unit	8,103.727715	\$12.34	\$100,000.00
11/6/2023	Class "B" Trust Unit	4,048.582996	\$12.35	\$50,000.00
11/20/2023	Class "B" Trust Unit	20,971.659919	\$12.35	\$259,000.00

12/4/2023	Class "B" Trust Unit	19,473.136866	\$12.36	\$240,607.00
12/18/2023	Class "B" Trust Unit	24,271.844660	\$12.36	\$300,000.00
12/27/2023	Class "B" Trust Unit	12,135.922330	\$12.36	\$150,000.00
1/8/2024	Class "B" Trust Unit	8,090.614887	\$12.36	\$100,000.00
1/22/2024	Class "B" Trust Unit	52,370.991909	\$12.36	\$647,305.46
2/5/2024	Class "B" Trust Unit	34,811.398058	\$12.36	\$430,268.88
2/20/2024	Class "B" Trust Unit	21,494.936084	\$12.36	\$265,677.41
Date of Issuance	Type of Security	No. of Securities Issued	Price per Security	Total Funds Received
7/4/2023	Class "C" Trust Unit	47,688.957400	\$11.97	\$570,000.00
7/17/2023	Class "C" Trust Unit	81,872.743226	\$11.97	\$980,000.00
8/8/2023	Class "C" Trust Unit	64,841.492989	\$11.99	\$777,031.79
8/21/2023	Class "C" Trust Unit	62,552.126772	\$11.99	\$750,000.00
9/5/2023	Class "C" Trust Unit	44,704.664603	\$12.32	\$537,000.00
9/18/2023	Class "C" Trust Unit	21,103.896104	\$12.32	\$260,000.00
10/16/2023	Class "C" Trust Unit	36,466.774716	\$12.34	\$450,000.00
11/6/2023	Class "C" Trust Unit	64,793.732242	\$12.35	\$800,000.00
11/20/2023	Class "C" Trust Unit	20,242.914980	\$12.35	\$250,000.00
12/18/2023	Class "C" Trust Unit	46,053.768608	\$12.36	\$569,224.58
1/22/2024	Class "C" Trust Unit	74,604.960356	\$12.36	\$922,117.31
2/5/2024	Class "C" Trust Unit	74,838.187702	\$12.36	\$925,000.00
2/20/2024	Class "C" Trust Unit	17,967.419094	\$12.36	\$222,077.30
Date of Issuance	Type of Security	No. of Securities Issued	Price per Security	Total Funds Received
7/4/2023	Class "F" Trust Unit	155,055.011233	\$11.97	\$1,852,375.00
7/17/2023	Class "F" Trust Unit	146,437.929900	\$11.97	\$1,752,605.00
7/26/2023	Class "F" Trust Unit	47,375.018648	\$11.97	\$566,637.45
8/8/2023	Class "F" Trust Unit	64,740.552641	\$11.99	\$775,146.25
8/21/2023	Class "F" Trust Unit	132,642.785523	\$11.99	\$1,588,672.45
8/28/2023	Class "F" Trust Unit	82,224.914695	\$11.99	\$985,354.93
9/5/2023	Class "F" Trust Unit	37,942.741684	\$12.32	\$454,900.00
9/18/2023	Class "F" Trust Unit	175,623.307748	\$12.32	\$2,127,963.07
10/2/2023	Class "F" Trust Unit	80,461.904221	\$12.34	\$991,290.66
10/16/2023	Class "F" Trust Unit	107,084.977242	\$12.34	\$1,320,557.26
11/6/2023	Class "F" Trust Unit	268,092.934100	\$12.35	\$3,308,257.61
11/7/2023	Class "F" Trust Unit	3,192.058200	\$12.35	\$39,390.00
11/20/2023	Class "F" Trust Unit	143,475.417800	\$12.35	\$1,771,610.00

11/30/2023	Class "F" Trust Unit	319,219.931000	\$12.35	\$3,942,337.78
12/4/2023	Class "F" Trust Unit	31,130.053200	\$12.36	\$384,444.00
12/18/2023	Class "F" Trust Unit	211,407.288700	\$12.36	\$2,612,560.49
12/27/2023	Class "F" Trust Unit	450,614.229000	\$12.36	\$5,569,413.67
1/8/2024	Class "F" Trust Unit	100,114.568200	\$12.36	\$1,236,782.95
1/8/2024	Class "F" Trust Unit	14,886.327200	\$12.36	\$183,995.00
1/22/2024	Class "F" Trust Unit	177,790.419903	\$12.36	\$2,197,489.59
2/5/2024	Class "F" Trust Unit	224,031.595705	\$12.36	\$2,769,030.54
2/5/2024	Class "F" Trust Unit	3,329.368932	\$12.36	\$41,151.00
2/20/2024	Class "F" Trust Unit	145,681.476537	\$12.36	\$1,800,623.05
Date of Issuance	Type of Security	No. of Securities Issued	Price per Security	Total Funds Received
7/4/2023	Class "IS1" Trust Unit(2)	66,292.050208	\$11.64	\$792,190.00
7/17/2023	Class "IS1" Trust Unit(2)	5,443.472698	\$11.97	\$65,150.00
7/26/2023	Class "IS1" Trust Unit(2)	94,253.968255	\$11.97	\$1,128,220.00
8/8/2023	Class "IS1" Trust Unit(2)	17,388.422719	\$11.99	\$208,120.00
8/21/2023	Class "IS1" Trust Unit(2)	36,399.732303	\$11.99	\$436,250.00
8/28/2023	Class "IS1" Trust Unit(2)	3,124.270225	\$11.99	\$37,460.00
9/5/2023	Class "IS1" Trust Unit(2)	30,833.611344	\$12.32	\$369,695.00
9/18/2023	Class "IS1" Trust Unit(2)	50,419.248182	\$12.32	\$618,000.00
10/2/2023	Class "IS1" Trust Unit(2)	14,613.230519	\$12.34	\$180,035.00
10/16/2023	Class "IS1" Trust Unit(2)	77,554.216044	\$12.34	\$955,570.00
11/6/2023	Class "IS1" Trust Unit(2)	19,678.687400	\$12.35	\$242,835.00
11/20/2023	Class "IS1" Trust Unit(2)	89,162.435500	\$12.35	\$1,101,150.00
11/30/2023	Class "IS1" Trust Unit(2)	63,490.688100	\$12.34	\$784,110.00
12/4/2023	Class "IS1" Trust Unit(2)	41,740.890700	\$12.36	\$515,500.00
12/18/2023	Class "IS1" Trust Unit(2)	134,717.686500	\$12.36	\$1,664,960.00
12/27/2023	Class "IS1" Trust Unit(2)	34,905.340100	\$12.36	\$431,430.00
1/8/2024	Class "IS1" Trust Unit(2)	64,150.890000	\$12.36	\$792,905.00
1/22/2024	Class "IS1" Trust Unit(2)	82,498.220065	\$12.36	\$1,019,678.00
2/5/2024	Class "IS1" Trust Unit(2)	88,418.688991	\$12.36	\$1,092,855.00
2/20/2024	Class "IS1" Trust Unit(2)	662,203.317152	\$12.36	\$8,184,833.00

(1) For the 6 months prior to the date hereof, the Issuer issued the following units pursuant to the DRIP: 366,289 Class A Trust Units, 16,591 Class B Trust Units, 27,433 Class C Trust Units, 328,888 Class F Trust Units and 258,442 Class IS1 Trust Units were issued. Trust Unitholders enrolled in the DRIP program currently receive additional bonus Trust Units in an amount equal in value to 2% of the distributions reinvested through the DRIP.

(2) Series 1 Class I Trust Units.

TERMS OF TRUST UNITS

The Trust Units have those rights, privileges, restrictions and conditions ascribed thereto as set forth in the Declaration of Trust, including the following:

Voting Rights

Holders of Trust Units may attend and vote at all meetings of the Voting Unitholders where all classes of Trust Units are entitled to vote, and each Trust Unit shall entitle the holder thereof to one vote at such meeting. Holders of Special Voting Units will have an equal right to be notified of, attend and participate in meetings of all classes of Trust Units. Holders of a class of Trust Units may attend and vote at all meetings of that class of Trust Unitholders and each Trust Unit shall entitle the holder thereof to one vote at such meeting. Holders of Special Voting Units will not have any rights to be notified of, attend or participate in meetings of a class of Trust Units.

Redemption of Trust Units

Each Trust Unitholder is entitled to require the Trust to redeem at any time or from time to time at the demand of the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the conditions set out in the Declaration of Trust. See “*Material Contracts – Declaration of Trust – Redemption of Trust Units*” and “*Class Fee and Redemption Features*”. For information about the Trust’s historical redemptions, see *Schedule “D” – Historical Redemptions*.

Distribution Policy

The Declaration of Trust provides that the Trust may distribute to the Trust Unitholders on or about each Distribution Date such percentage of the Trust Distributable Income (other than capital gains, the tax on which may be recoverable by the Trust) for the Distribution Period then ended as the Trustees determine in their discretion. See “*Material Contracts – Declaration of Trust – Distribution Policy*”.

Valuation Policy

The Declaration of Trust provides that Market Value shall be determined by the Trustees, in their sole discretion, at least annually or more frequently as the Trustees may determine. The Trustees have adopted a valuation policy which provides that Market Value shall be determined monthly in accordance with the valuation methodology set out below, which methodology the Trustees may, in their sole discretion and without notice or approval of Trust Unitholders, modify from time to time in a manner consistent with market practice.

Valuation of Investment Property

Market Value is largely determined by the value of the Trust’s investment properties held by the limited partnership. To value the investment properties, a fair value model will be used in accordance with IAS 40 – Investment Properties. An investment property in IAS 40 is defined as property held to earn rentals or for capital appreciation or both and are initially recorded at cost, including related transaction costs. Subsequent to initial valuation, investment properties are measured at fair value, which reflects market conditions at the reporting date. The Trust applies judgment in determining if the acquisition of an individual property qualifies as a business combination in accordance with IFRS 3 or as an asset acquisition. Transaction costs (including

commissions, land transfer tax, appraisals, legal fees and third-party inspection reports associated with a purchase) related to property acquisitions not considered business combinations are capitalized in accordance with IAS 40. Transaction costs are expensed in accordance with IFRS 3 where such acquisitions are considered business combinations.

The fair value of investment properties is determined using a valuation framework developed by arms-length external valuers who hold certification with the Appraisal Institute of Canada together with the Asset Manager. The valuers are retained to perform an annual valuation of each investment property which is typically done on the anniversary date of acquisition. The valuation teams use the following approaches in determining fair value: (a) the cost approach, which is based on estimating the cost of replacing or reproducing the improvements, minus the loss in value from all forms of depreciation, plus the estimated site value; (b) the sales comparison approach, which is based on estimating the value by comparing recent prices of similar properties within similar market areas; and (c) a direct capitalization method which is based on the conversion of current and future normalized earnings potential directly into an expression of market value.

The valuers will provide the following: (a) a determination of the capitalization rates that would be used in valuing the properties; (b) charts of comparable sales and supporting relevant market information (c) a determination of the appropriate industry standard “set off” and normalization assumptions used in the calculation of net operating income; and (d) a review of the valuation framework to determine whether any changes or updates are required. At year-end, where annual valuations do not coincide with the year-end period, the valuers will provide the following for the purposes of marking properties to market: (a) a determination of the capitalization rates that would be used in valuing the properties; and (b) charts of comparable sales and supporting relevant market information.

The Trust’s Auditors are responsible for: (a) reviewing the valuation framework to determine whether any changes or updates are required; (b) evaluating the work of the valuator, including assumptions and comparisons to market; (c) reviewing of the controls over the underlying data provided to the valuator from the Trust’s accounting system; (d) reviewing the “Fair Value” Report prepared by the valuers and the internal team; and (e) reviewing, for the audited year-end financial statements, the resultant values for reasonableness, compliance with the valuation framework and compliance with IAS 40.

The Asset Manager and the General Partner, are responsible, on a quarterly and annually basis to: (a) gather the property specific data used in the valuation process set forth; (b) review the valuation process to determine whether any changes or updates are required; (c) input the capitalization rates, set offs and normalization assumptions; and (d) deliver the completed valuation process to the Auditors at year-end for the completion of the audit on the financial statements.

Investment properties that have been disposed of or permanently withdrawn from the property portfolio will not be included in the fair value process. Any gains or losses on the disposition of investment properties are recognized in the income statement in the year of disposition.

Calculation of Market Value

Market Value is calculated monthly, based on the IFRS balance sheet carrying values plus certain adjustments. The Market Value may change during a quarter or at quarter end if there are material

changes or considerations that would impact the Market Value including, but not limited to, changes in capitalization rates, acquisitions, dispositions and profits or losses, whether realized or unrealized, within the investment portfolio.

The Market Value per Trust Unit is calculated by adding IFRS balance sheet assets, subtracting IFRS balance sheet liabilities, adding or subtracting appropriate non-IFRS adjustments and dividing by the total number of outstanding Trust Units. The non-IFRS adjustments include, but are not limited to: (a) capitalization of certain expenses, whose benefits accrue over a long period of time and should be allocated between exiting, remaining, and incoming Unitholders but may be written off or effectively written off under IFRS or where the value of such expense isn't as yet reflected, in whole or in part in the investment portfolio valuation due to timing lags, if any; (b) portfolio premiums, if any; (c) portfolio inter-quarter timing adjustments, if any; and (d) discretionary adjustments, if any. The calculation of the Market Value involves critical estimates, assumptions and judgments as part of the process.

Market Value is currently determined monthly as per the above methodology and approved by the Trustees. It is announced by the Trust and is effective on the first day of each month for use in, but not limited to processing redemptions, new subscriptions, financial statements of the Trust, account statements for Trust Unitholders and marketing materials including fund fact sheets. It is also posted on the website of the Asset Manager.

SUBSCRIPTION PROCEDURE

Subscribers wishing to subscribe for Trust Units will be required to enter into a subscription agreement (the “**Subscription Agreement**”) with the Trust which will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Trust Units, that it is purchasing the Trust Units as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Trust Units and that the Trust is relying on an exemption from the requirements to provide the Subscriber with a prospectus and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

The minimum subscription amount is \$10,000 per Subscriber. However, the minimum subscription amount may be waived by the Trustees of the Trust from time to time and set forth in the subscription agreement(s) entered into between the Subscriber and the Trust.

Reference is made to the Subscription Agreement accompanying this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Trust Units, a purchaser must complete, execute and deliver the following documentation to the Equiton Agent, at Equiton Capital Inc., 1111 International Boulevard, Suite 600, Burlington, Ontario L7L 6W1:

- (a) one (1) signed copy of the Subscription Agreement (including all applicable schedules thereto) accompanying this Offering Memorandum;
- (b) a certified cheque, bank draft or direct deposit in an amount equal to the aggregate Subscription price, payable to: “**Equiton Residential Income Fund Trust**” or as otherwise directed by the Trust; and

- (c) any other documents deemed necessary by the Trust, the Equiton Agent or the other Selling Agents to comply with applicable Canadian securities laws.

Subject to applicable securities laws and the Subscriber's two-day cancellation right, a subscription for Trust Units, evidenced by a duly completed Subscription Agreement delivered to the Trust shall be irrevocable by the Subscriber. See "*Subscriber's Rights of Action*".

Subscribers will not receive physical certificates representing the Trust Units. Unless expressly requested by a Subscriber and approved by the Trust at its sole discretion, the registration of interests in Trust Units takes place electronically through a book-based system. A purchaser of Trust Units (subject to certain exceptions) will only receive a customer confirmation from the account service through which the Trust Units are purchased.

You should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of you and the Trust. Execution and delivery of the Subscription Agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors. See "*Risk Factors*".

The consideration tendered by each Subscriber will be held in trust for a period of two days during which period the Subscriber may request a return of the tendered consideration by delivering a notice to the Trust not later than midnight on the second Business Day after the day on which the Subscriber signed the Subscription Agreement.

Subscriptions for Trust Units will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Trust and the Equiton Agent or other Selling Agents, as applicable, to close the subscription books at any time, without notice. The Trust shall have the right, in its sole discretion, to refuse to accept a subscription. If a subscription for Trust Units is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

The Trust may reject a subscription submitted by a subscriber who is, or who acts on behalf of a person who will have a beneficial interest in Trust Units being subscribed for and who is, a Non-Resident of Canada for purposes of the Tax Act, a partnership which is not a "Canadian partnership" for purposes of the Tax Act or a person or partnership, an interest in which is a "tax shelter investment" or which would acquire Trust Units as a "tax shelter investment" for purposes of the Tax Act, or a person or partnership that would cause the Partnership to be a "SIFT partnership" within the meaning of the Tax Act. The Trust may require subscribers to provide evidence reasonably satisfactory to it that such subscribers, or the persons who will have a beneficial interest in Trust Units being subscribed for, are not within such categories.

Closings of the Offering may take place periodically, as agreed upon by the Trust, the Equiton Agent or other Selling Agents, as applicable, and the Subscriber.

PURCHASE OPTIONS

The Trust has five different classes of Trust Units available for purchase: (i) Class A Trust Units; (ii) Class B Trust Units; (iii) Class C Trust Units; (iv) Class F Trust Units; and (v) Class I Trust Units. Subscribers may purchase Trust Units through the Equiton Agent or a registered dealer. Class F Trust Units may only be purchased through Fee Based Accounts or directly from the

Trust. Class I Trust Units are designed for institutional investors and the fees payable on Class I Trust Units will be determined based on negotiation and agreement between a Subscriber and the Trust.

Class A Trust Units

Three different purchase options are available for Subscribers to purchase Class A Trust Units: (i) Deferred Sales Charge; (ii) low load; and (iii) trailer fee.

Option 1 – Deferred Sales Charge Option

The Equiton Agent or sub-agent or other Selling Agent will receive an upfront commission of 6% of the subscription amount. If the Subscriber redeems its Class A Trust Units prior to the fifth anniversary of their purchase, the following Deferred Sales Charge will be set-off against the Redemption Amount payable:

If Redeemed in 1st Year – 7%

If Redeemed in 2nd Year – 6.5%

If Redeemed in 3rd Year – 6.0%

If Redeemed in 4th Year – 5.0%

If Redeemed in 5th Year – 4.0%

Afterwards 0.0%

Option 2 – Low Load Option

The Equiton Agent or sub-agent or other Selling Agent will receive an upfront commission of 3% and an ongoing trailer of 0.75% per annum, starting in year one for as long as the Subscriber remains a holder of such Class A Trust Units. If the Subscriber redeems its Class A Trust Units prior to the third anniversary of their subscription, the following Short Term Trading Fee will be set-off against the Redemption Amount payable:

If redeemed in 1st 18 months – 3.5%

If Redeemed in 2nd 18 Months – 3.0%

Option 3 – Front Load Option

The Equiton Agent or sub-agent will negotiate a commission (if any) which the Subscriber pays directly and the Equiton Agent or sub-agent receives an ongoing trailer of 1% per annum starting in year one for as long as the Subscriber remains a holder of such Class A Trust Units. If the Subscriber redeems its Class A Trust Units within the first 6 months from the date of subscription, a Short Term Trading Fee of 3.0% will be set-off against the Redemption Amount payable.

In connection with Option 1, Option 2 and Option 3 above, the Trust will pay a dealer fee of 1.5% of the gross proceeds of the Offering to each selling agent dealer based on sales made by that dealer, and an agent fee of 0.5% of the gross proceeds of the Offering to the Equiton Agent.

Class B Trust Units

Subscribers may subscribe for Class B Trust Units through the Equiton Agent or through a registered dealer acting as a sub-agent. The Equiton Agent or sub-agent receives an upfront commission of 3% of the subscription price and an ongoing trailing commission of 0.25% per annum for as long as the subscriber remains a holder of such Class B Units. Subscribers purchasing Class B Trust Units must hold upon Closing, unless waived by the issuer, Class B Trust Units with an aggregate initial purchase cost not less than an amount determined by the Trust (the "Class B Minimum Investment Amount"). The Class B Minimum Investment Amount may be changed by the Trust from time to time. If the Subscriber redeems its Class B Trust Units prior to the third anniversary of their subscription, the following Short Term Trading Fee will be set-off against the Redemption Amount payable:

If redeemed in 1st 18 months – 3.5%

If redeemed in 2nd 18 months – 3.0%

Class C Trust Units

Subscribers may subscribe for Class C Trust Units through the Equiton Agent or through a registered dealer acting as a sub-agent. The Equiton Agent or sub-agent receives an upfront commission of 1.0% of the subscription price. Subscribers purchasing Class C Units must hold upon Closing, unless waived by the issuer, Class C Trust Units with an aggregate initial purchase cost not less than an amount determined by the Trust (the "Class C Minimum Investment Amount"). The Class C Minimum Investment Amount may be changed by the Trust from time to time. If the Subscriber redeems its Class B Trust Units prior to the third anniversary of their subscription, the following Short Term Trading Fee will be set-off against the Redemption Amount payable:

If redeemed in 1st 12 months – 3.0%

If redeemed in 2nd 12 months – 2.0%

Class F Trust Units

Fee Based Accounts Option

Class F Trust Units may generally only be subscribed for by Fee-Based Accounts where the Subscriber pays an annual fee to a dealer pursuant to a fee-based program. No commission and no trailers are paid on Class F Trust Units. If the Subscriber redeems its Class F Trust Units in the first 6 months from the date of subscription, a Short Term Trading Fee of 3.0% will be set-off against the Redemption Amount payable. The Trust permits investments from portfolio managers that are below the stated minimum subscription amount for reasons related to client portfolio allocations.

Direct Investment Option

Certain investors may be eligible to purchase Class F Trust Units directly from the Trust.

Certain Class F Trust Unitholders may be eligible to re-designate all or part of their Class F Trust Units for Class I Trust Units based on certain investment thresholds, as determined by the Trust

in its sole discretion. In the event investments in Class I Trust Units fall below certain thresholds, as determined by the Trust in its sole discretion, then re-designated Class I Trust Units will revert back to Class F Trust Units. Class F Trust Unitholders should consult with their own tax advisors before re-designating their Class F Trust Units for Class I Trust Units.

Class I Trust Units

Class I Trust Units are primarily only available to institutional investors. Typically, no commission and no trailer is paid by the Trust, although in certain circumstances it may pay a negotiated trailer to the advisor, if there is an advisor.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary has been provided by Blake, Cassels & Graydon LLP, counsel to the Trust and describes, as of the date hereof, the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Trust Units acquired under the Offering by a Trust Unitholder who, at all relevant times, for purposes of the Tax Act is (or is deemed to be) resident in Canada, deals at arm's length with the Trust and its affiliates, is not affiliated with the Trust or any of its affiliates, and who holds the Trust Units as capital property. Generally, Trust Units will be considered to be capital property to a Trust Unitholder provided that the Trust Unitholder does not hold the Trust Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Trust Unitholders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to make the irrevocable election under subsection 39(4) of the Tax Act to have their Trust Units, and every other "Canadian security" (as defined in the Tax Act) owned in the taxation year of the election and each subsequent taxation year, deemed to be capital property. Such Trust Unitholders should consult their own tax advisors regarding whether such election is available and advisable in their particular circumstances.

This summary is not applicable to a Trust Unitholder: (i) that is a "financial institution" for purposes of the "mark-to-market" rules in the Tax Act, (ii) that is a "specified financial institution" as defined in the Tax Act, (iii) an interest in which is a "tax shelter investment" as defined in the Tax Act, (iv) that has entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) in respect of Trust Units, (v) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars, or (vi) that holds or will hold more than one class of Trust Units at any particular time. Any such Trust Unitholder should consult its own tax advisor to determine the tax consequences of the acquisition, holding and disposition of Trust Units acquired pursuant to the Offering. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Trust Units under the Offering.

This summary is based upon the facts set out in this Offering Memorandum, certain representations as to factual matters made in a certificate signed by an officer of the Trust and provided to counsel (the "**Officer's Certificate**"), the provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force at the date hereof, all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") which have been made publicly available in writing prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as proposed but no assurances can be given

that the Tax Proposals will be enacted in their current form, or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies and assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account any other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed in this Offering Memorandum. Modification or amendment of the Tax Act or the Tax Proposals could significantly alter the tax status of the Trust or the tax consequences of investing in Trust Units.

This summary describes the principal Canadian federal income tax considerations generally applicable to an acquisition of Trust Units pursuant to the Offering and to the holding or disposition of Trust Units. However, the income and other tax consequences of acquiring, holding or disposing of Trust Units will vary depending on the Trust Unitholder's particular circumstances, including the province or territory or provinces or territories in which the Trust Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective holder of Trust Units. Investors should consult their own tax advisors with respect to the tax consequences of the Offering and the acquisition, holding or disposition of Trust Units based on their particular circumstances.

Status of the Trust

Qualification as a Mutual Fund Trust

This summary is based on the assumption that the Trust qualifies and will continue to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act. To qualify as a mutual fund trust, the Trust, among other things, must be a "unit trust" as defined in the Tax Act, must not be established or maintained primarily for the benefit of non-residents of Canada, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Trust, or (iii) any combination of the activities described in (i) and (ii), and must have at least 150 Trust Unitholders each holding not less than 100 Trust Units of a particular class which are qualified for distribution to the public and which have an aggregate fair market value of not less than \$500 (the "**minimum distribution requirements**"). In this connection, an officer of the Trust has advised counsel that (i) the Trustees intend to cause the Trust to qualify as a mutual fund trust throughout the life of the Trust, (ii) the Trust's undertaking conforms and will continue to conform with the restrictions for mutual fund trusts, and (iii) there is no reason to believe that the Trust will not comply with the minimum distribution requirements described above at all relevant times.

In the event that the Trust were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described herein would, in some respects, be materially and adversely different.

The SIFT Rules

This summary is based on the assumption that the Trust will not be subject to the tax applicable to SIFT Trusts as defined in the rules applicable to SIFT trusts and SIFT partnerships, each as defined in the Tax Act (the "**SIFT Rules**") and that the Partnership and any other Subsidiary in which the Trust has a direct or indirect interest will also not be subject to the SIFT Rules.

The SIFT Rules effectively tax certain income of a publicly-traded or listed trust that is distributed to its investors and certain income of a publicly-traded or listed partnership on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders. These rules apply only to “SIFT trusts”, “SIFT partnerships” and their investors.

The SIFT Rules apply to a trust or partnership the interests in which are listed or traded on a stock exchange or other public market if the trust or partnership holds one or more “non-portfolio properties” unless, in the case of a trust, such trust qualifies as a “real estate investment trust” for purposes of the Tax Act. Non-portfolio properties generally include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada, and in partnerships with specified connections to Canada. The Trust does not expect the Trust Units or any interest in the Trust, the Partnership or any other Subsidiary to be listed or traded on a stock exchange or other public market for purposes of the SIFT Rules. However, if investments in the Trust, the Partnership or any other Subsidiary were to become publicly listed or traded, there can be no assurance that the Trust, the Partnership or such other Subsidiary will not be subject to the SIFT Rules, in which case certain income tax considerations described below would, in some respects, be materially different.

Taxation of the Trust

The taxation year of the Trust is generally the calendar year. In each taxation year the Trust will generally be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains for that year and its allocated share of income of each source of the Partnership (or any other Subsidiary that is a partnership) for its fiscal period ending in or coincidentally with such taxation year, less the portion thereof that the Trust deducts in respect of the amounts paid or payable, or deemed to be paid or payable, in the year to Trust Unitholders. An amount will be considered to be payable to a Trust Unitholder in a taxation year if the Trust Unitholder is entitled in that year to enforce payment of the amount.

The Trust will generally not be subject to tax on any amounts received as distributions from the Partnership. Generally, distributions to the Trust from the Partnership will result in a reduction of the adjusted cost base of the Trust’s units of the Partnership by the amount of such distribution. Income allocated to the Trust from the Partnership for a fiscal period of the Partnership will generally increase the adjusted cost base of the Trust’s interest in the Partnership, and losses allocated to the Trust from the Partnership which are not limited by the application of the “at-risk” rules in the Tax Act will generally reduce the adjusted cost base of the Trust’s interest in the Partnership, at the beginning of the immediately following fiscal period. If the Trust’s adjusted cost base of its interest in the Partnership at the end of a fiscal period of the Partnership would otherwise be a negative amount, the Trust will be deemed to realize a capital gain equal to such negative amount for its taxation year in which such fiscal period ends and the Trust’s adjusted cost base of its interest of the Partnership will be increased to nil.

In computing its income for purposes of the Tax Act, the Trust may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income. The Trust may also deduct from its income for a year a portion of any reasonable expenses incurred by the Trust in the course of issuing Trust Units. The portion of the issue expenses deductible by the Trust in a taxation year is 20% of the total issue expenses, pro-rated where the Trust’s taxation year is less than 365 days. Any losses incurred by the Trust (including losses allocated to the Trust by the Partnership and capable of being deducted by the Trust) may

not be allocated to Trust Unitholders, but may generally be carried forward and deducted in computing the taxable income of the Trust in future years in accordance with the detailed rules and limitations in the Tax Act.

The Minister of Finance (Canada) has released Tax Proposals (the “**EIFEL Proposals**”) that are intended, where applicable, to limit the deductibility of interest and financing expenses in certain circumstances, including the computation of income or loss by a trust for purposes of the Tax Act. If the EIFEL Proposals are enacted as proposed and apply to the Trust the amount of interest and financing expenses otherwise deductible by the Trust may be reduced and the taxable component of distributions by the Trust to Trust Unitholders may be increased accordingly. Based on the current provisions of the EIFEL Proposals, an officer of the Trust has advised counsel that the Trust does not expect the EIFEL Proposals to have an adverse impact on the Trust or the Trust Unitholders (in respect of their investment in the Trust), but there can be no assurances in this regard.

The Declaration of Trust generally provides that the amount of the Trust’s taxable income (including net taxable capital gains) necessary to ensure that the Trust will not be liable to pay any non-refundable income tax under Part I of the Tax Act for any year shall be made payable on the last day of such year to persons who are Trust Unitholders on that date. An officer of the Trust has advised counsel that the Trust intends to deduct for purposes of the Tax Act such amount of the Trust’s income as is paid or payable by way of cash or Trust Units to Trust Unitholders (other than bonus distributions paid under the DRIP) for each taxation year to the extent necessary to comply with that requirement. Provided this is done, the Trust will generally not be subject to non-refundable income tax under Part I of the Tax Act in any year.

The Trust will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Trust Units during the year (the “capital gains refund”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust’s tax liability for that taxation year arising in connection with the redemption of Trust Units.

Taxation of the Partnership

Each member of the Partnership, or other Subsidiary that is a partnership (including the Trust as a member of the Partnership) will be required to include (or will be entitled to deduct, subject to the “at-risk rules”) in computing its income, its share of the income (or loss) from each source of such partnership for such partnership’s fiscal period ending in, or coincidentally with, the member’s taxation year or fiscal period, as applicable, whether or not any such income is actually distributed to the member in the year. For this purpose, the income or loss of the Partnership (or such other Subsidiary that is a partnership) from each source will be computed for each fiscal period as if such partnership were a separate person resident in Canada.

In computing the income or loss of the Partnership or another Subsidiary that is a partnership, deductions may generally be claimed in respect of administrative and other expenses incurred for the purpose of earning income from business or property to the extent they are not capital in nature and do not exceed a reasonable amount, reasonable interest in respect of debt of such partnership incurred for the purpose of earning income (subject to the following paragraph) and available capital cost allowance.

If the EIFEL Proposals are enacted as proposed and apply to the Trust, the Trust may be required to include an amount in computing its income in respect of its allocated share of interest and financing expenses deducted by the Partnership (or any lower tier subsidiary partnership), and the taxable component of distributions by the Trust to Trust Unitholders may be increased accordingly. See the discussion of the EIFEL Proposals above under “Taxation of the Trust”.

The income or loss of the Partnership or another Subsidiary that is a partnership from each source for a fiscal period will be allocated to the members of such partnership (including the Trust as a member of the Partnership) on the basis of their respective shares of such income or loss as provided in the applicable partnership agreement, subject to the detailed rules in the Tax Act. Generally, distributions by a partnership to a partner in excess of the partner’s share of the income of the partnership for a fiscal period will result in a reduction of the adjusted cost base of the partner’s interest in the partnership by the amount of such excess. In certain circumstances, distributions to a partner that would otherwise cause the partner’s adjusted cost base of the partner’s interest in the partnership to be negative may give rise to a deemed capital gain, as described in more detail above under “*Taxation of the Trust*”.

If the Partnership (or any other Subsidiary that is a partnership) were to incur losses for purposes of the Tax Act, the Trust’s ability to deduct such losses may be limited by the “at risk” rules in the Tax Act.

Taxation of Trust Unitholders

Distributions

Subject to the application of the SIFT Rules discussed above, a Trust Unitholder will generally be required to include in income for a particular taxation year the portion of the Trust Income and the taxable portion of Net Realized Capital Gains of the Trust for the taxation year ending in or coincidentally with the particular taxation year of the Trust Unitholder, that is paid or payable, or deemed to be paid or payable, to the Trust Unitholder in the particular taxation year, whether such portion is received in cash, additional Trust Units or otherwise. Any loss of the Trust for purposes of the Tax Act cannot be allocated by the Trust to, or be treated as a loss of, the Trust Unitholders.

The non-taxable portion of any Net Realized Capital Gains of the Trust, the taxable portion of which is designated by the Trust in respect of the Trust Unitholder, that is paid or payable, or deemed to be paid or payable, to a Trust Unitholder in a taxation year will not be included in computing the Trust Unitholder’s income for the year. Any other amount in excess of the Trust Income and Net Realized Capital Gains of the Trust that is paid or payable, or deemed to be paid or payable, by the Trust to a Trust Unitholder in a taxation year, including any bonus distribution reinvested in Trust Units under the DRIP, generally will not be included in the Trust Unitholder’s income for the year. A Trust Unitholder will be required to reduce the adjusted cost base of its Trust Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Trust Units and the non-taxable portion of Net Realized Capital Gains of the Trust for the year, the taxable portion of which was designated by the Trust in respect of the Trust Unitholder) paid or payable to such Trust Unitholder by the Trust that was not included in computing the Trust Unitholder’s income. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Trust Unitholder from the disposition of the Trust Unit and will be added to the adjusted cost base of the Trust Unit so that the adjusted cost base will be reset to zero. The composition of distributions paid by the Trust, portions of which may be fully or partially taxable

or non-taxable, may change over time, potentially affecting the after-tax return to Trust Unitholders.

Provided that appropriate designations are made by the Trust, the taxable portion of the Net Realized Capital Gains of the Trust and foreign source income of the Trust as is paid or becomes payable to a Trust Unitholder will effectively retain its character and be treated as such in the hands of the Trust Unitholder for purposes of the Tax Act. To the extent that any amounts are designated as foreign source income, the corresponding portion of the “business-income tax” and “non-business-income tax” (each as defined in the Tax Act) considered to have been paid by the Trust in respect of such foreign source income will be deemed to have been paid by the Trust Unitholder for purposes of the foreign tax credit provisions of the Tax Act.

Dispositions of Trust Units

On a disposition or deemed disposition of a Trust Unit (including a redemption), a Trust Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Trust Unitholder’s “proceeds of disposition” (as defined in the Tax Act) exceed (or are less than) the aggregate of the adjusted cost base of the Trust Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder’s income.

The adjusted cost base of a Trust Unit to a Trust Unitholder will generally include all amounts paid by the Trust Unitholder for the Trust Unit, subject to certain adjustments, and may be reduced by distributions made by the Trust to a Trust Unitholder as described above. The cost to a Trust Unitholder of Trust Units received in lieu of a cash distribution of income of the Trust will be equal to the amount of such distribution that is satisfied by the issuance of such Trust Units. The cost of Trust Units acquired on the reinvestment of distributions under the DRIP will be the amount of such reinvestment. For the purpose of determining the adjusted cost base of a Trust Unit to a Trust Unitholder, when a Trust Unit is acquired the cost of the newly-acquired Trust Unit will be averaged with the adjusted cost base of all identical Trust Units owned by the Trust Unitholder as capital property immediately before such acquisition. There will generally be no net increase or decrease in the aggregate adjusted cost base of a Trust Unitholder’s Trust Units as a result of the receipt of any bonus distribution automatically reinvested in Trust Units under the DRIP (except to the extent that such a bonus distribution results in a deemed capital gain as described above); however, the adjusted cost base per Trust Unit of such Trust Unitholder’s Trust Units will generally be reduced.

A redemption of Trust Units in consideration for cash or Redemption Notes will be a disposition of such Trust Units for proceeds of disposition equal to the amount of such cash or fair market value of such Redemption Notes, as the case may be.

Trust Unitholders exercising the right of redemption will consequently realize a capital gain (or a capital loss) depending upon whether the proceeds of disposition received exceed (or are less than) the adjusted cost base of the Trust Units redeemed and any reasonable costs of disposition. The taxation of capital gains and capital losses is described below under “*Taxation of Capital Gains and Capital Losses*”.

A consolidation of Trust Units following a distribution that is paid in Trust Units will not be considered to result in a disposition of Trust Units by Trust Unitholders. The aggregate adjusted cost base to a Trust Unitholder of all of the Trust Unitholder’s Trust Units will not change as a

result of a consolidation of Trust Units; however, the adjusted cost base per Trust Unit will increase.

Redesignation of Trust Units

Trust Unitholders should consult their own tax advisors regarding the consequences of the redesignation of Class F Trust Units into Class I Trust Units or the reversion of Class I Trust Units into Class F Trust Units, including whether or not such a redesignation or reversion will constitute a taxable disposition of the applicable Trust Units for purposes of the Tax Act.

Alternative Minimum Tax

In general terms, net income of the Trust paid or payable, or deemed to be paid or payable, to a Trust Unitholder who is an individual or trust (other than certain types of trusts specified in the Tax Act), that is designated as net taxable capital gains, and capital gains realized on the disposition of Trust Units by such a Trust Unitholder, may increase the Trust Unitholder's liability for alternative minimum tax under the Tax Act.

Refundable Tax

A Trust Unitholder that is throughout a taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) in respect of its "aggregate investment income" (as defined in the Tax Act) for the year, which is generally defined to include interest, all or substantially all of the income and taxable capital gains paid or payable, or deemed to be paid or payable, to the Trust Unitholder by the Trust, and taxable capital gains realized on the disposition of Trust Units by such a Trust Unitholder. Pursuant to certain Tax Proposals, such refundable tax may generally also apply to a Trust Unitholder that is a "substantive CCPC" (for purposes of the Tax Act and as defined in the Tax Proposals) at any time in a taxation year. Trust Unitholders are advised to consult their own tax advisors.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain (a "taxable capital gain") realized by a Trust Unitholder on a disposition or deemed disposition of Trust Units and the taxable portion of any Net Realized Capital Gains designated by the Trust in respect of a Trust Unitholder will be included in income as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") realized by a Trust Unitholder on a disposition or deemed disposition of Trust Units must generally be deducted from taxable capital gains realized by the Trust Unitholder in the year of disposition. Allowable capital losses realized in excess of taxable capital gains in a particular taxation year may generally be deducted against taxable capital gains realized in the three preceding taxation years or in any subsequent taxation year, subject to and in accordance with the provisions of the Tax Act.

Eligibility for Investment

Provided that the Trust qualifies as a "mutual fund trust" under the Tax Act, the Trust Units will be qualified investments for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered disability savings plans ("RDSPs"), deferred profit sharing plans, registered education savings plans ("RESPs"), tax-free savings

accounts (“**TFSA**s”) and first home savings accounts (“**FHSA**s”), each as defined in the Tax Act (each a “**Registered Plan**”).

Notwithstanding the foregoing, the holder of a TFSA, FHSA or RDSP, the annuitant of an RRSP or RRIF or the subscriber of an RESP, will be subject to a penalty tax if the Trust Units held in such TFSA, FHSA, RDSP, RRSP, RRIF or RESP are a “prohibited investment” as defined in the Tax Act for such Registered Plan. The Trust Units generally will not be a “prohibited investment” for a trust governed by such a Registered Plan provided that the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) deals at arm’s length with the Trust for the purposes of the Tax Act and (ii) does not have a “significant interest”, as defined for purposes of the prohibited investment rules in the Tax Act, in the Trust. In addition, the Trust Units will generally not be a “prohibited investment” for a trust governed by a TFSA, FHSA, RDSP, RRSP, RRIF or RESP if the Trust Units are “excluded property” (as defined for purposes of the prohibited investment rules in the Tax Act) for such trust. Holders of a TFSA, FHSA or RDSP, annuitants of an RRSP or RRIF and subscribers of an RESP should consult their own tax advisors as to whether the Trust Units will be a “prohibited investment” in their particular circumstances.

A Redemption Note will likely not be a qualified investment for Registered Plans, and the receipt of such property on the redemption of a Trust Unit may give rise to adverse consequences to such Registered Plan or the holder, annuitant, subscriber or beneficiary in respect of that Registered Plan. Accordingly, holders, annuitants and subscribers of Registered Plans that own Trust Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Trust Units.

INFORMATION EXCHANGE OBLIGATIONS

The Tax Act includes provisions which implement the OECD Common Reporting Standard (the “**CRS Provisions**”) and the Canada-United States Enhanced Tax Information Exchange Agreement (the “**IGA**” and, together with the CRS Provisions, the “**Tax Information Exchange Legislation**”). Pursuant to the Tax Information Exchange Legislation, certain “Canadian financial institutions” (as defined in the Tax Information Exchange Legislation) are required to have procedures in place, in general terms, to identify accounts held by residents of foreign countries or by certain entities organized in, or the “controlling persons” of which are resident in, a foreign country (or, in the case of the United States, of which the holder or any such controlling person is a citizen) and to report required information to the CRA. Such information will be exchanged by the CRA on a reciprocal, bilateral basis with the countries in which the account holder or any such controlling person is resident (or of which such holder or person is a citizen, where applicable), where such countries have agreed to a bilateral information exchange with Canada to which the Tax Information Exchange Legislation applies. Under the Tax Information Exchange Legislation, Trust Unitholders may be required to provide certain information regarding their tax status for the purpose of such information exchange, unless the Trust Units are held within a Registered Plan (other than an FHSA). On February 1, 2024, the CRA and the IRS signed a competent authority agreement stating that they intend to update an annex to the IGA to exclude FHSAs from being reportable accounts under the IGA. Tax Proposals released on November 28, 2023 would, if enacted, also exempt FHSAs from the CRS Provisions.

COMPENSATION PAID TO SELLERS AND FINDERS

Pursuant to the Agency Agreement, to assist with effecting sales of Trust Units, the Trust has retained the Equiton Agent to act as selling agent of the Trust Units and the Equiton Agent may retain sub-agents and the Trust may, from time to time, retain other selling agents in addition to the Equiton Agent. For details of the compensation paid to sellers and finders, including to the Equiton Agent, see “*Purchase Options*”. In addition to the sales commissions described in “*Purchase Options*”, the Trust shall:

- (a) pay to the Equiton Agent and the other Selling Agents wholesale costs of up to 1.25% of the gross proceeds of the Offering, other than for Trust Units purchased pursuant to the Deferred Sale Charge Option, and wholesale costs of 0.5% of the gross proceeds of the Offering of Trust Units purchased pursuant to the Deferred Sale Charge Option (collectively, “**Wholesale Costs**”);
- (b) pay to the Equiton Agent and the other Selling Agents a dealer fee of up to 1.5% of the gross proceeds of the Offering made through such dealer, respectively (“**Dealer Fee**”);
- (c) pay to the Equiton Agent and the other Selling Agents a fee of 0.5% of the gross proceeds of the Offering (“**Fee**”); and
- (d) pay to the Equiton Agent and the other Selling Agents the costs and expenses incurred by the Selling Agents in connection with the offering.

For example, assuming \$10,000,000 of gross proceeds is realized on the sale of the Trust Units, the aggregate sales commissions to be paid to the Equiton Agent or sub-agent or other Selling Agent will vary based on the Class A Purchase Options selected by the Subscribers and number of Class B, Class C, Class F or Class I Trust Units subscribed to, the Trust will incur Wholesale Costs of up to \$125,000, Dealer Fees of up to \$150,000, and a Fee of \$50,000. The Trust has agreed, subject to certain exceptions, to indemnify the Equiton Agent and may indemnify the other Selling Agents and their directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under Canadian securities legislation, and to contribute to any payments the lead agents may be required to make in respect thereof.

RELATIONSHIP BETWEEN THE TRUST, THE EQUITON AGENT AND OTHER RELATED PARTIES

The Equiton Agent, the Asset Manager, the Property Manager and the General Partner are all Affiliates of each other, as they are each controlled by Jason Roque and each entity is a Related Party to the Trust. These entities may have significant influence over the Partnership and therefore, the financial results of the Trust. You should review this section carefully. See “*Risk Factors – Significant Influence by Jason Roque and Equiton Partners, – Potential Conflicts of Interest with Asset Manager and Property Manager*”.

The Equiton Agent

Jason Roque, a Trustee and Chief Executive of the Trust, indirectly, through wholly owned Subsidiaries, controls the Equiton Agent and is a director and President of the Equiton Agent. In

addition, Helen Hurlbut, a Trustee and Chief Financial Officer of the Trust is Chief Financial Officer of the Equiton Agent. As a result, the Equiton Agent is a Related Party to the Trust.

In addition, the Equiton Agent acts exclusively for certain companies that are either directly or indirectly controlled and/or beneficially owned by Jason Roque, or which hold securities in companies that are either directly or indirectly controlled and/or beneficially owned by Jason Roque.

In light of the foregoing, the Trust is a “connected issuer” and “related issuer” of the Equiton Agent under Canadian securities law. The decision to distribute the Trust Units and the determination of the terms of the distribution were not negotiated at arm’s length between the Equiton Agent and the Trust. The determination by the Trust to proceed with the Offering was not made at the request or suggestion of the Equiton Agent. The Equiton Agent will not receive any benefit in connection with the Offering other than the Equiton Agent’s fees payable by the Trust to the Equiton Agent described above under “*Compensation Paid to Sellers and Finders*”. The proceeds of the Offering will not be applied for the benefit of the Equiton Agent. However, the proceeds of the Offering will be used by the Trust to invest in the Partnership, the General Partner of which is an Affiliate of the Equiton Agent, and Equiton Partners, an Affiliate of the Equiton Agent, will receive fees from the Partnership for its engagement as Asset Manager and Property Manager of the Partnership.

The Asset Manager and Property Manager

Equiton Partners, as Asset Manager and Property Manager, is a Related Party to the Trust because Jason Roque and Helen Hurlbut, both Trustees of the Trust, are the President and Chief Financial Officer, respectively, of Equiton Partners and Jason is the sole director of Equiton Partners. Also, Mr. Roque indirectly, through wholly owned subsidiaries, controls Equiton Partners. In addition, pursuant to the Declaration of Trust, Equiton Partners is entitled to appoint up to (4) Trustees.

The General Partner

The General Partner is indirectly, through wholly owned subsidiaries, owned and controlled by Jason Roque, who is also a director and President of the General Partner. Helen Hurlbut is Chief Financial Officer of the General Partner.

As a result of the relationships noted above, the Equiton Agent, Equiton Partners and the General Partner are Related Parties of the Trust. Jason Roque may have a significant influence over each of these entities and each of the entities may have a significant influence over the Partnership and the Trust.

RISK FACTORS

There are certain risk factors inherent in an investment in the Trust Units. All or substantially all of the Trust’s assets will consist of limited partnership interests in the Partnership. Therefore, the risks of the Trust will include the risks of the Partnership. Subscribers should carefully consider the following risks of the Trust, Trust Units and the Partnership before subscribing for the Trust Units.

Public Health Crises

Public health crises relating to any virus, flu, epidemic, pandemic or any other similar disease or illness (each a “**Health Crisis**”) could materially adversely impact the Trust’s ability to pay distributions to unitholders, the Trust’s business and its tenants’ income, and thereby the ability of tenants to meet their rent obligations, by disrupting businesses, interrupting capital markets, resulting in government regulations adverse to the Trust’s business and otherwise negatively impacting local, national and global economies. A Health Crisis could further result in a general or acute decline in economic activity in the regions in which the Trust holds assets, increased unemployment, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine or contamination of one or more of the Trust’s properties. Contagion in a property or market in which the Trust operates could negatively impact its occupancy, reputation or attractiveness. All of these occurrences may have a material adverse effect on the Trust’s business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

Investment Risk

Resale Restrictions

There is currently no market through which the Trust Units may be sold. **Unless permitted under securities legislation, no Trust Unitholder can trade Trust Units before the date that is four months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.** The Trust is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada, and therefore all Trust Units will be subject to an indefinite hold period. Trust Units may only be transferred under limited exemptions under applicable securities laws. In addition, no Trust Units may be transferred without the approval of the Trustees. Consequently, Trust Unitholders may not be able to sell the Trust Units readily or at all, and they may not be accepted as collateral for a loan. Trust Unitholders should be prepared to hold the Trust Units indefinitely and, except through the redemption rights granted under the Declaration of Trust, should not expect to be able to liquidate their investment even in the case of an emergency.

Availability of Distributable Income

There are many factors that will affect the quantum and timing of distributions from the Partnership and the Trust, including working capital requirements of the portfolio of properties, any restrictive covenants in third-party debt financing and the impact of public health crises, such as the COVID-19 pandemic. Subscribers should consider the risk factors set forth herein which can affect the stability of distributions and recovery of a Subscriber’s initial investment.

Partnership Distributable Income is calculated before deducting items such as principal repayments, capital expenditures and payments on the redemption of Redeemable LP Units and, accordingly, may exceed actual cash available to the Partnership from time to time. The Partnership may be required to use part of its debt capacity or raise additional equity in order to accommodate such items, and there can be no assurance that funds from such sources will be available on favourable terms or at all. In such circumstances, distributions may be reduced, which may therefore also have an adverse impact on the distributions of the Trust and the market price of the Trust Units. In addition, the Trust may pay distributions in the form of additional Trust Units or fractions of Trust Units. Accordingly, cash distributions are not guaranteed and cannot be assured. See “*Material Contracts – The Declaration of Trust – Distribution Policy*” and “*Material Contracts – The LP Agreement – Distributions*”.

Trust Distributable Income is calculated in accordance with the Declaration of Trust. Distributable income is not a measure recognized under generally accepted accounting principles and does not have a standardized meaning prescribed by GAAP. Trust Distributable Income is used because management of the Trust believes this non-GAAP measure is a relevant measure of the ability of Trust to earn and distribute cash returns to Trust Unitholders. Distributable income as computed by the Trust may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to distributable income as reported by such organizations. Distributable income is calculated by reference to the net income of the Trust, as determined in accordance with GAAP, subject to certain adjustments as set out in the constating documents of the Trust.

Structural Subordination of Trust Units

In the event of a bankruptcy, liquidation or reorganization of the Trust or any of its Subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the Trust and those Subsidiaries before any assets are made available for distribution to the Trust Unitholders. The Trust Units will be effectively subordinated to most of the indebtedness and other liabilities of the Trust and its Subsidiaries. The Trust shall not incur or assume any Indebtedness if, after giving effect to the incurring or assumption of the Indebtedness, the total Indebtedness of the Trust would be more than 75% of the Gross Book Value, unless the Independent Trustees, in their discretion, determine that the maximum amount of Indebtedness shall be based on the appraised value of the Properties instead of Gross Book Value.

Trust Unitholder Liability

The Declaration of Trust provides that no Trust Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Trust Unit. In addition, legislation has been enacted in the Province of Ontario and certain other provinces and territories that is intended to provide Trust Unitholders in those provinces and territories with limited liability. However, there remains a risk, which is considered by the Trust to be remote in the circumstances, that a holder of Trust Units could be held personally liable for the obligations of the Trust to the extent that claims are not satisfied out of the Trust Property. It is intended that the affairs of the Trust will be conducted to seek to minimize such risk wherever possible.

Nature of Investment

A holder of a Trust Unit will not hold a share of a body corporate. Trust Unitholders do not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The rights of holders of Trust Units are based primarily on the Declaration of Trust. There is no statute governing the affairs of the Trust equivalent to the *Business Corporations Act* (Ontario) or the *Canada Business Corporations Act* which sets out the rights and entitlements of shareholders of corporations in various circumstances.

Restrictions on Ownership of Trust Units

The Declaration of Trust imposes various restrictions on Trust Unitholders. At no time may more than 49% of the Trust Units (on a number of Trust Units or on a fair market value basis) then outstanding be held by or for the benefit of Persons who are Non-Residents.

Liquidity of Trust Units and Redemption Risk

The Trust Units are redeemable upon demand of the Trust Unitholder. However, a Trust Unitholder's right to receive cash on a redemption of Trust Units is subject to limitations, including a monthly limit of \$50,000 in respect of all Trust Units tendered for redemption. If the redemptions tendered in a calendar month exceed the foregoing limit, then the Trust may satisfy the payment of the Redemption Amount, in part, by the issuance of Redemption Notes, which are promissory notes. Accordingly, in the event that the Trust experiences a large number of redemptions, the Trust may not be able to satisfy all of the redemption requests in cash. Any Redemption Notes which may be received as a result of a redemption of Trust Units will likely not be qualified investments for Registered Plans and may have adverse tax consequences if held by a Registered Plan. Redemption Notes received on a redemption of Trust Units are also not expected to be qualified investments for trusts governed by FHSAs. See "*Material Contracts – Declaration of Trust – Redemption of Trust Units*" and "*Eligibility for Investment by Registered Plans.*"

Risks Associated with Redemptions

Use of Available Cash

The payment by the Trust of the Redemption Price of Trust Units in cash (as opposed to payment of the Redemption Price through the issuance of Redemption Notes) will reduce the amount of cash available to the Trust for the payment of distributions to Trust Unitholders, as cash payments of the amount due in respect of redemptions will take priority over the payment of cash distributions.

Redemption Price

Any amount received on a redemption of Trust Units will be equal to the Redemption Price of a Trust Unit times the number of Trust Units that a Trust Unitholder tenders for redemption, less the costs of implementing the redemption, any applicable Deferred Sales Charge, and any applicable Short Term Trading Fee. See "*Purchase Options*". See "*Redemption of Trust Units*".

Redemption Price Determination

The amount received on a redemption of Trust Units shall be equal to the Redemption Price and based upon the Market Value of the Trust Units on the day of the Redemption Notice times the number of Trust Units that a Trust Unitholder tenders for redemption, less the costs of implementing the redemption, any applicable Deferred Sales Charge, and any applicable Short Term Trading Fee. There is a risk that the estimate of the Market Value of the Trust Units determined by the Trustees may not accurately reflect the true fair market value of the Trust Units and the Trust Unitholders will have no recourse against the Trust or the Trustees in this respect.

Payment of Redemption Notes

In the event that the Trust is unable to pay the amount owing under a Redemption Note on maturity it may borrow funds from related or unrelated parties, or seek to extend the terms of the Redemption Notes. Notwithstanding the aforesaid, circumstances may arise resulting in the Trust not having funds available to pay on maturity the principal balance and accrued unpaid interest under any Redemption Notes issued.

Redemption Notes will be unsecured

Redemption Notes issued by the Trust will be unsecured debt obligations and may be subordinated to other financing obtained by the Trust and its Subsidiaries.

Priority of Redemption Notes over Trust Units

Redemption Notes, if issued by the Trust, will likely have priority over Trust Units in the event of the liquidation of the assets of the Trust. There are various considerations with respect to creditor rights and bankruptcy law that will need to be considered both at the time Redemption Notes are issued and at the time of any liquidation of the assets of the Trust in order to determine if such a priority exists.

Tax Related Risks

There can be no assurance that Canadian federal or provincial income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust or the Trust Unitholders.

It is anticipated that the Trust will continue to qualify at all times as a “mutual fund trust” for purposes of the Tax Act. To qualify as a “mutual fund trust”, the Trust must be a “unit trust” as defined in the Tax Act and must restrict its undertaking to: (i) the investing of its funds in property (other than real property (or an interest in a real property) or immovables (or a real right in an immovable)), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or any immovable (or real right in immovables) that is capital property of the Trust or (iii) any combination of the activities described in (i) and (ii); and must comply with the minimum distribution requirements. The Trust must comply with these requirements on a continuous basis. If the Trust ceases to qualify as a “mutual fund trust” for the purposes of the Tax Act, the income tax consequences described under “Certain Canadian Federal Income Tax Considerations” would in some respects be materially and adversely different. For instance, in such a case, the Trust Units will cease to be qualified investments for Registered Plans at that time. Furthermore, the Trust may become subject to alternative minimum tax under section 127.5 of the Tax Act and to tax under Part XII.2 of the Tax Act. In addition, Unitholders may become subject to provincial taxes, such as Ontario land transfer tax, in respect of the Units.

Even if the Trust complies with the above requirements, the Trust may be deemed not to be a mutual fund trust if at any time it can reasonably be considered that the Trust is established and maintained primarily for the benefit of Non-Residents. While the Trustees do not believe that the Trust is presently established or maintained primarily for the benefit of Non-Residents, and the Declaration of Trust includes transfer restrictions and limitations on non-resident ownership of Trust Units intended to ensure that this is the case, the Tax Act does not provide any means of rectifying a loss of mutual fund trust status if such deeming rule were to apply.

Currently, there is generally no HST on residential rents (i.e., they are generally HST-exempt). As input tax credits for HST paid can generally only be claimed for HST paid in respect of commercial activity (which does not include earning HST-exempt income from renting residential properties

and administering investments in such properties), the Trust and the Partnership are generally not able to claim input tax credits for HST paid. Accordingly, an increase in the HST rate or the application of the HST to business input costs presently not considered subject to HST by the Trust, including as a consequence of changes in the interpretation and administration of HST, may result in the Trust having to absorb the additional tax costs on business inputs.

If Trust Units or other investments in the Trust become publicly listed or traded, there can be no assurances that the Trust will not become subject to entity-level tax under the SIFT Rules, as described under “Certain Canadian Federal Income Tax Considerations – Status of the Trust – the SIFT Rules”, at that time. If this were to occur, the application of the SIFT Rules may reduce the amount of cash available for distribution to Trust Unitholders and may adversely affect the after-tax return to certain investors on their Trust Units.

Trust Unitholders may be required to include amounts in their taxable income even where they have not received a cash distribution in respect of such amounts. The Declaration of Trust generally provides that a sufficient amount of the Trust’s income will be distributed or otherwise made payable each year to Trust Unitholders in order to ensure that the Trust is not liable for non-refundable income tax under Part I of the Tax Act. Where such amount exceeds the cash available for distribution in the year, such excess may be distributed to Trust Unitholders in the form of additional Trust Units.

The designation of income or gains realized by the Trust to Trust Unitholders, including the designation of gains realized on the disposition of investments of the Partnership as capital gains, will depend largely on factual considerations. Management will endeavour to make appropriate characterizations of income or gains realized by the Trust for purposes of designating such income or gains to Trust Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Trust characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Trust’s characterization of a particular amount was incorrect, Trust Unitholders might suffer material adverse tax consequences as a result.

Pursuant to rules in the Tax Act, if the Trust experiences a “loss restriction event” (i) it will be deemed to have a year-end for tax purposes (which could result in an unscheduled distribution of Trust Income and Net Realized Capital Gains, if any, at such time to Trust Unitholders so that the Trust is not liable for non-refundable income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Trust will be subject to a loss restriction event if a Trust Unitholder becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Trust, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the Trust is a beneficiary in the income or capital, as the case may be, of the Trust whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Trust. Please see “*Certain Canadian Federal Income Tax Considerations –*

Taxation of Trust Unitholders – Distributions” for the tax consequences of an unscheduled or other distribution to Trust Unitholders.

Dilution

The number of Trust Units the Trust is authorized to issue is unlimited. The Trustees have the discretion to issue Trust Units in circumstances other than the Offering, including pursuant to the Trust’s various incentive plans, if any. The number of LP Units the Partnership is authorized to issue is unlimited. The General Partner has the discretion to cause the Partnership to issue LP Units other than to the Trust. Any such issuance of additional Trust Units or LP Units may have a dilutive effect on the holders of Trust Units.

Trust Risk

Future Property Acquisitions

The Partnership’s strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such Properties. If the Partnership is unable to manage its growth effectively, it could adversely impact the Partnership’s financial condition and results of operations and decrease the amount of cash available for distribution. There can be no assurance as to the pace of growth through property acquisitions or that the Partnership will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Trust Unitholders will increase in the future.

Development Risk

The Partnership may, directly or indirectly, invest in real estate development projects. Any existing or future development investments of the Partnership will entail certain risks, including the expenditure of funds and devotion of management’s time to evaluating projects that may not come to fruition; the risk that development costs of a project may exceed original estimates, possibly making the project uneconomical; the risk of construction overrun or other unforeseeable delays, during which the interest rate and leasing risk may fluctuate; the risk that occupancy rates and rents at a completed project will be less than anticipated or that there will be vacant space at the project; the risk that expenses at a completed development will be higher than anticipated; and the risk that permits and other governmental approvals will not be obtained. In addition, the Partnership’s future real estate development investments may require a significant investment of capital. The Partnership may be required to obtain funds for its capital expenditures and operating activities, if any, through cash flow from operations, property sales or financings. If the Partnership is unable to obtain such funds, it may have to defer or otherwise limit certain development activities.

Access to Capital

The real estate industry is highly capital intensive. The Partnership will require access to capital to fund its growth strategy and significant capital expenditures from time to time. There can be no assurance that the Partnership will have access to sufficient capital or access to capital (including mortgage loans) on commercially acceptable terms or on terms favourable to the Partnership for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes.

Further, the Partnership may not be able to borrow funds due to the limitations set forth in the Declaration of Trust. In addition, global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. It is possible that financing which the Partnership may require in order to grow and expand its operations, upon the expiry of the term of financing, on refinancing any particular Property owned by the Partnership or otherwise, may not be available or, if it is available, may not be available on favourable terms to the Partnership. Failure by the Partnership to access required capital could adversely impact the Partnership's financial condition and results of operations and decrease the amount of cash available for distribution. As well, the degree of leverage could affect the Partnership's ability to obtain additional financing in the future.

Dependence on the Partnership

The Trust is an unincorporated open-ended investment trust which will be entirely dependent on the operations and assets of the Partnership. Cash distributions to Trust Unitholders will be dependent on, among other things, the ability of the Partnership to make cash distributions in respect of the Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units, Class I LP Units and Redeemable LP Units held by the Trust. The Partnership is a separate and distinct legal entity from the Trust. The ability of the Partnership to make cash distributions or other payments or advances will depend on the Partnership's results of operations and may be restricted by, among other things, applicable corporate, tax and other laws and regulations and contractual restrictions contained in the instruments governing any indebtedness of the Partnership.

Dependence on Key Personnel

The management of the Trust and the Partnership depends on the services of certain key personnel. The termination of employment by Equiton Partners of any of these key personnel could have a material adverse effect on the Trust and the Partnership.

Dependence on Equiton Partners

The Partnership is dependent upon Equiton Partners for operational and administrative services relating to the Partnership's business. Should Equiton Partners terminate the Asset Management Agreement or Property Management Agreement, the Partnership may be required to engage the services of another external asset manager and/or property manager. The Partnership may be unable to engage an asset manager and/or property manager on acceptable terms, in which case the Partnership's operations and cash available for distribution may be adversely affected.

Potential Conflicts of Interest

Generally, the Trust may be subject to various conflicts of interest because of the fact that the Trustees and senior officers of the Trust, senior officers of Equiton Partners and the senior officers of the General Partner are engaged in a wide range of real estate and other business activities. The Trust may become involved in transactions which conflict with the interests of the foregoing.

The Trustees may from time to time deal with persons, firms, institutions or corporations with which the Trust may be dealing, or which may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. In addition, from time to time, these persons may be competing with the Trust for available investment opportunities. Conflicts may also exist due to the fact that certain Trustees and officers of the Trust will be affiliated with Equiton Partners.

Specifically, Equiton Partners, the Asset Manager and Property Manager, operates continuing businesses which may lead to conflicts of interest between Equiton Partners and the Partnership. The Partnership may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Partnership than if it were dealing with a party that was not a significant holder of an interest in the Partnership. The agreements that the Partnership entered into with the Equiton Partners may be amended upon agreement between the parties, subject to Applicable Laws. Because of Equiton Partners' significant holdings and influence over the Partnership, the Partnership may not have the leverage to negotiate any required amendments to these agreements on terms as favourable to the Partnership as those the Partnership would negotiate with a party that was not a significant holder of an interest or influence in the Partnership. Equiton Partners is engaged in a wide range of real estate and other business activities and may be involved in real estate transactions that do not satisfy the Partnership's investment criteria. Such transactions could include real estate transactions that are not accretive to the Partnership, transactions which involve significant capital expenditures for the Partnership, and transactions which may be considered too small.

Where a conflict of interest arises, the Trustees and the General Partner have a conflict of interest policy in place to address the conflict.

The Declaration of Trust contains provisions related to "Conflict of Interest Matters" requiring Trustees to disclose material interests in material contracts and transactions and to refrain from voting thereon. All Conflict of Interest Matters must be approved unanimously by the Independent Trustees in order for the Trust to proceed with such matters. See "*Material Contracts – Declaration of Trust – Conflict of Interest Restrictions and Provisions*". Furthermore, the directors of the General Partner have adopted a conflict of interest policy on substantially the same terms as that contained in the Declaration of Trust.

Internal Controls

Effective internal controls are necessary for the Trust to provide reliable financial reports and to help prevent fraud. Although the Trust will undertake a number of procedures and the General Partner and Equiton Partners will implement a number of safeguards, in each case, in order to help ensure the reliability of the Trust's, the Partnership's and Equiton Partners' financial reports, including those imposed on the Trust under Canadian securities law, the Trust cannot be certain that such measures will ensure that the Trust will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Trust's results of operations or cause it to fail to meet its reporting obligations. If the Trust or its Auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Trust's financial statements and harm the value of the Trust Units.

Significant Influence by Jason Roque, Equiton Partners and Other Related Parties

Jason Roque, indirectly, controls Equiton Partners, as well as the General Partner. Equiton Partners has been engaged by the Trust and the Partnership to act as Asset Manager and Property Manager. Therefore, Jason Roque and Equiton Partners may have a significant influence with respect to the affairs of the Partnership.

In addition, the Declaration of Trust provides Equiton Partners the exclusive right to appoint up to four Trustees. The other Trustees are elected at a special meeting of the Voting Unitholders, or in the absence of a special meeting of Voting Unitholders, appointed by the remaining Trustees. An Independent Trustee may also be removed at any time, with or without cause, by a majority of the remaining Trustees. As a result, Equiton Partners will have significant influence over the composition of the Board and will exercise significant influence with respect to the affairs of the Trust.

The Asset Manager's significant effective interest may discourage transactions involving a change of control of the Partnership, including transactions in which an investor as a holder of the Trust Units might otherwise receive a premium for its Trust Units over the then- current market price.

Limited Ability of Unitholders to Elect Trustees

The Voting Unitholders have the right to elect a Trustee in the event that a Special Meeting of Voting Unitholders is called for that purpose by the Trustees or by Voting Unitholders holding 10% of the outstanding Voting Units. In all other circumstances, Equiton Partners shall have the right to appoint up to four Trustees and the balance of Trustees are appointed by the remaining Trustees.

No Unitholder Approval of Auditors

Trust Unitholders will have no opportunity to approve the Auditors of the Trust.

Litigation Risks

In the normal course of the Trust's and Partnership's operations, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Trust and/or Partnership and as a result, could have a material adverse effect on the Trust's assets, liabilities, business, financial condition and results of operations. Even if the Trust and/or Partnership prevails in any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management and key personnel from the Partnership's business operations, which could adversely affect its financial condition.

Assumption of Liabilities

The Partnership will assume liabilities arising out of or related to the Partnership's business, operations or assets, and will agree to indemnify the vendor of the Properties being acquired for, among other matters, such liabilities. The Partnership may assume unknown liabilities that could be significant.

Reliance on External Sources of Capital

Because the Partnership expects to make regular cash distributions, it likely will not be able to fund all of its future capital needs, including capital for acquisitions and facility development, with income from operations. The Partnership therefore will have to rely on third-party sources of capital, which may or may not be available on favourable terms, if at all. The Partnership's access to third-party sources of capital depends on a number of things, including the market's perception of its growth potential and its current and potential future earnings. If the Partnership is unable to obtain third-party sources of capital, it may not be able to acquire or develop facilities when strategic opportunities exist, satisfy its debt obligations or make regular distributions to Trust Unitholders.

Derivatives Risks

The Partnership may invest in and use derivative instruments, including futures, forwards, options and swaps, to manage its utility and interest rate risks inherent in its operations. There can be no assurance that the Partnership's hedging activities will be effective. Further, these activities, although intended to mitigate price volatility, expose the Partnership to other risks. The Partnership is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is a risk of loss by the Partnership of margin deposits in the event of the bankruptcy of the dealer with whom the Partnership has an open position in an option or futures or forward contract. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these contracts involves judgment and use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. The ability of the Partnership to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If the Partnership is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on the Partnership's ability to use derivative instruments to effectively hedge its utility and interest rate risks.

Restrictions on Potential Growth and Reliance on Credit Facilities

The payout by the Partnership of a substantial part of its operating cash flow could adversely affect the Partnership's ability to grow unless it can obtain additional financing. Such financing may not be available, or renewable, on attractive terms or at all.

Financing

The Partnership is subject to the risks associated with debt financing, including the risk that the Partnership may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness.

Industry Risk

Risk of Real Estate Investment and Ownership

An investment in Trust Units will provide Subscribers with exposure to investments in real estate assets through the Trust's interest in the Partnership and the properties. Investment in real estate is subject to numerous risks which are beyond the control of the Trust, including the following factors: general economic conditions, local real estate markets, demand for leased premises, competition from other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. Trust Distributable Income will be adversely affected if one or more major tenants or a significant number of tenants of properties acquired by the Partnership were to become unable to meet their obligations under their leases or if a significant amount of available space in such properties is not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Partnership's investment may be incurred. The ability to rent unleased space in properties acquired by the Partnership will be affected by many factors. Costs may be incurred in making improvements or repairs to properties required by a new tenant. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Trust's financial condition.

Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. Fixed costs such as utilities, property taxes, maintenance costs, mortgage payments, insurance costs, and related costs, may have a material adverse effect on the Partnership's business, cash flows, financial condition, and results of operations if the Partnership cannot maintain or increase its average monthly rental rates and lease levels. If the Partnership is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. If, for whatever reason, liquidation of assets is required, there is a risk that sale proceeds realized might be less than the current book value of the Partnership's investments or that market conditions would prevent prompt disposition of assets. The Partnership may, in the future, be exposed to a general decline of demand by tenants for space in properties. As well, certain of the leases of the properties held by the Partnership may have early termination provisions which, if exercised, would reduce the average lease term.

Revenue Producing Properties

The Properties generate income through rental payments made by the tenants thereof. Residential tenant leases are relatively short, exposing the Partnership to market rental-rate volatility. Upon the expiry of any lease, there can be no assurance that such lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the Partnership than the existing lease. Unlike commercial leases which generally are "net" leases

and allow a landlord to recover expenditures, residential leases are generally “gross” leases and the landlord is not able to pass on costs to its tenants.

Acquisition Risk

The Partnership intends to invest in interests in properties selectively. The investment of interests in properties entails risks that investments will fail to perform in accordance with expectations. In undertaking such acquisitions, the Partnership will incur certain risks, including the expenditure of funds on, and the devotion of management’s time to transactions that may not come to fruition. Additional risks inherent in acquisitions include risks that properties invested in by the Partnership will not achieve anticipated performance levels and that estimates of the costs, timing and steps required to make improvements to bring an acquired property up to standards established for the market position intended for that property or complete a project related to a property may prove inaccurate. Before making any investment, the Partnership intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Partnership may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Legal counsel and other outside consultants may be involved in this due diligence process in varying degrees. Nevertheless, when conducting due diligence and making an assessment regarding an investment the Partnership relies on the resources available to it, including information provided by a Vendor, development partner or borrower and, in some cases, third-party investigations, and the results of the due diligence may not reveal all the relevant facts that may be necessary or helpful in evaluating such an opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Interest Rate Risk

Interest rate risk is the risk that the market value of the Partnership’s assets may fluctuate due to changes in market interest rates. This may impact the cost of borrowing as it relates to mortgages and other loans. The mortgage loans obtained by the Partnership may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Partnership’s cost of borrowing. Accordingly, fluctuations in interest rates may adversely impact the Partnership’s profitability.

Environmental Matters

Under various laws, the Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in properties invested in by the Partnerships or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner’s ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the owner by private plaintiffs or government authorities. Where a Property is purchased and new financing is obtained, Phase I Environmental Assessments are performed by an independent and experienced environmental consultant. In the case of mortgage assumption, the Vendor will be asked to provide a satisfactory Phase I and/or Phase II Environmental Assessment that the Asset Manager will rely upon and/or determine whether an update is necessary.

Exposure to Secondary and Suburban Markets

The Properties are located in secondary markets of Ontario. Real estate in these markets is typically less liquid and more volatile compared to primary centers due to the smaller and less diverse local economies and less demand.

Historic Results Not a Predictor of the Future Results

Historical lease rates and revenues are not necessarily an accurate prediction of the future lease rates for the residential Properties or revenues to be derived therefrom. Reported estimated market rents can be seasonal and the significance of any variations from quarter to quarter would materially affect the Partnership's annualized estimated gain-to-lease amount. There can be no assurance that upon the expiry or termination of existing leases, the average lease rates and revenues will be higher than historical lease rates and revenues and it may take a significant amount of time for market rents to be recognized by the Partnership due to internal and external limitations on its ability to charge these new market-based rents in the short term.

Uninsured Losses

The Partnership will arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by Partnership or its subsidiaries and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to any of the properties invested in by the Partnership, the Trust could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such properties.

Insurance Renewals

There is a possibility that the Partnership may not be able to renew its current insurance policies or obtain new insurance policies in the future for its Properties once they expire. The current terms and levels of coverage may not be available to the Partnership for property and casualty insurance, as well as insurance against natural disasters. In addition, the premiums that insurance companies may charge in the future may be significantly greater than they are currently. If the Partnership is unable to obtain adequate insurance for its Properties, the Partnership could be in default under certain contractual commitments that it has made. The Partnership may also be subject to a greater risk of not being covered should damages to its Properties occur, therefore affecting the Partnership's business, cash flows, financial condition, results of operations and ability to make distributions to its Trust Unitholders.

Reliance on Third-Party Management

Equiton Partners may rely on third parties, including independent management companies, external consultants and property managers to perform certain real estate activities, including property management functions in respect of certain of the Partnership's properties. To the extent Equiton Partners relies on such management companies, the employees of such management companies will devote as much of their time to the management of the properties as in their judgement is reasonably required and may have conflicts of interest in allocating management

time, services and functions among the properties and their other development, investment and/or management activities.

Competition for Real Property Investments

The Partnership will compete for suitable real property investments with individuals, corporations, REITs and similar vehicles, and institutions (both Canadian and foreign) which are presently seeking, or which may seek in the future real property investments similar to those sought by the Partnership. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments.

Competition for Tenants

The real estate business is competitive. Numerous other developers, managers and owners of properties compete with the Partnership in seeking tenants. The existence of competing developers, managers and owners and competition for the Partnership's tenants could have an adverse effect on the Partnership's ability to lease suites in its Properties and on the rents charged.

Fluctuations in Capitalization Rates

As interest rates fluctuate in the lending market, generally so too do capitalization rates which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the decrease or increase of these capitalization rates.

General Economic Conditions

The Partnership is affected by general economic conditions, local real estate markets, competition from other available rental premises, including new developments, and various other factors. The competition for tenants also comes from opportunities for individual home ownership, including condominiums, which can be particularly attractive when home mortgage loans are available at relatively low interest rates. The existence of competing developers, managers and owners and competition for the Partnership's tenants could have an adverse effect on the Partnership's ability to lease suites in its Properties and on the rents charged, increased leasing and marketing costs and increased refurbishing costs necessary to lease and release suites, all of which could adversely affect the Partnership's revenues and, consequently, its ability to meet its obligations. In addition, any increase in the supply of available space in the markets in which the Partnership operates or may operate could have an adverse effect on the Partnership.

Government Regulation

Certain provinces and territories of Canada have enacted residential tenancy legislation which, among other things, imposes rent control guidelines that limit the Partnership's ability to raise rental rates at its Properties. Limits on the Partnership's ability to raise rental rates at its Properties may materially adversely affect the Partnership's ability to increase income from its Properties.

In addition to limiting the Partnership's ability to raise rental rates, provincial and territorial residential tenancy legislation provides certain rights to tenants, while imposing obligations upon the landlord. Residential tenancy legislation in the Province of Ontario prescribes certain

procedures which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the respective administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months to terminate a residential lease, even where the tenant's rent is in arrears.

Residential tenancy legislation in certain provinces and territories provide the tenant with the right to bring certain claims to the respective administrative body seeking an order to, among other things, compel the landlord to comply with health, safety, housing and maintenance standards. As a result, the Partnership may, in the future, incur capital expenditures which may not be fully recoverable from tenants. The inability to fully recover substantial capital expenditures from tenants may have a material adverse effect on the Partnership's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units. Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of the Partnership to maintain the historical level of earnings of its Properties.

REPORTING OBLIGATIONS

The Trust is not a reporting issuer in any jurisdiction. In Ontario, Québec, Saskatchewan, and New Brunswick, the Trust must, within 120 days after the end of each of its financial years, deliver to the securities regulatory authorities annual financial statements and make them reasonably available to each Trust Unitholder who has acquired Trust Units under this Offering Memorandum. In Alberta, the Trust must, within 120 days after the end of each of its financial years, file with the securities regulatory authority annual financial statements and make them reasonably available to each Trust Unitholder who has acquired Trust Units under this Offering Memorandum. In Nova Scotia, the Trust must, within 120 days after the end of each of its financial years, make the Trust's annual financial statements reasonably available to each Trust Unitholder who has acquired Trust Units under this Offering Memorandum. Such financial statements must be provided until the earlier of the date that the Trust becomes a reporting issuer in any jurisdiction in Canada or the Trust ceases to carry on business and it must be accompanied by a notice of the Trust disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Trust raised under this Offering Memorandum.

In New Brunswick, Nova Scotia and Ontario, the Trust must make reasonably available to each Subscriber who has acquired Trust Units under this Offering Memorandum, a notice of each of the following events within 10 days of the occurrence of the event:

- (a) a discontinuance of the Trust's business;
- (b) a change in the Trust's industry; or
- (c) a change of control of the Trust.

Financial statements or other information relating to the Trust and provided to Trust Unitholders in the future may not by itself be sufficient for your needs to enable you to prepare your income tax returns or to assess the performance of your investment.

Additionally, pursuant to the Declaration of Trust, the Issuer must deliver to Unitholders a report of the Independent Trustees regarding their review and approval of any Conflict of Interest Matters

during the prior fiscal year at the same time that the audited annual financial statements are delivered to Unitholders.

RESALE RESTRICTIONS

These securities are subject to a number of resale restrictions under securities legislation, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you are eligible to rely on and comply with an exemption from the prospectus and registration requirements under securities legislation.

The Trust Units are not listed on an exchange. There is currently no secondary market through which the Trust Units may be sold, there can be no assurance that any such market will develop, and the Trust has no current plans to develop such a market. Accordingly, the sole method of liquidation of an investment in Trust Units is by way of a redemption of the Trust Units. Aggregate redemptions are limited to \$50,000 per month in cash unless approved by the Trustees with the remainder of any redemptions in excess of \$50,000 being satisfied by the issuance of Redemption Notes. See "*Material Contracts – Declaration of Trust – Redemption of Trust Units*".

Subscribers of Trust Units are advised to seek legal advice prior to any resale of the Trust Units. Pursuant to the Declaration of Trust, Trust Unitholders may transfer Trust Units only with the approval of the Trustees. The Trustees shall have the power to restrict the transfer of Trust Units on the books of the Trust without liability to Trust Unitholders or others who will thereby be restricted from taking a transfer.

For Subscribers resident in British Columbia, Alberta, Saskatchewan, Québec, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, unless permitted under securities legislation, the Trust Units cannot be traded before the date that is four (4) months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

For Subscribers resident in Manitoba, unless permitted under securities legislation, a Trust Unitholder must not trade the Trust Units without the prior written consent of the regulator in Manitoba, unless (i) the Trust has filed a prospectus with the regulator in Manitoba with respect to the Trust Units and the regulator in Manitoba has issued a receipt for that prospectus, or (ii) the Trust Unitholder has held the Trust Units for at least 12 months. The regulator in Manitoba will consent to such a trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

If physical certificates representing the Trust Units are issued, they will have the following legend inscribed thereon:

"Unless permitted under securities legislation, you cannot trade these securities before the date that is four (4) months and a day after the date the Trust became a reporting issuer in any province or territory of Canada."

The Trust is not currently a reporting issuer in any of the Provinces or Territories of Canada and does not intend to become a reporting issuer in any Province or Territories of Canada.

SUBSCRIBERS' RIGHTS OF ACTION

If you purchase these Trust Units you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Two Day Cancellation Right for a Subscriber

Subscribers can cancel their agreements to purchase the Trust Units. To do so, the Subscriber must send a notice to the Trust before midnight on the second (2nd) Business Day after the Subscriber signs the Subscription Agreement in respect of the Trust Units.

Rights of Action for Misrepresentation

Securities legislation in certain provinces of Canada provides purchasers of Trust Units pursuant to this Offering Memorandum with a statutory right of action for damages or rescission in addition to any other rights they may have at law, in cases where the Offering Memorandum and any amendment to it contains a "Misrepresentation". Where used herein, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by the Subscriber within the time limits prescribed and are subject to the defenses and limitations contained under the applicable securities legislation. Subscribers resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of actions and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Trust in connection with the Offering.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces of Canada and the regulations, rules and policy statements thereunder. Subscribers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Rights of Subscribers in Alberta

Section 204(1) of the *Securities Act* (Alberta) provides that if a person or company purchases securities offered by an offering memorandum that contains a Misrepresentation, the purchaser has, without regard to whether the purchaser relied on the Misrepresentation, a right of action (a) for damages against (i) the Trust, (ii) every director of the Trust at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum, and (b) for rescission against the Trust, provided that:

- (a) if the purchaser elects to exercise its right of rescission, it shall cease to have a right of action for damages against the person or company referred to above;
- (b) no person or company referred to above will be liable if it proves that the purchaser had knowledge of the Misrepresentation;

- (c) no person or company (other than the Trust) referred to above will be liable if it proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
- (d) no person or company (other than the Trust) referred to above will be liable if it proves that the person or company, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the Executive Director and the issuer of the withdrawal and the reason for it;
- (e) no person or company (other than the Trust) referred to above will be liable if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:
 - (i) there had been a Misrepresentation; or
 - (ii) the relevant part of the offering memorandum;
 - (A) did not fairly represent the report, opinion or statement of the expert, or
 - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (f) the person or company (other than the issuer) will not be liable if with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (i) did not conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, and
 - (ii) believed there had been a Misrepresentation;
- (g) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum;
- (h) the defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation;

Section 211 of the *Securities Act* (Alberta) provides that no action may be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action, or

- (b) in the case of any action, other than an action for rescission, the earlier of
 - (i) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (ii) 3 years from the day of the transaction that gave rise to the cause of action.

Rights of Subscribers in British Columbia

The right of action for damages or rescission described herein is conferred by Section 132.1 of the *Securities Act* (British Columbia). Section 132.1 of the *Securities Act* (British Columbia) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), contains a Misrepresentation, the purchaser will be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase, and the purchaser has, subject to certain limitations and defences, a statutory right of action for damages against the Trust and, subject to certain additional defences, every director of the Trust at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the Trust, in which case the purchaser shall have no right of action for damages against the Trust, provided that, among other limitations:

- (a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the Trust, will not be liable if that person or company proves that:

- (a) the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave written notice to the Trust that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of the offering memorandum and after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave written notice to the Trust of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum did not

fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, an expert's report, opinion or statement.

Further, where a Misrepresentation is contained in an offering memorandum, the directors of the Trust, and every person or company who signed the offering memorandum, shall not be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation.

A person is not liable for Misrepresentation in forward-looking information if the person proves that the document containing the forward-looking information contained, proximate to that information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum. Section 140 of the *Securities Act* (British Columbia) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

Rights of Subscribers in Saskatchewan

Section 138(1) of the *Securities Act*, 1988 (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a Misrepresentation, a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for rescission against the Trust or a selling security holder on whose behalf the distribution is made, or has a right of action for damages against:

- (a) the Trust or a selling security holder on whose behalf the distribution is made;

- (b) every promoter and director of the Trust or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and
- (e) every person who or company that sells securities on behalf of the Trust or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the Trust or selling security holder, it shall have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the Misrepresentation relied on;
- (c) no person or company, other than the Trust or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation or believed that there had been a Misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the Misrepresentation.

In addition, no person or company, other than the Trust or selling security holder, will be liable if the person or company proves that:

- (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered;
- (b) after the filing of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or the

amendment to the offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable general notice of the person's or company's withdrawal and the reason for it;

- (c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person or company that sells securities on behalf of the Trust or selling security holder under the offering memorandum or amendment to the offering memorandum is not liable for damages or rescission as provided in 138(1) or 138(2) of the Saskatchewan Act if that person can establish that he, she or it cannot reasonably be expected to have had knowledge of any Misrepresentation in the offering memorandum or the amendment or the offering memorandum.

Not all defences upon which we or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a purchaser that contains a Misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied upon the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (d) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (e) in the case of any other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

- (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Rights of Subscribers in Manitoba

The right of action for damages or rescission described herein is conferred by section 141.1 of *The Securities Act* (Manitoba). Section 141.1 of *The Securities Act* (Manitoba) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Trust and, subject to certain additional defences, every director of the Trust at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the Trust, in which case the purchaser shall have no right of action for damages against the Trust, directors of the Trust or persons who have signed the offering memorandum, provided that, among other limitations:

- (a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the Trust, will not be liable if that person or company proves that:

- (a) the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company promptly gave reasonable notice to the Trust that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of the offering memorandum and after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or

company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, an expert's report, opinion or statement.

Further, where a Misrepresentation is contained in an offering memorandum, the directors of the Trust, and every person or company who signed the offering memorandum, shall not be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

Section 141.4(2) of *The Securities Act* (Manitoba) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) two years after the date of the transaction that gave rise to the cause of action.

Rights of Subscribers in Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) shall have a statutory right of action for damages or rescission against the Trust and any selling security holder in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the Trust and any selling security holder provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the Trust and the selling security holders, if any;
- (b) the Trust and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) the Trust and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon;

- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) the Trust will not be liable for a Misrepresentation in forward-looking information if the Trust proves:
 - (i) that the offering memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

Rights of Subscribers in Québec

In addition to any other right or remedy available to the purchaser at law, if this Offering Memorandum is delivered to an investor resident in Québec and contains a Misrepresentation, the investor will have statutory rights of action under Québec legislation or, in circumstances where Québec legislation does not provide such rights, contractual rights of action that are equivalent to the statutory rights of action set forth above in respect to purchasers resident in Ontario.

Statutory rights of action available to purchaser's resident in Québec are outlined in Section 221 of the *Securities Act* (Québec). Section 221 provides that the rights of action established under sections 217 to 219, which deal with Misrepresentation contained in a prospectus, also apply to purchasers of securities under an offering memorandum prescribed by the regulation. A purchaser who has subscribed for acquired securities in a distribution effected with an offering memorandum containing a Misrepresentation may apply to have the contract rescinded or the price revised, without prejudice to a claim for damages. The defendant may defeat the application only if it is proved that the purchaser knew, at the time of the transaction, of the alleged Misrepresentation.

The purchaser may claim damages from the Trust, the Trust's directors or officers, the dealer under contract to the Trust, and any person who is required to sign an attestation in the offering memorandum. Additionally, the purchaser may claim damages from the expert whose opinion, containing a Misrepresentation, appeared, with his consent, in the offering memorandum.

Rights of Subscribers in Nova Scotia

The right of action for damages or rescission described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 of the *Securities Act* (Nova Scotia) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Trust and, subject to certain additional defences, every director of the Trust at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the Trust, in which case the purchaser shall have no right of action for damages against the Trust, directors of the Trust or persons who have signed the offering memorandum, provided that, among other limitations:

- (a) no action shall be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date on which the initial payment was made for the securities;
- (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the Trust, will not be liable if that person or company proves that:

- (a) the offering memorandum or amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of the offering memorandum or amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

- (c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum or amendment to offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Further, no person or company, other than the Trust, will be liable with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (ii) believed that there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum or amendment to the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum or an amendment to the offering memorandum.

Rights of Subscribers in New Brunswick

Section 150 of the *Securities Act* (New Brunswick) provides that where an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a purchaser who purchases securities shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase and:

- (a) the purchaser has a right of action for damages against the Trust, directors of the Trust, every person who signed the offering memorandum and any selling security holder(s) on whose behalf the distribution is made, or
- (b) where the purchaser purchased the securities from a person referred to in paragraph (a), the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

There are various defences available to the Trust and the selling security holder(s). In particular, no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation when the purchaser purchased the securities. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

Rights of Subscribers in Newfoundland and Labrador

The right of action for damages or rescission described herein is conferred by section 130.1 of the *Securities Act* (Newfoundland and Labrador). Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides, in relevant part, that in the event that an offering

memorandum (such as this Offering Memorandum), contains a Misrepresentation, without regard to whether the purchaser relied upon the Misrepresentation, the purchaser has, subject to certain limitations and defences, a statutory right of action for damages against the Trust and, subject to certain additional defences, every director of the Trust at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the Trust, in which case the purchaser shall have no right of action for damages against the Trust, directors of the Trust or persons who have signed the offering memorandum, provided that, among other limitations:

- (a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

Rights of Subscribers in Prince Edward Island, Northwest Territories, Yukon and Nunavut

In Prince Edward Island the *Securities Act* (PEI), in Yukon, the *Securities Act* (Yukon), in Nunavut, the *Securities Act* (Nunavut) and in the Northwest Territories, the *Securities Act* (Northwest Territories) provides a statutory right of action for damages or rescission to purchasers resident in PEI, Yukon, Nunavut and the Northwest Territories respectively, in circumstances where this Offering Memorandum or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Newfoundland and Labrador purchasers.

Cautionary Statement Regarding Report, Statement or Opinion by Expert

This Offering Memorandum includes: (i) the section entitled "Canadian Federal Income Tax Considerations" prepared by Blake, Cassels & Graydon LLP effective as of the date of this Offering Memorandum; and (ii) the annual audited financial statements of the Trust for the year ended December 31, 2022 and accompanying independent auditors' report prepared by Grant Thornton LLP. You do not have a statutory right of action against these parties for a misrepresentation in the Offering Memorandum. You should consult with a legal adviser for further information.

ANCILLARY MATTERS

Legal Counsel

Certain legal matters in connection with the Offering will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Trust.

Auditors, Transfer Agent and Registrar

The Auditors of the Trust are Grant Thornton LLP. Computershare Trust Company of Canada will act as the transfer agent and registrar of the Trust Units.

SCHEDULE "A" – DESCRIPTION OF PROPERTIES

CITY	ADDRESS	PROPERTIES	BUILDINGS	BACHELOR	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	COMMERCIAL	TOTAL
Brampton, ON	78 Braemar Dr.	1	1	0	40	112	1	0	0	153
Brantford, ON	19 & 23 Lynnwood Dr.	2	2	0	35	68	10	0	0	113
	120,126 & 130 St.Paul Ave.	1	1	0	15	31	0	0	0	46
Breslau, ON	208 Woolwich St. S.	1	1	0	3	74	1	0	0	78
Burlington, ON	1050 Highland St.	1	1	0	3	15	0	0	0	18
Chatham, ON	75 & 87 Mary St.	1	1	0	22	34	0	0	0	56
	383-385 Wellington St. W.	1	1	22	26	5	1	0	0	54
Edmonton, AB	10001 Bellamy Hill Rd. NW.	1	1	3	0	155	0	0	0	158
Guelph, ON	98 Farley Dr.	1	1	22	41	30	0	0	0	93
	5 & 7 Wilsonview Ave.	1	1	0	5	17	7	0	0	29
	8 & 16 Wilsonview Ave.	2	2	2	54	53	3	0	0	112
Hamilton, ON	125 Wellington St. N.	1	1	5	247	73	38	0	1	364
Kingston, ON	252 & 268 Conacher Dr.	2	2	0	6	18	0	0	0	24
	760/780 Division St.	1	1	0	24	48	40	0	0	112
	1379 Princess St.	1	1	1	18	13	0	0	2	34
Kitchener, ON	100-170 Old Carriage Dr.	1	3	2	14	202	0	0	0	218
London, ON	1355 Commissioners Rd. W.	1	1	0	14	37	0	0	1	52
	433 King St.	1	1	0	62	66	1	0	1	130
	470 Scenic Dr.	1	1	16	32	63	4	0	0	115
Markham, ON	65 Times Ave.	1	1	9	37	18	0	0	0	64
Mississauga, ON	65 & 75 Paisley Blvd. W.	2	2	15	67	79	2	0	1	164
Ottawa, ON	Riverain District	1								
Sherwood Park, AB	200 Edgar Ln.	1	1	4	8	92	0	0	0	104
Stratford, ON	30 & 31 Campbell Crt.	2	2	0	33	63	3	0	0	99
Toronto, ON	12 & 14 Auburndale Crt.	1	1	0	0	15	23	8	0	46
	2303 Eglinton Ave. E.	1	1	6	67	96	0	0	0	169
	787 Vaughan Rd.	1	1	7	25	6	0	0	0	38
	223 Woodbine Ave.	1	1	0	32	16	0	0	0	48
	650 Woodbine Ave.	1	1	0	30	8	0	0	0	38
		34	35	114	960	1,507	134	8	6	2,729

Portfolio Details



London, Ontario
470 Scenic Drive
Acquired: October 2023
Purchase Price: \$21,500,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
16	32	63	4	0	115

Scenic Tower is a mid-rise building with nine storeys, 115 units, 100 outdoor parking spaces and 48 underground parking spaces. Amenities include a social room, common laundry facilities, lockers, and an outdoor amenity area. This property ideally sits within walking distance of the Victoria Hospital, the Thames River Valley, and numerous parks with walking and cycling trails. It offers easy access to public transit and Highway 401.



Toronto, Ontario
2303 Eglinton Avenue East
Acquired: December 2022
Purchase Price: \$50,000,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
6	67	96	0	0	169

Ravine Park Apartments offers excellent public transit accessibility. The Eglinton Crosstown LRT's Ionview station is directly across the street, while the Kennedy subway and GO stations are a 9-minute walk away. The Golden Mile, a large commercial district, is also close by, providing residents with a diverse array of dining, entertainment and lifestyle amenities.



Edmonton, Alberta
10001 Bellamy Hill Road Northwest
Acquired: December 2022
Purchase Price: \$23,750,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
3	0	155	0	0	158

Park Square Apartments is ideally located in downtown Edmonton, overlooking the scenic River Valley. The property is walking distance to Edmonton's core, ICE District, rapid transit, and an abundance of services and amenities including grocery stores, banks, restaurants, bars and retail. Additionally, the property is an eight-minute walk to Central LRT Station, and a 10-minute walk to Bay Enterprise Square LRT Station, with easy access to a variety of bus routes, for convenient commuting.



Sherwood Park, Alberta
200 Edgar Lane
Acquired: September 2022
Purchase Price: \$27,750,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
4	8	92	0	0	104

Emerald Hills Landing has four storeys and includes 79 indoor and 38 outdoor parking spaces. Generously sized suites (avg. 902 square feet) feature in-suite laundry, quartz counters, stainless-steel appliances, and provide ample natural light. Building amenities include a social room, lounge area, and a fitness centre. Conveniently located less than 20 minutes from downtown Edmonton and close to a hospital and a wide variety of dining, grocery, and retail options.



Brampton, Ontario					
78 Braemar Drive					
Acquired: July 2022					
Purchase Price: \$63,250,000					
Unit Breakdown					
Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	40	112	1	0	153

Braemar Place is a modern rental residence with 15 storeys, 153 units, 57 indoor and 141 outdoor parking spaces. Ideally located at the corner of Dixie Road and Clark Boulevard, across from the Bramalea City Center, one of the largest shopping malls in Canada. This property is also close to a variety of area schools, parks and playgrounds, and offers easy access to Highways 410, 401 and 407 as well as local public transit. Condo-style amenities include on-site laundry, storage lockers, bicycle storage, playground and outdoor swimming pool.



Guelph, Ontario
 98 Farley Drive
 Acquired: March 2022
 Purchase Price: \$41,550,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	Commercial	Total Units
23	40	30	0	93

URBN Lofts is a newly built upscale rental residence with six stories, 93 suites and surface parking. Suites feature elegant modern finishes, stainless steel appliances, stone countertops and in-suite laundry. Condo-style amenities include a fitness room, social lounge, shared workspace, outdoor BBQ area, and electric vehicle chargers. This property is ideally located in one of the most sought-after neighborhoods in Guelph with a multitude of grocery stores, banks, shops, restaurants and entertainment venues all only steps away. It also offers easy access to Highway 401.



Breslau, Ontario
 208 Woolwich Street South
 Acquired: March 2022
 Purchase Price: \$36,000,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	3	74	1	0	78

Joseph's Place is a newly built luxury rental residence with four stories, 78 suites and surface parking. Suites are spacious, averaging 988 square feet, and feature modern finishes, stainless steel appliances, stone countertops, and in-suite laundry. Residents of this fully accessible property have access to many amenities including a social room, fitness facility, outdoor BBQ area and community gardens. Located in the quaint town of Breslau, just 15 minutes from downtown Kitchener and close to restaurants, grocery stores, parks, trails, and the beautiful Grand River.



Ottawa, Ontario					
Riverain District					
Acquired: January 2022					

The development is planned to include three multi-residential high-rise towers with approximately 1,000 upscale residential rental units along with a podium featuring plans for over 32,000 square feet of commercial space.

The project has an estimated total completion value of approximately \$559 million as of November 2022.



Toronto, Ontario
 12 & 14 Auburndale Court
Acquired: October 2021
Purchase Price: \$21,800,000

Unit Breakdown

Bachelor	2 Bedroom	3 Bedroom	4 Bedroom	Commercial	Total Units
0	15	23	8	0	46

Scotch Elms consists of two townhome buildings on 2.38 acres of land with a total of 46 units. The spacious townhome layouts average 1,599 square feet (including basements) and feature in-suite laundry, air conditioning, functional basements, and private fenced-in backyards. Parking facilities consist of 29 outdoor spots, 37 underground spots and 7 visitor spots.

This property is ideally located in a family-friendly residential neighbourhood within walking distance of grocery and retail stores, schools, and parks. With excellent transit-accessibility and the Highway 401 on-ramp located only minutes away, this property provides easy access to destinations throughout the GTA.



London, Ontario
 433 King Street
Acquired: October 2021
Purchase Price: \$34,600,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	62	66	1	1	130

Kingswell Towers (circa 1989) is an 18-storey apartment with 130 units. It's condo-like amenities and convenient location in downtown London, make it an attractive rental option for young professionals or empty nesters looking to take advantage of the many amenities the area has to offer.

The property features one- and two-bedroom units ranging from 800 square feet to 1100 square feet and spacious penthouses varying from 1900 square feet to 2000 square feet suites feature large eat-in kitchens, in-suite laundry, and spacious walk-in closets. Building amenities include a fitness room, social room, hot tub, sauna, and access to various parks and bike paths. Underground parking and bike storage are also available.

Kingswell Towers is located within walking distance to downtown London, Covent Garden Market, Budweiser Gardens and the Grand Theatre, trendy Richmond Row, many city parks, walking and biking trails, and of course, the Thames River.



Kitchener, Ontario
 100-170 Old Carriage Drive
Acquired: April 2021
Purchase Price: \$63,000,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
2	14	202	0	0	218

Adanac Crossing has been repositioned to cater to professionals and away from traditional student housing, making it unique in the area and creating a more stable and consistent rental base.

The property features spacious, renovated one-, two-, and two-bedroom-plus-den suites with beautifully landscaped grounds and is ideally located in Pioneer Park, near Conestoga College and close to a variety of shops, restaurants, parks and playgrounds. Highway 401 is only five minutes away along Homer Watson Boulevard, and public transit is just steps from the door.



Hamilton, Ontario
 125 Wellington Street North
Acquired: March 2021
Purchase Price: \$54,310,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
5	247	73	38	0	363

Wellington Place offers newly renovated modern and spacious suites with luxury plank flooring and fully updated open concept kitchens featuring four appliances and high-end counters that create the ideal cooking environment. Private balconies with glass panels offer great views from all sides! Amenities include a fitness facility, social room, laundry lounge with Wi-Fi, underground parking, and a dedicated on-site management team.

Conveniently located only minutes from downtown Hamilton and a short commute to McMaster University, nearby you will find several public parks, public transit, GO Transit, Hamilton General Hospital, and St. Joseph's Healthcare. Walking distance to Jackson Square, shops of Jamesville and the FirstOntario Centre, with Shopper's Drug Mart and the Hasty Market Convenience store both just steps away.



Toronto, Ontario
 650 Woodbine Avenue
Acquired: November 2020
Purchase Price: \$12,660,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	30	8	0	0	38

The Beach Suites is a mid-size four-storey building located in the trendy Beaches neighbourhood of Toronto. It is situated on approximately 0.3 acres of land, and the building totals 32,080 square feet of area. Amenities include 27 surface parking spots, premium condo-style finishes, appliances, and laundry facilities.

The building is in a premier location, near several parks, the lakefront boardwalk, shopping, amenities and the Beaches Park on Lake Ontario. It's in the immediate vicinity of public transit routes for downtown Toronto.



Toronto, Ontario
 787 Vaughan Road
Acquired: November 2020
Purchase Price: \$10,640,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
7	25	6	0	0	38

The Gertrude Suites property is a mid-size four-storey building located in the eclectic Eglinton West neighbourhood of Toronto. It is situated on approximately 0.31 acres of land, and the building totals 29,020 square feet of area. Amenities include high-end finishes, appliances, and on-site laundry facilities.

The building is in a bustling neighbourhood, steps away from the soon to be completed Eglinton Crosstown line. Residents are within walking distance to restaurants, parks, trails, shopping, and amenities.



Guelph, Ontario
 8 & 16 Wilsonview Avenue
Acquired: July 2020
Purchase Price: \$33,000,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
2	54	53	3	0	112

Treeview Towers consists of two, seven-storey buildings with elevator service. It is situated on approximately 2.74 acres of land and has approximately 88,600 square feet of area. Amenities include on-premises laundry, storage facilities and 141 surface parking spaces.

The property is located in a prime location within walking distance of public transportation, a main commercial corridor that includes a large shopping mall, services and restaurants. It is also located within an educational hub close to four educational institutes, including the University of Guelph. It has easy access to Highway 6 and 401.



Toronto, Ontario
 223 Woodbine Avenue
Acquired: March 2020
Purchase Price: \$19,900,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	32	16	0	0	48

Beach Park Apartments consists of a single 3 ½ storey building located in the affluent Beaches neighbourhood of Toronto. It is situated on approximately 0.6 acres of land and the building totals approximately 26,000 square feet of area. Amenities include 51 surface parking spots and laundry facilities.

The building is in a premier location, next to new condo developments and in walking distance to restaurants, shopping, amenities and the Beaches Park on Lake Ontario. It's in the immediate vicinity of public transit and only minutes from downtown Toronto.



Mississauga, Ontario
65 & 75 Paisley Boulevard West

Acquired: December 2019
Purchase Price: \$47,200,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
13	63	76	2	1	155

Seville East & West consists of two, seven-storey buildings with elevator service. It is situated on approximately 3.05 acres of land and the buildings total approximately 120,000 square feet of area.

Amenities include 186 parking spots (126 surface and 60 below ground), laundry facilities and an on-site convenience store. The property is in a prime location and only minutes from shopping, restaurants, and amenities including a major hospital.

It is just south of downtown Mississauga and has easy access to Highway 403 and the QEW. It is also close to public transit, including a GO station that provides convenient access to downtown Toronto.



Guelph, Ontario
5 & 7 Wilsonview Avenue

Acquired: October 2019
Purchase Price: \$8,635,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	5	17	7	0	29

Treeview Towers consists of two three-storey walk-up buildings with a connecting basement corridor. It is situated on approximately 1.37 acres of land and the buildings total approximately 36,590 square feet of area.

Amenities include 42 parking spots and laundry facilities. It is situated in a prime location within walking distance of public transportation, a commercial corridor that includes a large shopping mall, services and restaurants, as well as the University of Guelph. It has easy access to Highway 6 and 401.



Burlington, Ontario
1050 Highland Street

Acquired: August 2019
Purchase Price: \$4,360,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	3	15	0	0	18

Parkland Apartments consists of a single two-storey walk up building. It is situated on approximately 0.72 acres of land with 20 surface parking spaces. Amenities include on premises laundry facilities.

The property is located in a quiet neighborhood and backs onto a large park which includes a children's playground and local tennis courts. It is conveniently located near public transportation, and close proximity to local services and shopping (including one of the city's main shopping centres). There is easy access to local highways.



London, Ontario
 1355 Commissioners Road West
Acquired: May 2019
Purchase Price: \$17,000,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	14	37	0	0	51

Village West Apartments consists of a brand-new single, five-storey building with elevator service. It is situated on approximately 1.31 acres of land and the building totals 71,744 square feet of area. Suite features include nine-foot ceilings, in-suite laundry with storage room, stainless appliances, luxury granite counter tops and quality design and finishes throughout. The building is in a premier location and close to public parks, conservation areas and local schools. It's surrounded by an array of shopping, restaurants and cafés, and public transit.



Markham, Ontario
 65 Times Avenue
Acquired: March 2019
Purchase Price: \$21,000,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
9	37	18	0	0	64

The **Foresite** consists of a single five-storey building with elevator service. It is situated on approximately 0.76 acres of land and the building totals approximately 51,413 square feet of area. Amenities include 64 parking spots (20 surface and 44 below ground), and laundry facilities in each unit. The property is in a prime location and only minutes from shopping, restaurants, and amenities. It has easy access to Highway 407, Highway 404 and 7. It is also close to public transit, including a GO station that provides convenient access to downtown Toronto.



Kingston, Ontario
 252 & 268 Conacher Drive
Acquired: September 2018
Purchase Price: \$2,085,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	6	18	0	0	24

This property consists of two 2 ½ storey walk-up buildings, Riverstone Place and Millstone Place. These buildings are situated on approximately 1 acre of land and have approximately 24,143 square feet of area. Amenities include 25 surface parking spaces and laundry facilities. It is located close to public transportation, a hospital, Queen's University, a fire station, a police station, shopping and services, restaurants, and Highway 401.



Chatham, Ontario
 75 & 87 Mary Street
Acquired: August 2018
Purchase Price: \$5,265,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	22	34	0	0	56

The Thamesview Apartments consists of two 2 ½ storey walk-up buildings. These buildings sit on approximately one acre of land and contain approximately 51,020 square feet of area.

Amenities include 60 surface parking spaces and laundry facilities. The property is located within a few minutes of downtown Chatham, is near the Thames River, a hospital, shopping, restaurants, a fire station, a police station, and Highway 401.



Kingston, Ontario
 1379 Princess Street
Acquired: May 2018
Purchase Price: \$3,900,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
1	18	13	0	2	34

The Lucerne consists of one 3 ½ storey building with commercial space on the ground floor. It is situated on approximately 1.7 acres of land and the building contains approximately 25,629 square feet of area.

Amenities include 40 surface parking spaces and laundry facilities. The property is located minutes from Queen's University, St. Lawrence College, St. Lawrence River, a hospital, shopping, restaurants, fire and police stations. There is also easy access to public transportation and Highway 401.



Kingston, Ontario
 760/780 Division Street & 2 Kirkpatrick Street
Acquired: March 2018
Purchase Price: \$12,150,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	24	48	40	0	112

The Treeview Apartments consists of one mid-rise building located at 780 Division Street and two adjacent vacant parcels of land located at 2 Kirkpatrick Street and 760 Division Street. The vacant parcels have future development potential. These properties contain approximately 5.0 acres of land, and the mid-rise building contains a total of 82,343 square feet of area.

Amenities include 112 surface parking spaces and laundry facilities. The properties are close to public transit, the St. Lawrence River, a hospital, shopping, restaurants, a police station, Queen's University and Highway 401.



Chatham, Ontario
 383-385 Wellington Street
Acquired: December 2017
Purchase Price: \$4,050,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
22	26	5	1	0	54

Kent Manor consists of one four-storey building located at 383-385 Wellington Street West and one adjacent single-family dwelling at 49 Lacroix Street. It is situated on approximately 0.68 acres of land and contains a total of 40,795 square feet of area.

Amenities include 24 surface parking spaces and laundry facilities. The property is situated in a premium area dominated by single-family homes with easy access to public transit. It is located near the Thames River, a hospital, shopping, restaurants, a police station, and St. Clair College.



Brantford, Ontario
 19 & 23 Lynnwood Drive
Acquired: July 2016 and December 2023
Purchase Price: \$6,426,000* and \$11,250,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	35	68	10	0	113

Lynnwood Place consists of two neighbouring six-storey buildings with a shared driveway and a combined 113 units. Amenities include 127 surface parking spaces and laundry facilities in both buildings. The property is in a quiet residential area, within walking distance of public transportation, parks, shopping, and restaurants and is minutes from Highway 403.



Brantford, Ontario
 120, 126 and 130 St. Paul Avenue
Acquired: July 2016
Purchase Price: \$5,049,000*

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	15	31	0	0	46

Park Manor consists of one mid-level building located at 120, 126 and 130 St. Paul Avenue. The properties are situated on approximately 0.8 acres of land and the building contains a total of 41,200 square feet of area.

Amenities include 49 surface parking spaces and laundry facilities. The property is within walking distance of the Grand River, Brantford General Hospital, restaurants, schools and recreational facilities. There is easy access to public transportation and Highway 403.



Stratford, Ontario
30 & 31 Campbell Court (2 properties)
Acquired: April 2016
Purchase Price: \$8,900,000

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	33	63	3	0	99

This property consists of two separate low-rise buildings located on opposite sides of the street, the Mayfair and Wynbrook. The properties contain approximately 2.5 acres of land, and the buildings total 83,100 square feet of area (30 Campbell Court: 39,000 square feet, 31 Campbell Court: 44,100 square feet).

Amenities include 100 surface parking spaces and laundry facilities in each building. The property is located minutes from the Avon River, Lake Victoria, and the city's historic downtown core. There is easy access to public transportation, shopping and it is only a 30-minute drive to Kitchener and Waterloo.

* Part of a portfolio purchase for \$11,475,000 (July 2018)

SCHEDULE “B” – SUMMARY INFORMATION ABOUT MORTGAGES

Location	Purchase Price	Outstanding Mortgage as at February 29, 2024	Maturity Date	Interest Rate
120, 126 and 130 St. Paul Avenue & 19 Lynnwood Avenue, Brantford Ontario	\$11,475,000	\$5,066,632	07/31/2026	3.91%
383-385 Wellington Street & 49 Lacroix Street, Chatham, Ontario	\$4,050,000	\$2,061,074 (CMHC 1st Mortgage)	03/01/2028	3.31%
75 & 87 Mary Street, Chatham, Ontario	\$5,265,000	\$2,496,877	09/01/2028	3.80%
		\$398,872 (2nd mortgage)	08/31/2028	4.39%
252 & 268 Conacher Dr., Kingston, Ontario	\$2,085,000	\$1,183,438	10/01/2028	4.60%
760/780 Division Street & 2 Kirkpatrick Street, Kingston, Ontario	\$12,150,000	\$4,903,065 (Assumed Mortgage)	03/01/2025	2.44%
		\$896,029 (Top up)	03/01/2028	3.24%
1379 Princess Street, Kingston, Ontario	\$3,900,000	\$2,136,334 (CMHC 1st Mortgage)	06/01/2028	3.50%
30 & 31 Campbell Ct., Stratford, Ontario	\$8,900,000	\$4,062,654 (CMHC 1st Mortgage)	09/01/2026	2.73%
1355 Commissioners Road West, London, Ontario	\$17,000,000	\$10,426,720 (Assumed Mortgage)	09/01/2029	3.18%
65 Times Avenue, Markham, Ontario	\$21,000,000	\$11,985,956 (CMHC 1st Mortgage)	09/01/2029	2.58%
1050 Highland Street, Burlington, Ontario	\$4,360,000	\$2,448,814	06/01/2030	2.84%
5 & 7 Wilsonview Ave., Guelph, Ontario	\$8,635,000	\$4,660,049	06/01/2030	2.74%

Location	Purchase Price	Outstanding Mortgage as at February 29, 2024	Maturity Date	Interest Rate
65 & 75 Paisley Boulevard West, Mississauga, Ontario	\$47,200,000	\$18,715,903 (CMHC 1st Mortgage)	06/01/2030	2.49%
		\$7,196,807 (CMHC 2nd Mortgage)	01/01/2025	6.50%
223 Woodbine Ave., Toronto, Ontario	\$19,990,000	\$11,343,690 (CMHC 1st Mortgage)	06/01/2030	2.20%
8 & 16 Wilsonview Ave., Guelph, Ontario	\$33,000,000	\$19,169,459 (CMHC 1st Mortgage)	06/01/2030	2.17%
787 Vaughan Road, Toronto, Ontario	\$10,640,000	\$6,012,360 (CMHC 1st Mortgage)	03/31/2031	2.00%
650 Woodbine Ave., Toronto, Ontario	\$12,660,000	\$7,514,154 (CMHC 1st Mortgage)	03/31/2031	2.00%
125 Wellington Street, Hamilton, Ontario	\$54,310,000	\$12,017,235 (CMHC Assumed Mortgage)	12/01/2025	2.86%
		\$23,970,858 (2nd Mortgage)	12/01/2031	2.53%
100 Old Carriage Dr., Kitchener, Ontario	\$63,000,000	\$41,617,239 (CMHC 1st Mortgage)	12/01/2031	2.43%
433 King Street, London, Ontario	\$34,000,000	\$17,485,000 (Interest Only Loan)	01/01/2025	2.87%
		\$2,515,000 (Interest Only Loan)	01/01/2025	6.75%
12 & 14 Auburndale Ct. Etobicoke, Ontario	\$21,000,000	\$12,939,347 (CMHC 1st Mortgage)	12/01/2031	2.83%
98 Farley Drive, Guelph, Ontario	\$41,550,000	\$26,602,672 (Assumed Mortgage)	12/01/2031	2.83%

208 Woolwich St. S., Breslau, Ontario	\$36,000,000	\$23,618,803 (Assumed Mortgage)	08/01/2031	2.13%
78 Braemar Drive, Brampton, Ontario	\$63,250,000	\$29,924,718 (CMHC 1st Mortgage)	09/01/2032	3.92%
200 Edgar Lane, Sherwood Park, Alberta	\$27,750,000	\$20,927,397 (Assumed Mortgage)	09/01/2032	3.53%
10001 Bellamy Hill, Edmonton, Alberta	\$23,750,000	\$15,680,763 (CMHC 1st Mortgage)	06/01/2033	4.38%
2303 Eglinton Avenue East, Toronto, Ontario	\$50,000,000	\$22,519,983 (CMHC 1st Mortgage)	06/01/2033	4.20%
470 Scenic Drive, London, Ontario	\$21,500,000	\$12,825,000 (VTB Mortgage)	06/19/2024	4.25%
23 Lynnwood Avenue, Brantford Ontario	\$11,250,000	\$3,720,439 (Assumed Mortgage)	09/01/2029	2.28%

SCHEDULE “C” – HISTORICAL DISTRIBUTIONS

Monthly Fund Statistics						
Month	Unit Price	Class A Distribution	Class B Distribution	Class C Distribution	Class F Distribution	Class I Distribution
16-Jun	\$10.00	0.04167	-	-	0.05000	-
16-Jul	\$10.00	0.04167	-	-	0.05000	-
16-Aug	\$10.00	0.04167	-	-	0.05000	-
16-Sep	\$10.00	0.04167	-	-	0.05000	-
16-Oct	\$10.00	0.04167	-	-	0.05000	-
16-Nov	\$10.00	0.04167	-	-	0.05000	-
16-Dec	\$10.00	0.04167	-	-	0.05000	-
17-Jan	\$10.00	0.04167	-	-	0.05000	-
17-Feb	\$10.00	0.04167	-	-	0.05000	-
17-Mar	\$10.00	0.04167	-	-	0.05000	-
17-Apr	\$10.00	0.04167	-	-	0.05000	-
17-May	\$10.00	0.04167	-	-	0.05000	-
17-Jun	\$10.00	0.04167	-	-	0.05000	-
17-Jul	\$10.00	0.04167	-	-	0.05000	-
17-Aug	\$10.00	0.04167	-	-	0.05000	-
17-Sep	\$10.00	0.04167	-	-	0.05000	-
17-Oct	\$10.00	0.04167	-	-	0.05000	-
17-Nov	\$10.00	0.04167	-	-	0.05000	-
17-Dec	\$10.00	0.04375	-	-	0.05208	-
18-Jan	\$10.00	0.04375	-	-	0.05208	-
18-Feb	\$10.00	0.04375	-	-	0.05208	-
18-Mar	\$10.00	0.04583	-	-	0.05417	-
18-Apr	\$10.00	0.04583	-	-	0.05417	-
18-May	\$10.00	0.04583	-	-	0.05417	-
18-Jun	\$10.00	0.04583	-	-	0.05417	-
18-Jul	\$10.05	0.04606	-	-	0.05444	-
18-Aug	\$10.05	0.04606	-	-	0.05444	-
18-Sep	\$10.05	0.04816	-	-	0.05653	-
18-Oct	\$10.10	0.04840	-	-	0.05681	-
18-Nov	\$10.10	0.04840	-	-	0.05681	-
18-Dec	\$10.10	0.04840	-	-	0.05681	-
19-Jan	\$10.10	0.05050	-	-	0.05892	-

Monthly Fund Statistics						
Month	Unit Price	Class A Distribution	Class B Distribution	Class C Distribution	Class F Distribution	Class I Distribution
19-Feb	\$10.12	0.05060	-	-	0.05903	-
19-Mar	\$10.13	0.05065	-	-	0.05909	-
19-Apr	\$10.15	0.05075	-	-	0.05921	0
19-May	\$10.17	0.05085	-	-	0.05933	0.06144
19-Jun	\$10.19	0.05095	-	-	0.05944	0.06156
19-Jul	\$10.22	0.05110	-	-	0.05962	0.06175
19-Aug	\$10.25	0.05125	-	-	0.05979	0.06193
19-Sep	\$10.28	0.05140	-	-	0.05997	0.06211
19-Oct	\$10.31	0.05155	-	-	0.06014	0.06229
19-Nov	\$10.40	0.05200	-	-	0.06067	0.06283
19-Dec	\$10.40	0.05215	-	-	0.06084	0.06301
20-Jan	\$10.43	0.05215	-	-	0.06084	0.06301
20-Feb	\$10.46	0.05230	-	-	0.06102	0.0632
20-Mar	\$10.50	0.05250	-	-	0.06125	0.06344
20-Apr	\$10.50	0.05250	-	-	0.06125	0.06344
20-May	\$10.50	0.05250	-	-	0.06125	0.06344
20-Jun	\$10.51	0.05255	-	-	0.06131	0.0635
20-Jul	\$10.53	0.05265	-	-	0.06143	0.06362
20-Aug	\$10.54	0.05270	-	-	0.06148	0.06368
20-Sep	\$10.55	0.05275	-	-	0.06154	0.06374
20-Oct	\$10.56	0.05280	-	-	0.06160	0.0638
20-Nov	\$10.57	0.05285	-	-	0.06166	0.06386
20-Dec	\$10.58	0.05290	-	-	0.06172	0.06392
21-Jan	\$10.58	0.05391	-	-	0.06290	0.06515
21-Feb	\$10.59	0.04874	-	-	0.05687	0.0589
21-Mar	\$10.61	0.05407	-	-	0.06308	0.06533
21-Apr	\$10.63	0.05242	-	-	0.06116	0.06334
21-May	\$10.73	0.05468	-	-	0.06379	0.06607
21-Jun	\$10.75	0.05301	-	-	0.06185	0.06406
21-Jul	\$10.77	0.05488	-	-	0.06403	0.06632
21-Aug	\$10.79	0.05498	-	-	0.06415	0.06644
21-Sep	\$10.81	0.05331	-	-	0.06219	0.06442
21-Oct	\$10.83	0.05519	-	-	0.06439	0.06669
21-Nov	\$10.85	0.05351	-	-	0.06242	0.06465

Monthly Fund Statistics						
Month	Unit Price	Class A Distribution	Class B Distribution	Class C Distribution	Class F Distribution	Class I Distribution
21-Dec	\$11.05	0.05631	-	-	0.06569	0.06804
22-Jan	\$11.05	0.05631	-	-	0.06569	0.06804
22-Feb	\$11.07	0.05095	-	-	0.05944	0.06157
22-Mar	\$11.09	0.05651	0.06122	0.06593	0.06593	0.06829
22-Apr	\$11.30	0.05573	0.06037	0.06501	0.06501	0.06734
22-May	\$11.50	0.0586	0.06349	0.06837	0.06837	0.07081
22-Jun	\$11.60	0.05721	0.06197	0.06674	0.06674	0.06912
22-Jul	\$11.70	0.05962	0.06459	0.06956	0.06956	0.07204
22-Aug	\$11.72	0.05972	0.06470	0.06968	0.06968	0.07217
22-Sep	\$11.75	0.05795	0.06277	0.0676	0.06760	0.07002
22-Oct	\$11.80	0.06013	0.06514	0.07015	0.07015	0.07266
22-Nov	\$11.82	0.05829	0.06315	0.06801	0.06801	0.07043
22-Dec	\$11.85	0.06039	0.06542	0.07045	0.07045	0.07297
23-Jan	\$11.88	0.06054	0.06558	0.07063	0.07063	0.07315
23-Feb	\$11.89	0.05473	0.05929	0.06385	0.06385	0.06613
23-Mar	\$11.90	0.06064	0.06569	0.07075	0.07075	0.07327
23-Apr	\$11.91	0.05873	0.06363	0.06852	0.06852	0.07097
23-May	\$11.93	0.06079	0.06586	0.07093	0.07093	0.07346
23-Jun	\$11.95	0.05893	0.06384	0.06875	0.06875	0.07121
23-Jul	\$11.97	0.06099	0.06608	0.07116	0.07116	0.07370
23-Aug	\$11.99	0.06110	0.06619	0.07128	0.07128	0.07382
23-Sep	\$12.32	0.05912	0.06405	0.06898	0.06898	0.07144
23-Oct	\$12.34	0.06110	0.06619	0.07128	0.07128	0.07382
23-Nov	\$12.35	0.05912	0.06405	0.06898	0.06898	0.07144
23-Dec	\$12.36	0.06110	0.06619	0.07128	0.07128	0.07382
24-Jan	\$12.36	0.06110	0.06619	0.07128	0.07128	0.07383
24-Feb	\$12.36	0.05716	0.06192	0.06668	0.06668	0.06907

SCHEDULE “D” – HISTORICAL REDEMPTIONS

Description of Security	Date of end of financial year	Number of securities with outstanding repurchase requests on first day of the period	Number of securities for which investors made repurchase requests during the period	Number of securities repurchased during the period	Average price paid for the securities purchased	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the year
Trust Units	2022	58,157	1,580,343	2,783,600	11.47	Cash from operations	1,261,444
Trust Units	2023	1,261,444	3,565,592	4,575,321	11.95	Cash from operations	251,715

Description of Security	Beginning and end dates of the period	Number of securities with outstanding repurchase requests on first day of the period	Number of securities for which investors made repurchase requests during the period	Number of securities repurchased during the period	Average price paid for the securities purchased	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the period
Trust Units	January 1, 2024 to February 29, 2024	251,715	683,048	516,686	\$12.36	Cash from operations	418,077

Redemption Date	Redemption Requested (Units)	Redemption Requested \$	Redemptions Paid \$
2016			
No Redemptions in 2016			
2017			
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	7,201	72,013	72,013
December	-	-	-
Total 2017	7,201	\$72,013	\$72,013
2018			
January			
February	15,000	\$150,000	\$150,000
March	1,213	\$12,130	\$12,130
April	3,618	\$36,180	\$36,180
May	2,420	\$24,196	\$24,196
June			
July	1,506	\$15,062	\$15,062
August			
September	528	\$5,307	\$5,307
October			
November	635	\$6,410	\$6,410
December	2,194	\$22,162	\$22,162
Total 2018	27,114	\$271,448	\$271,448
2019			
January			
February	3,014	\$30,437	\$30,437
March			
April	524	\$5,311	\$5,311
May			
June	981	\$10,000	\$10,000
July	8,827	\$90,000	\$90,000
August	554	\$5,641	\$5,641
September	4,177	\$42,936	\$42,936
October			
November	1,768	\$18,180	\$18,180
December	2,207	\$22,952	\$22,952
Total 2019	22,051	\$225,456	\$225,456
2020			

Redemption Date	Redemption Requested (Units)	Redemption Requested \$	Redemptions Paid \$
January	1,804	\$18,819	\$18,819
February	871	\$9,085	\$9,085
March	4,566	\$47,710	\$47,710
April	4,386	\$46,054	\$46,054
May	62,892	\$660,364	\$660,364
June	589	\$6,181	\$6,181
July	6,720	\$70,561	\$70,561
August	1,518	\$15,984	\$15,984
September	20,521	\$216,246	\$216,246
October	21,651	\$228,417	\$228,417
November	33,564	\$354,440	\$354,440
December	31,566	\$333,389	\$333,389
Total 2020	190,649	\$2,007,251	\$2,007,251
2021			
January	29,225	\$309,205	\$309,205
February	36,499	\$386,159	\$386,159
March	19,652	\$208,008	\$208,008
April	58,049	\$615,756	\$615,756
May	47,073	\$502,587	\$502,587
June	131,445	\$1,407,339	\$1,407,339
July	14,135	\$151,897	\$151,897
August	29,102	\$313,105	\$313,105
September	16,840	\$181,869	\$181,869
October	54,711	\$590,676	\$590,676
November	26,728	\$289,265	\$289,265
December	29,221	\$316,726	\$316,726
Total 2021	492,682	\$5,272,591	\$5,272,591
2022			
January	58,187	\$634,645	\$634,645
February	22,459	\$248,269	\$248,269
March	377,662	\$4,180,142	\$4,180,142
April	80,984	\$898,702	\$898,702
May	81,775	\$924,027	\$924,027
June	42,311	\$483,914	\$483,914
July	83,102	\$961,504	\$961,504
August	150,563	\$1,758,088	\$1,758,088
September	204,260	\$2,392,208	\$2,392,208
October	187,773	\$2,206,160	\$2,206,160
November	146,527	\$1,725,792	\$1,725,792
December	144,741	\$1,709,608	\$1,709,608
Total 2022	1,580,343	\$18,122,959	\$18,122,959

Redemption Date	Redemption Requested (Units)	Redemption Requested \$	Redemptions Paid \$
2023			
January	1,261,444	\$14,926,594	\$14,926,594
February	979,136	\$11,631,434	\$11,631,434
March	173,665	\$2,064,109	\$2,064,109
April	669,925	\$7,938,027	\$7,938,027
May	106,033	\$1,262,428	\$1,262,428
June	135,465	\$1,615,371	\$1,615,371
July	175,071	\$2,091,257	\$2,091,257
August	216,037	\$2,585,034	\$2,585,034
September	143,215	\$1,716,732	\$1,716,732
October	165,351	\$2,005,643	\$2,005,643
November	196,491	\$2,422,835	\$2,422,835
December	356,487	\$4,401,742	\$4,401,742
Total 2023	4,575,231	\$54,661,207	\$54,661,207



Consolidated Financial Statements

Equiton Residential Income Fund Trust

For the years ended December 31, 2023 and 2022

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Independent Auditor's Report

Grant Thornton LLP

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To the Trustees of

Equiton Residential Income Fund Trust

Opinion

We have audited the consolidated financial statements of Equiton Residential Income Fund Trust (the "Trust"), which comprise the consolidated statement of financial position as at December 31, 2023 and December 31, 2022, the consolidated statements of (loss) income and comprehensive (loss) income, consolidated statements of changes in net assets attributable to Unitholders and consolidated statements of cash flows for the year ended December 31, 2023 and December 31, 2022, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Equiton Residential Income Fund Trust as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and December 31, 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statement, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
March 1, 2024

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants
Licensed Public Accountants

Equiton Residential Income Fund Trust

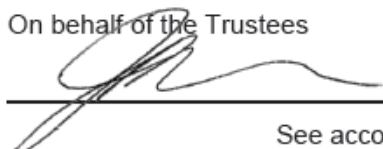
Consolidated Statements of Financial Position

	Note	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Investment properties	[4]	\$849,831,240	\$791,494,826
Investment property under development	[5]	80,882,849	43,711,951
		930,714,089	835,206,777
Current assets			
Cash		15,893,055	5,016,263
Restricted cash	[6]	2,212,198	5,321,088
Tenant and other receivables		867,191	858,003
Loan receivable	[8]	2,136,672	1,547,500
Prepaid expenses		1,231,975	889,816
Land deposits		-	300,000
Due from related parties	[12]	-	4,194,496
		22,341,091	18,127,166
TOTAL ASSETS		\$953,055,180	\$853,333,943
EQUITY AND LIABILITIES			
Non-current Liabilities			
Mortgages Payable	[9]	\$356,292,048	\$337,231,576
		356,292,048	337,231,576
Current Liabilities			
Construction loan payable	[10]	30,942,767	9,384,375
Bank loan payable	[11]	13,435,000	12,050,000
Current portion of mortgages payable	[9]	19,987,871	28,412,898
Accounts payable and accrued liabilities		13,582,695	12,191,854
Tenant deposits and deferred revenue		4,062,453	3,825,900
Unit subscriptions held in trust	[6]	2,212,198	4,452,588
Distributions payable	[13b]	3,091,133	2,450,881
Due to related parties	[12]	12,984,256	15,890,284
		100,298,373	88,658,780
TOTAL LIABILITIES		\$456,590,421	\$425,890,356
Net assets attributable to unitholders		\$496,464,759	\$427,443,587
TOTAL NET ASSETS			
ATTRIBUTABLE TO UNITHOLDERS		\$953,055,180	\$853,333,943
AND LIABILITIES			

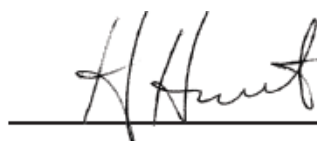
Commitments and contingencies [17]

Subsequent event [20]

On behalf of the Trustees



Trustee



Trustee

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust

Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

	Note	Year ended December 31,	
		2023	2022
Property revenue		\$47,344,893	\$34,637,657
Property operating expenses			
Operating expenses		(10,251,784)	(12,179,664)
Utilities		(5,198,019)	(3,270,906)
Property taxes		(4,996,330)	(3,896,782)
		(20,446,133)	(19,347,351)
Net operating income		\$26,898,760	\$15,290,305
Other income		723,478	494,496
Financing cost		(14,304,433)	(10,124,444)
Administration		(1,401,220)	(1,088,475)
Asset management fee	[14]	(9,655,136)	(7,262,499)
Performance incentive fee	[14]	(10,736,966)	(9,800,210)
Fair value adjustment on investment properties	[4]	7,023,675	44,894,199
Net (loss) income		\$(1,451,842)	\$32,403,372
Comprehensive (loss) income		\$ (1,451,842)	\$32,403,372

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust
Consolidated Statements of Changes in Net Assets
Attributable to Unitholders

Year ended December 31, 2022	Trust Units [Note 13]	Retained Earnings	Contributed Surplus	Total Unitholders' Equity
As at January 1, 2022	\$249,559,421	\$37,389,500	\$825,183	\$287,774,104
Issuance of units	140,230,871	-	-	140,230,871
Issuance of units under DRIP	16,239,898	-	-	16,239,898
Redemption of units	(18,122,959)	-	-	(18,122,959)
Issuance costs	(6,507,045)	-	-	(6,507,045)
Net income and comprehensive income	-	32,403,372	-	32,403,372
Distributions	-	(24,574,654)	-	(24,574,654)
As at December 31, 2022	\$381,400,186	\$45,218,218	\$825,183	\$427,443,587

Year ended December 31, 2023	Trust Units	Retained Earnings	Contributed Surplus	Total Unitholders' Equity
As at January 1, 2023	\$381,400,186	\$45,218,218	\$825,183	\$427,443,587
Issuance of units	143,703,972	-	-	143,703,972
Issuance of units under DRIP	21,249,397	-	-	21,249,397
Redemption of units	(54,628,818)	-	-	(54,628,818)
Issuance costs	(7,430,100)	-	-	(7,430,100)
Net loss and comprehensive loss	-	(1,451,842)	-	(1,451,842)
Distributions	-	(32,421,437)	-	(32,421,437)
As at December 31, 2023	\$484,294,637	\$11,344,939	\$825,183	\$496,464,759

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust

Consolidated Statements of Cash Flows

		Year ended December 31,	
	Note	2023	2022
OPERATING ACTIVITIES			
Net (loss) income and comprehensive loss (income)		\$(1,451,842)	\$32,403,372
Add (deduct) items not affecting cash			
Increase in fair value of investment properties		(7,023,675)	(44,894,199)
Amortization of deferred financing fees		1,357,056	1,197,369
Change in non-cash operating items	[16]	10,124,323	20,138,142
Cash (used in) provided by operating activities		\$3,005,862	\$8,844,684
FINANCING ACTIVITIES			
Proceeds from issue of units		133,903,774	132,749,681
Redemption of units		(54,628,818)	(18,122,959)
Distribution to unitholders		(10,531,788)	(7,434,781)
Payment of issuance costs		(7,430,100)	(6,507,045)
Proceeds on loan payable		1,385,000	12,050,000
Payment of deferred financing fees		(1,357,056)	(4,202,973)
Interest reserve holdback		29,227	350,741
Repayment of mortgages payable		10,606,218	(5,488,444)
Proceeds from mortgage payable		-	82,704,548
Proceed from construction Loan		21,558,392	-
Cash provided by financing activities		\$93,534,849	\$186,098,768
INVESTING ACTIVITIES			
Building improvements		(17,221,499)	(6,578,901)
Proceeds from issuance of loan		(589,172)	(1,547,500)
Land deposits		300,000	3,200,000
Acquisition of investment properties		(34,091,240)	(182,641,588)
Investment in land under development		(37,170,898)	(43,711,951)
Cash used in investing activities		\$(88,772,809)	\$(231,279,940)
Net increase (decrease) in cash		7,767,902	(36,336,488)
Cash, beginning of year		10,337,351	46,673,839
Cash, end of year		\$18,105,253	\$10,337,351

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

1. Nature of operations

Equiton Residential Income Fund Trust (the “Trust”) is an open-ended real estate investment trust (“REIT”) established on March 1, 2016 under the laws of the Province of Ontario. The Trust qualified as a “mutual fund trust” (pursuant to subsection 132(6) of the Income Tax Act) and it was formed primarily to acquire income-producing properties located in Canada.

2. General information and statement of compliance with IFRS

The consolidated financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared on a historical cost basis except for investment properties and certain categories of financial instruments, if any, that have been measured at fair value. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency. The address of the Trust’s registered office is 1111 International Boulevard, Suite 500, Burlington, Ontario, L7L 6W1. The financial statements for the year ended December 31, 2023 were approved and authorized for issue by the Trust on March 1, 2024.

3. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Principles of consolidation

These consolidated financial statements include the accounts of the Trust and its controlled entity: Equiton Residential Income Fund Limited Partnership (the “Limited Partnership”). The results of the Limited Partnership will continue to be included in the consolidated financial statements of the Trust until the date that the Trust’s control over the Limited Partnership ceases. Control exists when the Trust has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint arrangements

A joint arrangement is a contractual arrangement pursuant to which the Trust or a controlled entity and other parties undertake an economic activity that is subject to joint control, whereby the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. Joint arrangements are of two types - joint ventures and joint operations. A joint operation is a joint arrangement in which the Trust has rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which the Trust has rights to only the net assets of the arrangement.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

3. Summary of material accounting policies (continued)

Joint arrangements (continued)

The Trust is party to a single joint arrangement, which is a joint operation, through a 75% co-ownership interest called Riverain Co-ownership (“Riverain”). Riverain includes an investment property under development located at 29 Selkirk Street and 2 Montreal Road in the City of Ottawa, Ontario (Note 7). Joint operations are accounted for by recognizing the Trust’s proportionate share of the assets, liabilities, revenue, expenses and cash flows of the joint operation.

Investment properties

The Trust accounts for its investment properties using the fair value model in accordance with IAS 40 - Investment properties (“IAS 40”). Properties that are held for long-term rental yields or for capital appreciation or both are classified as investment properties. Investment properties also include properties that are being constructed or will be developed for future use as investment properties.

Investment properties are recorded initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services, and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Additions to investment properties are expenditures incurred for the expansion or redevelopment of the existing property, or to maintain or improve its productive capacity. Productive capacity maintenance costs are major maintenance costs and tenant improvements. Subsequent to initial recognition, investment properties are recorded at fair value. The changes in fair value in each reporting period are recorded in the consolidated statement of income (loss) and comprehensive income (loss). Fair value is based upon valuations performed by an appraiser accredited through the Appraisal Institute of Canada, using valuation techniques including the direct capitalization income and discounted cash flow methods.

Recent real estate transactions with similar characteristics and locations to the Trust’s assets are also considered. The direct capitalization income method applies a capitalization rate to the property’s stabilized net operating income which incorporates allowances for the vacancy, management fees, and structural reserves for capital expenditures for the property. The resulting capitalized value is further adjusted, where appropriate, for extraordinary costs to stabilize the income and non-recoverable capital expenditures.

Investment property under development

The investment property undergoing development takes a substantial period of time to prepare for its intended use as an investment property. The investment property under development is initially recorded at the purchase price plus transaction costs.

Subsequent to acquisition, the cost of development properties includes all direct expenditures incurred in connection with their development and construction. These expenditures consist of all direct costs, realty taxes and borrowing costs. The development period commences when expenditures are being incurred and activities necessary to prepare the asset for its intended use are in progress. Capitalization ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

3. Summary of material accounting policies (continued)

Investment property under development (continued)

Properties under development are measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

Tenant deposits

Tenant deposits are recognized initially at the fair value of the cash received and subsequently measured at amortized cost. The Trust obtains deposits from tenants as a guarantee for returning the leased premises at the end of the lease term in a specified good condition or for specified lease payments according to the terms of the lease.

Revenue recognition

The Trust has retained substantially all of the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases.

Revenue from investment properties include rents from tenants under leases, parking income, laundry income and other miscellaneous income paid by the tenants under the terms of their existing leases. Rental revenue under a lease commences when a tenant has a right to use the leased asset and revenue is recognized pursuant to the terms of the lease agreement. Revenue is recognized systematically over the term of the lease, which is generally not more than twelve months. Other rental revenues such as parking revenues and laundry revenue is considered non-lease components and are within the scope of IFRS 15 - Revenue from Contracts with Customers. The performance obligation for property management and ancillary services is satisfied over time.

Financial instruments and fair values

(i) Financial assets

In accordance with IFRS 9, 'Financial Instruments', financial assets are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial assets are categorized and measured based on how the Trust manages its financial instruments and the characteristics of their contractual cash flows. IFRS 9 contains three principal classification categories for financial assets:

- i) Measured at amortized cost,
- ii) Fair value through other comprehensive income, and
- iii) Fair value through profit or loss.

A financial asset is measured at amortized cost if it meets both of the following conditions

- i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

3. Summary of material accounting policies (continued)

The Trust's financial assets include cash, restricted cash, due from related parties, tenants and other receivables and loan receivable. All financial assets are recognized initially at fair value and subsequently at amortized cost using the effective interest method with the exception of the loan receivable which is subsequently measured at fair value through profit or loss.

Impairment – Expected Credit Loss Model:

For the impairment of financial assets, the Trust uses a forward-looking 'expected credit loss' ('ECL') model. The measurement options for the ECL are lifetime expected credit losses and 12-month expected credit losses.

The Trust adopted the practical expedient to determine ECL on receivables using a provision matrix based on historical credit loss experiences adjusted for forward-looking factors specific to the debtors and to the economic environment to estimate lifetime ECL.

(ii) Financial liabilities

In accordance with IFRS 9, 'Financial Instruments', financial liabilities are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial liabilities are measured based on two categories:

- i) Amortized cost, and
- ii) Fair value through profit or loss.

Under IFRS 9, all financial liabilities are classified and subsequently measured at amortized cost except in certain cases. The Trust has no financial liabilities that meet the definitions of these specific cases. Financial liabilities consist of mortgages payable, construction loan payable, due to related party, unit subscriptions held in trust, payables and accruals, bank loan payable, deferred revenue and distributions payable.

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expires.

(iii) Transaction costs

Direct and indirect financing costs that are attributable to the issue of other financial liabilities measured at amortized cost are presented as a reduction from the carrying amount of the related debt and are amortized using the effective interest rate method over the term of the related debt. These costs include interest, amortization of discounts or premiums relating to borrowings, fees and commissions paid to lenders, agents, brokers and advisers, and transfer taxes and duties that are incurred in connection with the arrangement of borrowings.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

3. Summary of material accounting policies (continued)

(iv) Fair value

Fair value measurements recognized in the statement of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. Each type of fair value is categorized based on the lowest level of input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The fair value hierarchy for measurement of assets and liabilities is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

Fair value of financial assets and liabilities

The fair values of cash, restricted cash, tenant deposits and other receivables, amounts due to/from related parties, payables, construction loan payable, bank loan payable and distributions payable approximate their carrying value due to the short-term maturity of those instruments.

The fair value of the mortgages payable and loan receivable have been determined by discounting the cash flows of these financial instruments using December 31, 2023 and December 31, 2022 market rates for debts of similar terms.

	<u>December 31, 2023</u>		
	<u>Fair Value Hierarchy</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Assets:			
Investment properties	Level 3	\$ 849,831,240	\$849,831,240
Loan receivable	Level 2	\$ 2,136,672	\$ 2,136,672
Liabilities:			
Mortgages payable	Level 2	\$ 385,774,998	\$ 337,566,925
	<u>December 31, 2022</u>		
	<u>Fair Value Hierarchy</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Assets:			
Investment properties	Level 3	\$ 791,494,826	\$ 791,494,826
Loan receivable	Level 2	\$ 1,547,500	\$ 1,547,500
Liabilities:			
Mortgages payable	Level 2	\$ 375,309,185	\$ 326,015,349

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

3. Summary of material accounting policies (continued)

Critical accounting estimates, assumptions, and judgments

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Trust has made the following critical accounting estimates, assumptions, and judgments:

Investment properties

In determining estimates of fair values for its investment properties, the assumptions underlying estimated values are limited by the availability of comparable data and the uncertainty of predictions concerning future events. Should the following underlying assumptions change, actual results could differ from the estimated amounts:

- i. Property tenancies;
- ii. Market rents;
- iii. Market terminal capitalization rates;
- iv. Discount rates;
- v. Direct capitalization rates;
- vi. Economic environment and market conditions; and
- vii. Market activity.

The critical estimates and assumptions underlying the valuation of the investment properties are outlined in Note 4.

Joint operations

When determining the appropriate basis of accounting for the Trust's investment in co-ownership, the Trust makes judgments about the degree of control that the Trust exerts directly or through an arrangement over the co-ownership's relevant activities.

The Trust has determined that its interest in the co-ownership is a joint operation (Note 7).

Net assets attributable to unitholders

Trust units are redeemable at the holder's option and therefore are considered a puttable instrument in accordance with International Accounting Standard 32 - Financial Instruments: Presentation ("IAS 32"), subject to certain limitations and restrictions. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instruments may be presented as equity. The Trust units do not meet the necessary conditions and have therefore been presented as net assets attributable to unitholders under IAS 32.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

3. Summary of material accounting policies (continued)

New standards adopted

The following accounting pronouncements, which have become effective and were adopted January 1, 2023, do not have a significant impact on the Company's financial results or financial position:

- IFRS 17, 'Insurance Contracts'
- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)

4. Investment properties

Reconciliation of the carrying amount for investment properties for the beginning and end of the financial year are as follows:

Balance, January 1, 2022	\$493,180,000
Purchase of investment property	246,841,726
Building improvements to investment properties	6,578,901
Increase in fair value of investment properties	<u>44,894,199</u>
Balance, December 31, 2022	\$791,494,826
Purchase of investment property	34,091,240
Building improvements to investment properties	17,221,499
Increase in fair value of investment properties	<u>7,023,675</u>
Balance, December 31, 2023	<u>\$849,831,240</u>

On October 19, 2023, the Partnership acquired an investment property located at 470 Scenic Drive, London, Ontario for a cost of \$22,350,580.

On December 19, 2023, the Partnership acquired an investment property located at 23 Lynnwood Drive, Brantford, Ontario for a cost of \$11,740,660.

On December 31, 2023, all Investment Properties that the Partnership owned as at January 1, 2023 were valued by independent professionally qualified appraisers who hold a recognized relevant professional qualification and have recent experience in the locations of the income-producing properties valued.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

4. Investment properties (continued)

The estimated fair values per these appraisals are as follows:

The Trust determined the fair value of each investment property based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable statement of financial position dates, less future cash outflow pertaining to the respective leases. The properties are appraised using several approaches that typically include a direct capitalization income method and a direct comparison approach.

30-31 Campbell Court, Stratford	\$ 19,100,000	\$ 19,900,000
19 Lynnwood Drive, Brantford	13,300,000	14,300,000
120, 126 and 130 St Paul Avenue, Brantford	9,790,000	8,810,000
383-385 Wellington Street and 49 Lacroix Street, Chatham	9,110,000	8,640,000
780 Division Street, Kingston	25,750,000	22,850,000
1379 Princess Street, Kingston	6,800,000	6,560,000
75 and 87 Mary Street, Chatham	10,600,000	10,100,000
252 and 268 Conacher Drive, Kingston	4,100,000	3,900,000
1355 Commissioners Road West, London	20,000,000	19,400,000
65 Times Avenue, Markham	29,300,000	30,200,000
1050 Highland Street, Burlington	6,190,000	6,530,000
5 & 7 Wilsonview Avenue, Guelph	9,900,000	10,800,000
65 & 75 Paisley Boulevard West, Mississauga	61,700,000	60,300,000
223 Woodbine Avenue, Toronto	23,300,000	25,400,000
8-16 Wilsonview Avenue, Guelph	40,100,000	38,500,000
650 Woodbine Avenue, Toronto	15,100,000	15,700,000
787 Vaughan Road, Toronto	13,600,000	12,700,000
100-170 Old Carriage Drive, Kitchener	82,400,000	77,700,000
125 Wellington Street North & 50 Cathcart Street, Hamilton	91,400,000	80,000,000
12-14 Auburndale Court, Etobicoke	26,000,000	27,000,000
433 King Street, London	39,100,000	41,000,000
98 Farley Drive, Guelph	45,800,000	43,061,524
208 Woolwich Street South, Breslau	36,800,000	37,322,830
78 Braemar Drive, Brampton	64,800,000	65,484,521
200 Edgar Lane, Sherwood Park	29,000,000	28,288,499
10001 Bellamy Hill, Edmonton	29,600,000	24,225,965
2303 Eglinton Ave East, Toronto	53,100,000	52,821,487
470 Scenic Drive, London	22,350,580	-
23 Lynnwood Drive, Brantford	11,740,660	-
	<u>\$ 849,831,240</u>	<u>\$ 791,494,826</u>

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

4. Investment properties (continued)

The significant assumption made relating to valuations of investment properties using direct capitalization income method is the capitalization rate.

Values are most sensitive to changes in capitalization rates, and the variability of cash flows. If the capitalization rate were to increase by 25 basis points ("bps"), the value of investment properties would decrease by \$48,684,969 (December 31, 2022 – decrease by \$55,795,139). If the capitalization rate were to decrease by 25 bps, the value of investment properties would increase by \$55,091,603 (December 31, 2022 – increase by \$50,966,598). The capitalization rates used are as follows:

	<u>2023</u>	<u>2022</u>
30-31 Campbell Court, Stratford	5.26%	5.00%
19 Lynnwood Drive, Brantford	5.00%	4.75%
120, 126 and 130 St Paul Avenue, Brantford	5.00%	4.75%
383-385 Wellington Street and 49 Lacroix Street, Chatham	5.25%	5.00%
780 Division Street, Kingston	4.60%	4.40%
1379 Princess Street, Kingston	4.58%	4.30%
75 and 87 Mary Street, Chatham	5.23%	5.00%
252 and 268 Conacher Drive, Kingston	4.78%	4.50%
1355 Commissioners Road West, London	4.15%	3.90%
65 Times Avenue, Markham	3.75%	3.50%
1050 Highland Street, Burlington	4.15%	3.90%
5 & 7 Wilsonview Avenue, Guelph	4.50%	4.00%
65 & 75 Paisley Boulevard West, Mississauga	3.25%	2.75%
223 Woodbine Avenue, Toronto	3.36%	3.00%
8-16 Wilsonview Avenue, Guelph	4.25%	4.00%
650 Woodbine Avenue, Toronto	3.49%	3.25%
787 Vaughan Road, Toronto	3.74%	3.25%
100-170 Old Carriage Drive, Kitchener	4.25%	4.00%
125 Wellington Street North & 50 Cathcart Street, Hamilton	4.36%	4.25%
12-14 Auburndale Court, Etobicoke	3.51%	3.00%
433 King Street, London	4.35%	3.65%
98 Farley Drive, Guelph	4.40%	3.89%
208 Woolwich Street South, Breslau	4.25%	3.74%
78 Braemar Drive, Brampton	3.50%	3.01%
200 Edgar Lane, Sherwood Park	5.50%	5.61%
10001 Bellamy Hill, Edmonton	5.50%	6.05%
2303 Eglinton Ave East, Toronto	3.50%	3.09%
470 Scenic Drive, London	4.50%	N/A
23 Lynnwood Drive, Brantford	4.65%	N/A

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

5. Investment property under development

	<u>2023</u>	<u>2022</u>
Opening balance, January 1	\$ 43,711,951	\$ -
Purchase of investment property under development	-	30,000,000
Property under development expenditures	<u>37,170,898</u>	<u>13,711,951</u>
Balance, December 31	<u>\$ 80,882,849</u>	<u>\$ 43,711,951</u>

This property under development represents the Trust's 75% interest in Riverain (Note 7).

6. Restricted cash

As at December 31, 2023, the restricted cash is \$2,212,198 (2022 - \$5,321,088). Restricted cash of \$2,212,198 represents unitholder subscriptions held in trust until the trade settlement date. These amounts will be returned to investors if the proposed unitholder subscriptions do not successfully proceed. For the year ended December 31, 2022, Riverain had a deposit held in trust of \$1,158,000 with the City of Ottawa which represents the Riverain's estimated costs for the public and private lands. The Trust's portion of this deposit was \$868,500. In 2023, the deposit held in trust was replaced with the \$1,158,000 Letter of Credit from Desjardins and the funds were returned on February 23, 2023.

7. Joint arrangement

The Trust's indirect interests in Riverain is subject to joint control and accounted for as a joint operation. The Limited Partnership entered into a co-ownership agreement with Selkirk & Main Holdings Inc. and is developing a multi residential property in Ottawa, Ontario. There is a building currently on the property that generated rental income from commercial tenants in 2020 and 2021, however the intention is to demolish the building for redevelopment. Therefore, the purchase price was allocated entirely to the land. The co-ownership was formed on January 18, 2022 and is governed by co-owner's agreement effective as of that date. The co-ownership agreement stipulates that a co-owners committee be formed consisting of two members, of whom one member shall be appointed by each of the co-owners. All major decisions, as defined in the agreements, require the unanimous vote of the members of the co-owners committee. The Limited Partner's ownership interest is 75%.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

7. Joint arrangement (continued)

The financial information in respect of the Partnership's indirect 75% proportionate share of the joint operation is as follows:

	December 31, 2023	December 31, 2022
Assets		
Cash	\$ 661,891	\$ 1,531,578
Accounts receivable	320,816	136,738
Prepaid expense	-	185
Investment property under development	<u>80,882,849</u>	<u>43,711,951</u>
Total assets	<u>\$ 81,865,556</u>	<u>\$ 45,380,452</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 5,757,010	\$ 5,016,747
Loans payable	16,875,000	-
Construction loan payable	<u>14,067,767</u>	<u>9,384,375</u>
Total liabilities	36,699,777	14,401,122
Co-owners' equity	<u>45,165,779</u>	<u>30,979,330</u>
Total liabilities and co-owners' equity	<u>\$ 81,865,556</u>	<u>\$45,380,452</u>

8. Loan receivable

On January 18, 2022, the Limited Partnership entered into an equity loan agreement with Selkirk & Main Holdings Inc. The Limited Partnership has agreed to provide loans to Selkirk & Main Holdings Inc. from time to time as equity funds are required for the joint operation of Riverain (Note 7) in principal amount equal to 12.5% of the required equity funds of the joint operation.

The equity loan bears in interest at a rate equal to 7.75% per annum. The equity loan is repayable upon the earlier of the following:

- the day upon which the first advance of any long-term financing for such phase is made following the construction thereof; and
- the day upon which the Selkirk & Main Holdings Inc. ceases to be a co-owner of the property or such phase.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

8. Loan receivable (continued)

The loan is secured as follows:

- a joint and several corporate guarantee and postponement from Selkirk & Main Holdings Inc. and Main and Main Asset Management Inc. for the full amount of the equity loan.
- a pledge in favour of the Limited Partnership of all of the issued and outstanding shares of the nominees;
- the co-owners charge made by Selkirk & Main Holdings Inc. in favour of the Limited Partnership (including the registered co-owners charge in favour of Equiton granted by the Nominees) which shall, in addition to the matters set out in Section 7.3(1) of the co-owners agreement, secure payment of the equity Loan.

The equity loan was assessed at December 31, 2023 to determine whether there is objective evidence of impairment. A loan investment is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of an asset, and that the loss event had a negative effect on these estimated future cash flows of that asset that can be estimated reliably. For the year ended December 31, 2023, there was no provisions for loan investment losses. The fair value of the loan receivable is estimated to approximate its carrying value (Note 3).

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

9. Mortgages payable

mortgage		Blended Monthly payments	Interest rate	Maturity date	December 31, 2023	December 31, 2022
BMO (1) - Brantford	1st (i)	33,464	3.91%	7/31/2026	\$ 5,100,379	\$ 5,298,308
BMO - Kingston Conacher	1st (i)	7,581	4.60%	10/1/2028	1,189,601	1,224,960
BMO - Kingston Princess	1st (i)	12,657	3.50%	6/1/2028	2,148,983	2,224,756
BMO - Chatham Mary	1st (i)	15,042	3.80%	9/1/2028	2,511,203	2,595,298
BMO - Chatham Mary	2nd (i)	2,518	4.35%	8/31/2028	399,941	412,460
FN (2) - Stratford	1st	20,288	2.73%	9/1/2026	4,084,774	4,215,416
FN - Chatham	1st	12,168	3.31%	3/1/2028	2,074,065	2,150,530
PT (3) - Kingston	1st (ii)	30,582	2.44%	3/1/2025	4,944,266	5,188,002
PT - Kingston	2nd	5,751	3.24%	3/1/2028	875,844	915,970
FN - London Commissioner	1st	41,055	3.18%	9/1/2029	10,452,673	10,612,373
FN - Markham 65 Times	1st	47,339	2.58%	9/1/2029	12,029,231	12,285,030
FN - Highland	1st	11,137	2.84%	6/1/2030	2,459,527	2,522,759
FN - 5-7 Wilsonview	1st	24,449	2.74%	6/1/2030	4,687,692	4,850,945
FN - Paisley	1st	71,999	2.49%	6/1/2030	18,782,424	19,175,839
FN - Paisley	2nd (iii)	39,177	6.50%	1/1/2025	7,217,904	7,330,000
FN - 223 Woodbine	1st	41,878	2.20%	6/1/2030	11,385,927	11,636,135
FN - 8 & 16 Wilsonview	1st	79,227	2.17%	6/1/2030	19,258,655	19,787,138
FN - 650 Woodbine	1st	30,073	2.00%	3/1/2031	7,549,269	7,757,532
FN - 787 Vaughan	1st	24,063	2.00%	3/1/2031	6,040,458	6,207,102
FN - 100 Old Carriage	1st	154,157	2.43%	12/1/2031	41,752,845	42,582,330
FN - 125 Wellington	1st (iv)	53,282	2.86%	12/1/2025	12,066,680	12,358,482
FN - 125 Wellington (Loan 2)	1st	100,727	2.53%	12/1/2031	24,071,447	24,666,210
FN - 433 King Street	1st	41,818	2.87%	1/1/2025	17,485,000	17,485,000
FN - 433 King Street	2nd	14,147	6.75%	1/1/2025	2,515,000	2,515,000
FN - 12 & 14 Auburndale	1st	46,285	2.83%	12/1/2031	12,971,132	13,158,744
PC (4) - 208 Woolwich	1st (v)	76,130	2.13%	8/1/2031	23,442,652	23,448,619
FN - 98 Farley	1st (vi)	95,276	2.83%	12/1/2031	26,446,235	26,787,063
CICI (5) - 200 Edgar Lane	1st (vii)	82,752	3.53%	9/1/2032	17,597,275	17,851,580
FN - 78 Braemar Drive	1st	124,893	3.92%	9/1/2032	29,980,304	30,306,368
FN - 10001 Bellamy	1st	69,615	4.38%	6/1/2033	15,706,416	15,844,236
FN - 2303 Eglinton Avenue East (Bridge Loan) 1st		Variable payment	Prime Rate + 2.00%	5/1/2023	-	21,915,000
FN - 2303 Eglinton Avenue East	1st	97,393	4.20%	5/1/2023	22,558,228	-
SCI(6) - 470 Scenic Drive	1st	45,422	4.25%	6/12/2024	12,825,000	-
PT - 23 Lynnwood Drive	1st	15,871	2.28%	10/1/2029	3,163,968	-
					\$ 385,774,998	\$ 375,309,185
				Less: Deferred financing charges	(9,495,079)	(9,635,484)
				Less: Interest reserve holdback	-	(29,227)
					\$ 376,279,919	\$ 365,644,474
				Less: current portion	(19,987,871)	(28,412,898)
					\$ 356,292,048	\$ 337,231,576

- (1) Bank of Montreal
- (2) First National Financial LP
- (3) People's Trust
- (4) Peakhill Capital Inc.
- (5) Canada ICI Capital Corporation
- (6) (SCI) Scenic Place Inc.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

9. Mortgages payable (continued)

The mortgages payable are secured by the investment properties disclosed in Note 4 and are repayable as follows:

2024	\$ 19,987,871
2025	50,214,330
2026	14,981,852
2027	6,669,308
2028	14,242,727
Thereafter	<u>284,072,498</u>
	<u>\$ 390,168,586</u>

- (i) There are financial and non-financial covenants pertaining to the Bank of Montreal facilities and they were all met as at December 31, 2023.
- (ii) The People's Trust first mortgage on loan was assumed on the purchase of 780 Division Street, Kingston, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a discount of \$205,372 at the assumption date.
- (iii) The First National second mortgage is an interest-only loan.
- (iv) The First National first mortgage on loan was assumed on the purchase of the 125 Wellington Street North, Hamilton, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of \$134,581 at the assumption date.
- (v) The Peakhill Capital first mortgage on loan was assumed on the purchase of the 208 Woolwich Street South, Breslau, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of \$660,053 at the assumption date.
- (vi) The First National first mortgage on loan was assumed on the purchase of the 98 Farley, Guelph, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of \$274,766 at the assumption date.
- (vii) The Canada ICI first mortgage on loan was assumed on the purchase of the 200 Edgar Lane, Sherwood Park, Alberta property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of \$3,516,420 at the assumption date.
- (viii) The People's Trust first mortgage on loan was assumed on the purchase of 23 Lynnwood Drive, Brantford, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of \$553,911 at the assumption date.
- (ix) The balances repayable as noted above are exclusive of the fair value adjustments recorded upon initial recognition of the mortgages that have been assumed during the year as noted by (ii) – (viii) above. As at December 31, 2023 these fair value adjustments totalled \$4,393,588.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

10. Construction loan payable

Land Loan Facility

Riverain entered into a \$12,512,500 land loan facility (“land loan”) agreement with Caisse Populaire Rideau-Vision d’Ottawa Inc. (“Desjardins”) to finance the acquisition of the land located in Ottawa. The loan bore interest at a fixed rate of 3.69% for the first 18 months of the term and was converted to a variable rate loan based on the prime interest rate increased by fifty basis points (0.50%) for the remaining six months of the 24-month term with interest payable monthly. The loan which was to mature on February 1, 2022 was extended for an additional 12-month period and matured on February 1, 2023.

On January 19, 2023, Riverain entered into a \$26,000,000 land loan Facility agreement with Desjardins to refinance the land located in Ottawa. The original land loan facility of \$12,512,500 was repaid upon issuance of proceeds. Desjardins retained a \$2,000,000 holdback on the land loan facility, which is associated with the completion of environmental remediation work. The interest rate is fixed during the 18-month term at the lenders cost of funds plus 150 basis points. The land loan matures on August 1, 2024.

On October 16, 2023, Riverain entered into a new \$22,500,000 Land Loan facility agreement with Desjardins to refinance the phase two and phase three land located in Ottawa. The original Land Loan facility outstanding of \$24,000,000 was replaced and the loan differential of \$1,500 was repaid upon issuance of the first construction loan draw. The interest rate is fixed at 7.69% for 12 months equal to the lender’s cost of funds plus 150 basis points (1.5%) with interest-only paid monthly. The \$22,500 Land Loan matures on November 1, 2024. As at December 31, 2023, the outstanding balance is \$22,500 (December 31, 2022, \$12,513). The other co-owner and the Limited Partnership have provided a corporate guarantee and postponement of claim for the full loan amount of \$22,500,000 plus interest and costs for the full duration of the existing land loan facility on phase two and phase three units and any renewals thereof.

Construction Loan Facility

On October 16, 2023, Riverain entered into a \$88,254,000 Construction Loan Facility (“CLF”) agreement with Desjardins to finance the construction of phase one. The CLF is a variable rate loan based on the prime interest rate increased by fifty basis points (0.50%). Accrued interest is due on the first day of the month. The CLF matures on November 1, 2026. In conjunction with the CLF, Riverain entered into a \$1,500 revolving operating line of credit to bridge approved project costs between advances at the same variable interest rate as the CLF. The maximum authorized amount for both facilities together is \$88,254,000.

Draws on the CLF are completed once per month with the issuance of the construction report by the project monitor AMS Quantity Surveyors. As at December 31, 2023 the outstanding balance is \$18,757,420 (2022 - \$nil) of which the Partnership has recorded its 75%. Borrowings under each of these agreements are secured by a first collateral mortgage charge on the lands and improvements and a general security agreement. The other co-owner and the Limited Partnership have provided a corporate guarantee and postponement of claim for the full loan amount plus interest and costs for the full duration of the existing construction loan facility on phase one construction and any renewals thereof.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

10. Construction loan payable (continued)

Letter of credit

On January 17, 2020, Riverain also entered into a \$500,000 Letters of Credit Facility (“LCF”) agreement with Desjardins, which can only be used to finance the municipal bodies and public utilities for development purposes. Letter of credits will be for a term of one year and will be subject to an annual fee of 1% upon issuance. The LCF had been extended for an additional 12-month term to February 1, 2023. On January 19, 2023, the LCF agreement was increased to \$2,000,000 in conjunction with the refinancing of the Land Loan. On October 16, 2023, the LCF was increased to \$3,000,000 in conjunction with the Construction Loan Facility for a period of one year under the same terms and conditions. The LCF is renewable prior to maturity provided there is no material default beyond any applicable notice period.

11. Bank loan payable

On January 25, 2022, the Limited Partnership entered into a \$20,000,000 credit facility with TD Commercial Banking. The facility has a contractual term of 12 months from the date of the first draw down. The first draw down took place on December 14, 2022 in the form of an operating loan.

The facility bears interest as follows:

- Prime Based Loans: Prime rate plus 1.00% per annum
- Banker Acceptances: Stamping Fee at 2.00% per annum

A commitment standby fee of 0.25% per annum is payable on the undrawn portion of the facility. The commitment fee is payable on the third business day following the last business day of March, June, December and December.

There are financial and non-financial covenants pertaining to the facility. As at December 31, 2023, all covenants were met.

As at December 31, 2023, the Limited Partnership had drawn down \$13,435,000 of the facility.

12. Related party transactions and balances

(a) Agreement with Equiton Capital Inc.

The Trust has entered into an Agency Agreement with Equiton Capital Inc. (the “Agent”), a related party through (a) sharing key management personnel with the Trust and (b) one of the Trustees of the Trust indirectly controls Equiton Capital Inc. The Trust has retained the Agent to act as a selling agent of the Trust units.

Pursuant to the Agency Agreement, the Trust incurred agency fees with the Agent related to the issuance of trust units in the amount of \$6,942,379 (December 31, 2022 - \$6,507,045), which are included in issuance costs in the statements of changes in net assets attributable to unitholders.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

12. Related party transactions and balances

(b) Due from related parties

	December 31, 2023	December 31, 2022
Due from Equiton Partners' Inc.	\$ -	\$ 4,174,757
Due from Sandstones Condo Trust	-	526
Due from Equiton Real Estate Income and Development Fund LP	-	480
Due from Equiton Real Estate Income and Development Fund Trust	-	18,733
	\$ -	\$ 4,194,496

Equiton Capital Inc., Sandstones Condo Trust, Equiton Real Estate Income and Development Fund LP and Equiton Real Estate Income and Development Fund Trust have the same common management as the Trust.

Amounts due from related parties are unsecured, non-interest bearing, and due on demand.

(c) Due to related parties

	December 31, 2023	December 31, 2022
Due to Equiton Residential Income GP Inc. (general partner of Equiton Residential Income Limited Partnership)	\$ 10,713,303	\$ 15,624,065
Due to Equiton Partners' Inc.	2,050,168	-
Due to Equiton Capital Inc.	220,785	266,219
	\$ 12,984,256	\$ 15,890,284

Equiton Residential Income GP Inc. has the same common management as the Trust.

Amounts due to related parties are unsecured, non-interest bearing, and due on demand.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

13. Net assets attributable to unitholders

Unitholder transactions excluding allocations of net income distributions and contributed surplus:

(i) Class A Trust Units

The Trust is authorized to issue an unlimited number of Class A Trust units.

(ii) Class B Trust Units

The Trust is authorized to issue an unlimited number of Class B Trust units.

(iii) Class C Trust Units

The Trust is authorized to issue an unlimited number of Class C Trust units.

(iv) Class F Trust Units

The Trust is authorized to issue an unlimited number of Class F Trust units.

(v) Class I Trust Units

The Trust is authorized to issue an unlimited number of Class I Trust units.

(a) Units outstanding

	<u>Number</u>	<u>Amount</u>
Class A Trust Units		
Balance, January 1, 2022	10,355,447	\$ 101,494,205
Issuance of units	3,544,586	40,775,922
Issuance of units through distribution reinvestment plan	493,257	5,551,075
Redemption of units	(465,125)	(5,320,375)
Issuance of costs	-	(1,892,100)
Balance, December 31, 2022	13,928,165	\$ 140,608,727
Issuance of units	4,142,966	49,840,759
Issuance of units through distribution reinvestment plan	663,031	7,818,340
Redemption of units	(739,252)	(8,840,659)
Transfer of units from Class A to Class IS1	(132,893)	(1,625,676)
Issuance of costs	-	(2,576,977)
Balance, December 31, 2023	17,862,017	\$ 185,224,514
Class B Trust Units		
Balance, January 1, 2022	-	\$ -
New units issued	188,461	2,101,785
Units redeemed	-	-
Balance, December 31, 2023	188,461	\$ 2,101,785
Issuance of units	572,660	6,892,011
Issuance of units through distribution reinvestment plan	21,351	252,805
Redemption of units	(17,094)	(204,274)
Issuance of costs	-	(356,346)
Balance, December 31, 2023	765,378	\$ 8,685,981

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

13. Net assets attributable to unitholders (continued)

Class C Trust Units

Balance, January 1, 2022	-	\$ -
New units issued	467,396	5,212,377
Units redeemed	-	-
Balance, December 31, 2022	<u>467,396</u>	<u>\$ 5,212,377</u>

Issuance of units	872,071	10,411,108
Issuance of units through distribution reinvestment plan	34,732	410,768
Redemption of units	(22,844)	(273,366)
Issuance of costs	-	(538,298)
Balance, December 31, 2023	<u>1,351,355</u>	<u>\$ 15,222,589</u>

Class F Trust Units

Balance, January 1, 2022	8,046,833	\$ 81,121,066
Issuance of units	3,718,905	42,346,216
Issuance of units through distribution reinvestment plan	429,929	4,842,022
Redemption of units	(764,675)	(8,722,003)
Issuance of costs	-	(1,964,965)
Balance, December 31, 2022	<u>11,430,992</u>	<u>\$117,622,336</u>

Issuance of units	4,906,511	59,187,329
Issuance of units through distribution reinvestment plan	580,442	6,844,748
Redemption of units	(618,499)	(7,460,621)
Transfer of units from Class F to Class IS1	(1,528,054)	(18,348,317)
Issuance of costs	-	(3,060,234)
Balance, December 31, 2023	<u>14,771,392</u>	<u>\$ 154,785,241</u>

Class I Trust Units

Balance, January 1, 2022	6,595,181	\$ 66,944,150
Issuance of units	4,329,073	49,496,640
Issuance of units through distribution reinvestment plan	514,077	5,791,513
Redemption of units	(350,543)	(4,080,581)
Issuance of costs	-	(2,296,761)
Balance, December 31, 2022	<u>11,087,788</u>	<u>\$115,854,961</u>

Issuance of units	1,438,985	17,372,766
Issuance of units through distribution reinvestment plan	503,046	5,922,736
Redemption of units	(3,177,019)	(37,849,899)
Transfer of units from Class A to Class IS1	132,893	1,625,676
Transfer of units from Class F to Class IS1	1,528,054	18,348,317
Issuance of costs	-	(898,245)
Balance, December 31, 2023	<u>11,513,747</u>	<u>\$ 120,376,312</u>

Total A, B, C, F and I Units, December 31, 2023	<u>46,263,889</u>	<u>\$ 484,294,637</u>
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b) Distributions and distribution reinvestment

On December 19, 2016, the Trust instituted a DRIP whereby Canadian unitholders may elect to have their distributions automatically reinvested in additional units, retroactive to the commencement of the Trust.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

13. Net assets attributable to unitholders (continued)

b) Distributions and distribution reinvestment (continued)

During the year, the Trust made distributions of \$32,421,437 (2022 - \$24,574,654). Of this amount, \$21,249,397 (2022 - \$16,239,898) were reinvested through the DRIP.

14. Asset management agreement

The property management fees were performed by a related party, Equiton Partners Inc. As compensation for providing the Property Management Services, a fee is paid equal to 4.0% of the gross income from the properties for the initial term and for each renewal. In addition, Equiton Partners Inc. is paid a fee equal to 5.0% of the total cost to (i) construct tenant improvements and/or coordinate the construction, modification, improvement, re-construction, or effecting of material repairs to any tenant premises at any of the Properties, or (ii) construct, modify, improve, re-construct or effect a material repair to any portion of the Property or Properties.

Equiton Partners Inc. is also entitled to the following fees pursuant to the Asset Management Agreement:

(i) Transaction fee

The transaction fee is charged at 1.00% of the purchase price with respect to each property acquired or sold by the Partnership.

(ii) Asset management fee

The asset management fee is charged at 1.00% annually with respect to the gross asset value of the assets in the Partnership. The asset management fee is calculated and charged monthly.

(iii) Financing fee

The financing fee is charged at 1.00% of the loan amount with respect to each senior or first ranking financing transaction, at 0.50% of the loan amount with respect to each refinancing transaction and at 1.50% of the loan amount with respect to each mezzanine or non-first ranking financing transaction.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

14. Asset management agreement (continued)

(iv) Performance incentive fee

During the term of the Asset Management Agreement, the Manager shall be entitled to a 20% interest in cash distributions of the Limited Partnership, and a 20% interest in any increase in the equity value of the investment properties, calculated and payable at the time such increase in equity value is realized or the issuance of additional limited partner units by the Partnership. The Manager has indicated that it will either defer payment of such performance incentive fees until such time as sufficient cash is available or to elect to receive such performance incentive fees in the form of limited partnership units of the Partnership.

The Asset Management Agreement is for an initial term of five years and automatically renews for a further five years unless terminated by either of the parties.

The Manager charged the following fees under the property and asset management agreement during the year:

	December 31, 2023	December 31, 2022
Asset management fee	\$ 9,655,136	\$ 7,262,499
Transaction fee	370,075	3,073,600
Financing fee	344,455	1,701,288
Performance incentive fee	10,736,966	9,800,210
Property management fee	1,872,556	1,408,815
	<u>\$ 22,979,188</u>	<u>\$ 23,246,412</u>

The asset management, property management fee and performance incentive fees are recorded in the statement of income (loss) and comprehensive income (loss). The transaction fee is recorded in investment properties on the statement of financial position. Financing fees are recorded as deferred financing fees in the mortgages payable on the statement of financial position.

Transactions with related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

15. Management of capital

The Trust defines capital that it manages as the aggregate of net assets attributable to unitholders and interest-bearing debt less cash. The Trust's objective when managing capital is to ensure that the Trust will continue as a going concern so that it can sustain daily operations. The Trust's primary objective is to ensure that it has sufficient cash resources to indirectly invest in real estate assets in order to provide adequate returns in the form of distributions to its unitholders. To secure the additional capital necessary to pursue these plans, the Trust may attempt to raise additional funds through the issuance of additional trust units.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

15. Management of capital (continued)

The Trust is subject to risks associated with debt financing, including the possibility that existing mortgages may not be refinanced or may not be refinanced on favourable terms or with interest rates less favourable than those of the existing debt. The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The total managed capital for the Trust is summarized below:

	December 31, 2023	December 31, 2022
Mortgages payable	\$ 385,774,998	\$ 375,309,185
Construction loan payable	30,942,767	9,384,375
Bank loan payable	13,435,000	12,050,000
Cash	(15,893,055)	(5,016,263)
Net debt	414,259,710	391,727,297
Net assets attributable to unitholders	496,464,759	427,443,587
	<u>\$ 910,724,469</u>	<u>\$ 819,170,884</u>

16. Changes in non-cash operating items

	December 31, 2023	December 31, 2022
Payables and accruals	\$ 1,390,841	\$ 7,857,992
Tenant deposits	236,553	1,184,819
Deferred revenue	-	65,906
Tenant and other receivables	(9,188)	571,892
Prepaid expenses	(342,159)	2,124,638
Unit subscriptions held in trust	(2,240,390)	(2,903,375)
Due to/from related parties	11,088,666	11,236,270
	<u>\$ 10,124,323</u>	<u>\$ 20,138,142</u>

17. Commitment

The Limited Partnership has committed to costs for future building improvements in the amount of \$52,931 (2022 - \$2,938,000). As at December 31, 2023, the Limited Partnership has entered into contract with consultants as part of its joint arrangement in Riverain with its co-owner totalling \$3,947,000 of which \$1,567,000 is the balance to complete.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

18. Financial instruments and risk management

Risks associated with financial assets and liabilities

Financial risks arise from financial instruments to which the Trust is exposed during or at the end of the reporting period. Financial risk comprises market risk, credit risk and liquidity risk. Management identifies, evaluates and monitors these risks throughout the year.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices due to currency risk, price risk, and interest rate risk. Due to the nature of the Trust's financial instruments, it has no exposure to currency or price risk.

Interest rate risk

The Trust is subject to risk associated with debt financings including the risk that credit facilities will not be refinanced on terms as favorable as those of existing indebtedness.

The Trust's objective in managing interest rate risk is to minimize the volatility of the Trust's income. As of December 31, 2023, the Trust is subject to a fair value risk through the mortgages which are primarily financed at fixed interest rates with the exception of one variable rate mortgage which subjects the Trust to a cash flow risk. The fair market value of the mortgages payable is disclosed above. The construction loan payable and loan payable also subject the Trust to a cash flow risk due to the variable interest rates.

Receivables and payables are non-interest bearing and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities. Tenant deposits are non-interest bearing, so it is assumed that there is no interest rate risk associated with these financial liabilities.

(ii) Credit risk

Credit risk is the risk that the counterparty to a financial asset will default resulting in the Trust incurring a financial loss. A substantial portion of the Trust's amounts receivable is with various tenants and individuals and is subject to normal industry credit risks.

The Trust's principal assets are residential buildings. Credit risk arises from the possibility that tenants may not fulfil their lease obligations. The Trust mitigates this credit risk by performing credit checks and due diligence on prospective tenants and on existing tenants when appropriate, and by negotiating leases for spaces of varying sizes.

The carrying amount of receivables is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of income and comprehensive income within other expenses. When a receivable balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of income (loss) and comprehensive income (loss). The total provision taken on the receivables as at December 31, 2023 is \$1,212,154 (2022 - \$722,999).

The Trust's maximum credit risk exposure at December 31, 2023 and December 31, 2022 is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

Equiton Residential Income Fund Trust

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

18. Financial instruments and risk management (continued)

Risks associated with financial assets and liabilities (continued)

(iii) Liquidity risk

Liquidity risk is the risk the Trust will encounter difficulties in meeting its financial liability obligations. The Trust's objective in minimizing liquidity risk is to maintain appropriate levels of leverage on its real estate assets. As at December 31, 2023, the Trust was holding cash of \$15,893,055 (2022 - \$5,016,263) of which \$2,212,198 (2022 - \$4,452,588) was restricted for the future issuance of units and \$Nil (2022 - \$868,500) was restricted for deposits held in trust with a third party relating to Riverain (Note 7). The mortgages payable, construction loan payable and loan payable have repayment terms outlined in Note 9, Note 10 and Note 11, respectively.

December 31, 2023	On Demand	1 Year	2-5 Years	>5Years
Mortgages payable	\$ -	\$ 19,987,871	\$ 86,108,316	\$ 284,072,398
Construction loan payable	-	30,942,767	-	-
Bank loan payable	-	13,435,000	-	-
Due to related parties	16,779,819	-	-	-
Unit subscriptions held in trust	2,212,198	-	-	-
Distributions payable	-	3,091,133	-	-
Payables & accruals	-	13,616,300	-	-
	<u>\$ 18,992,017</u>	<u>\$ 81,073,071</u>	<u>\$ 86,108,316</u>	<u>\$ 284,072,398</u>
December 31, 2022	On Demand	1 Year	2-5 Years	>5Years
Mortgages payable	\$ -	\$ 28,412,898	\$ 89,670,682	\$ 261,511,745
Construction loan payable	-	9,384,375	-	-
Bank loan payable	-	12,050,000	-	-
Due to related parties	15,890,284	-	-	-
Unit subscriptions held in trust	4,452,588	-	-	-
Distributions payable	-	2,450,881	-	-
Payables & accruals	-	12,191,854	-	-
	<u>\$ 20,342,872</u>	<u>\$ 64,490,008</u>	<u>\$ 89,670,682</u>	<u>\$ 261,511,745</u>

(iv) Environmental risk

The Trust is subject to various Canadian laws relating to the environment. The Trust has formal policies and procedures dealing with limiting environmental exposures which are administered by Equiton Partners Inc. in their function as the asset manager. Costs related to environmental risk are mitigated by carrying environmental insurance. There is an exposure to financial risks arising from environmental factors which could cause a variation in earnings to the extent that costs may exceed such coverage.

19. Comparative figures

Comparative figures have been reclassified to conform to changes in the current year presentation.

Equiton Residential Income Fund Trust
Notes to the Consolidated Financial Statements
December 31, 2023 and 2022

20. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

Dated: March 20, 2024.

THIS OFFERING MEMORANDUM DOES NOT CONTAIN A MISREPRESENTATION.

ON BEHALF OF THE ISSUER

“Jason Roque”

“Helen Hurlbut”

Jason Roque
Chief Executive Officer

Helen Hurlbut
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES OF THE ISSUER

“Jason Roque”

“Helen Hurlbut”

Jason Roque
Trustee

Helen Hurlbut
Trustee

“David Hamilton”

“C. Scot Caithness”

David Hamilton
Trustee

C. Scot Caithness
Trustee

ON BEHALF OF THE PROMOTER

EQUITON PARTNERS INC.

Per: *“Jason Roque”*

Jason Roque
President