

This amended and restated offering memorandum (the “**Offering Memorandum**”) is for the personal use only of those persons to whom we deliver a copy in connection with this Offering for the purpose of evaluating the securities we are offering hereby. By accepting a copy of this Offering Memorandum, you agree that you will not transmit, reproduce or make available to anyone, other than your professional advisors or as required by law, this Offering Memorandum or any information contained herein. No person has been authorized to give any other information or to make any other representation concerning this Offering that is not contained in this Offering Memorandum. You should not rely on any such other information or representation. The delivery of this Offering Memorandum is not intended to constitute an offering of securities where it is unlawful to make an offering memorandum distribution under National Instrument 45-106 - Prospectus Exemption.

***No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See “Item 10 - Risk Factors”.***

*The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended (“U.S. Securities Act”), nor have they been registered under any U.S. State, or foreign, securities laws. Unless so registered, such securities may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons except in accordance with the provisions of Regulation S under the securities act, pursuant to an effective registration statement under the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in each case only in accordance with applicable U.S. State securities laws. “United States” and “U.S. Person” are as defined by Regulation S under the Securities Act.*

**AMENDED AND RESTATED OFFERING MEMORANDUM  
Green Thumb Real Estate Investment Trust**



**Date:** July 30, 2024

**The Trust**

**Name:** Green Thumb Real Estate Investment Trust  
**Head office:** 6-425 Hespeler Rd., Suite 210, Cambridge, Ontario N1R 8J6  
Phone #: (416) 800-0344  
Website address: [greenthumbreit.com](http://greenthumbreit.com)  
E-mail address: [info@greenthumbreit.com](mailto:info@greenthumbreit.com)

**Currently listed or quoted?** No. **These securities do not trade on any exchange or market.**

**Reporting Trust?** No.

### **The Offering**

**Securities offered:** Class 1 Units (Series A-1) (“**Class 1 Units (Series A-1)**”)  
Class 1 Units (Series R-1) (“**Class 1 Units (Series R-1)**”)  
(together, the “**Units**”)

The Class 1 Units (Series R-1) are designed for investors wishing to make investments through a registered plan. The Class 1 Units (Series A-1) are designed for all other investors that qualify to invest in the Trust.

**Price per security:** Units are issued at a purchase price equal to the applicable net asset value (NAV) per Unit at the time of closing. As at the date of this Offering Memorandum, the current net asset value per Unit is \$10.00 USD. The current net asset value per Unit may be obtained by contacting the Trust at the telephone number listed above. See “*Item 5 - Securities Offered*”.

**Minimum/Maximum offering:** \$0 / no maximum

**There is no minimum or maximum offering. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish the Trust’s proposed objectives.**

**Minimum subscription amount:** For Class 1 Units (Series A-1) and Class 1 Units (Series R-1) the minimum amount to be invested by each investor is \$1,000 USD. The Canadian Manager has the discretion to waive or change the minimum investment amount for each of the Class 1 Units (Series A-1) and Class 1 Units (Series R-1) from time to time. See “*Item 5 - Securities Offered – Terms of Securities*” and “*Subscription Procedure*” and review the subscription agreement available from the Canadian Manager.

**Payment terms:** Bank draft, wire or electronic transfer, certified cheque or payment in kind in the form of Holding LP Units, as defined below, on closing.

**Proposed closing date(s):** Closings will occur periodically at the discretion of the Trust. See “*Item 5 - Securities Offered - Subscription Procedure*”.

**Income tax consequences:** There are important tax consequences associated with an investment in Units of the Trust. See “*Item 8 - Income Tax Consequences and Registered Plan Eligibility*”.

**Insufficient Funds:** Not applicable.

**Compensation Paid to Sellers and Finders:** A person has received or will receive compensation for the sale of securities under this offering. See “*Item 9 – Compensation Paid to Sellers and Finders*”.

**Underwriter(s):** Not applicable.

<b>Resale Restrictions:</b>	You will be restricted from selling your Units for an indefinite period. However, Units are redeemable by the holder on thirty (30) days' written notice, subject to certain restrictions. See " <i>Item 12 - Resale Restrictions</i> " and " <i>Item 5 - Securities Offered - Terms of Securities</i> ".
<b>Working Capital Deficiency:</b>	Not applicable.
<b>Payments to Related Party:</b>	Some of your investment will be paid to a related party of the Trust. See " <i>Item 1.2 – Use of Available Funds</i> ".
<b>Certain Related Party Transactions:</b>	Not applicable.
<b>Certain Dividends or Distributions:</b>	In the two most recently completed financial years, and any subsequent interim period, where the Trust paid distributions that exceeded cash flow from operations, the source of those payments was return of capital.
<b>Conditions on Repurchases:</b>	<b>You will have a right to require the Trust to repurchase the securities from you, but this right is qualified by the provisions in the Trust Agreement (as defined below) relating to such repurchase, including, among other things, a specified notice period and early redemption charges. As a result, you might not receive the amount of proceeds that you want. See "<i>Item 5- Securities Offerings – The Trust</i>".</b>
<b>Purchasers' Rights:</b>	<p>You have two business days to cancel your agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the purchase agreement.</p> <p><b>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. This is a risky investment. See "<i>Item 13 - Purchasers' Rights</i>".</b></p>

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## GENERAL DISCLAIMERS

This Offering is a private placement and is not, and under no circumstances is to be construed as, a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from the registration and Offering Memorandum requirements set forth in applicable securities legislation.

The securities offered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws. The securities may not be offered or sold in the U.S. or to U.S. persons, as defined in Regulation S under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the U.S.

## BELCO PRIVATE CAPITAL INC.

The Trust has retained Belco Private Capital Inc (“**Belco**”) to act as agent to distribute Units of the Trust, pursuant to a non-exclusive distribution agreement (“**Distribution Agreement**”) made between the Trust, the Canadian Manager, and Belco. Belco is registered as an exempt market dealer in certain jurisdictions in Canada. Pursuant to the Distribution Agreement, the Trust will pay to Belco a fixed monthly fee for its exempt market dealer services.

The information and analyses contained in this Offering Memorandum, and the terms and conditions contained in the Subscription Agreement, have been prepared by the Canadian Manager on behalf of the Trust. The information and analyses in this Offering Memorandum, the terms of the Offering, the structure of the Trust have not been determined or developed by Belco and have been reviewed by Belco only as necessary for Belco to comply with its “know-your-product” obligations under National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and cannot be, and are not, otherwise assured by Belco. Although it is anticipated that Belco will sponsor an employee of the Trust or the Canadian Manager, or an affiliate of the Canadian Manager, to act as a dealing representative (an “issuer-connected dealing representative”) on behalf of Belco in connection with the Offering, Belco is not considered a “connected issuer” of the Trust or the Canadian Manager, as such term is defined in National Instrument 33-105 – *Underwriting Conflicts*. The dealing representative will be an independent contractor to Belco and as an issuer-connected dealing representative will only offer the Units of the Trust in their role as a dealing representative for the Trust.

## FORWARD LOOKING STATEMENTS

This Offering Memorandum contains certain statements or disclosures that may constitute forward-looking information under applicable securities laws. Forward-looking statements may be identified by the use of words like “believes”, “intends”, “expects”, “may”, “will”, “should”, or “anticipates”, or the negative equivalents of those words or comparable terminology, and by discussions of strategies that involve risks and uncertainties. All forward-looking statements are based on the Trust’s current beliefs as well as assumptions made by and information currently available to the Trust and relate to, among other things, anticipated financial performance; business prospects; strategies; the nature of the Trust’s operations; sources of income; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Trust to raise capital; the Trust’s business outlook; plans and objectives for future operations; forecast business results; and anticipated financial performance. The Trust's plans and objectives are based on assumptions involving the success of the Offering described in the Offering Materials and the development of its business. Although the Manager believes that their assumptions are reasonable, any of the assumptions could prove

inaccurate.

The risks and uncertainties of the Trust's business, including those discussed under "*Item 10 - Risk Factors*", could cause the Trust's actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, the Trust bases forward-looking statements on assumptions about future events, which may not prove to be accurate. In light of these risks, uncertainties and assumptions, prospective purchasers should not place undue reliance on forward-looking statements and should be aware that events described in the forward-looking statements set out in this Offering Memorandum may not occur.

The Trust cannot assure prospective purchasers that its future results, levels of activity and achievements will occur as the Trust expects, and neither the Trust nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Trust assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **DOCUMENTS INCORPORATED BY REFERENCE**

In addition to and apart from this Offering Memorandum, the Trust may utilize certain marketing materials in connection with the Offering, including an executive summary of certain of the material set forth in this Offering Memorandum. This material may include fact sheets and investor sales promotion brochures, question and answer booklets, and presentations. All such marketing materials are specifically incorporated by reference into and form an integral part of this Offering Memorandum. All such marketing materials will be delivered or made reasonably available to a prospective purchaser prior to the purchase by such prospective purchaser of Units.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be 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 delivered Offering Memorandum 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 shall not be 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 shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

### **CURRENCY**

All dollar amounts stated in this Offering Memorandum are expressed in Canadian currency, except where otherwise indicated.

### **INTERPRETATION**

In this Offering Memorandum, unless the context otherwise requires, when we use terms such as the "Trust", "we", "us" and "our", we are referring to Green Thumb Real Estate Investment Trust and when we use the terms such as "Investor", "Subscriber" or "you" we are referring to a person who purchases Units under the Offering, thereupon becoming an Investor in the Trust.

Words importing the singular number only, include the plural and vice versa, and words importing the masculine, feminine or neuter gender include the other genders.

## GLOSSARY OF TERMS

The following are definitions of certain terms used in this Offering Memorandum:

“**261 US Corp.**” means a 261 US Holdings Corp., a U.S. entity established by the Rae Ostrander Group for the provision of property acquisition and liquidation services of properties in the U.S.;

“**Asset Management Fee**” means a fee payable to the U.S. Manager by each Property LP pursuant to each Property Management and Leasing Agreement between the U.S. Manager and each Property LP in consideration of the U.S. Manager providing asset management services to the Properties, as described in “*Item 5 – Securities Offered – Terms of Securities - The Property LPs*”, below;

“**Acquisition Bonus**” means, pursuant to each Property LP Agreement, a bonus that each Property LP will pay Holding GP in an amount, at the discretion of the Holding GP, computed as a percentage of the total purchase price of the Property (or interest in a Property) upon approval of not less than a majority of the Unitholders, which may be assigned by the Holding GP to 261 US Corp, or any other entity of Holding GP’s choosing, in consideration for successfully completing the acquisition of a Property, as described in “*Item 5 - Securities Offered – Terms of Securities - The Property LPs*” below;

“**Acquisition Fee**” means a fee payable to the Holding GP by each Property LP pursuant to each Property LP Agreement, wherein such fee may be assigned to 261 US Corp. in consideration for providing acquisition services to each Property LP, as described in “*Item 5 - Securities Offered – Terms of Securities - The Property LPs*”, below;

“**affiliate**” means an affiliate as defined under *National Instrument 45-106 - Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), subject to the terms “person” and “Trust” in each instrument being ascribed the same meaning as “Person” herein;

“**Business Day**” means any day which is not a Saturday, Sunday or statutory holiday in the Province of Ontario;

“**Canadian Manager**” means Contrast Asset Management Inc., a Rae Ostrander Group entity and the manager of the Trust and the Investment LP pursuant to the Management Agreement;

“**Capital Distributions**” means distributions to the partners of the applicable Property LP arising from or related to funds received by the applicable Property LP on account of matters other than revenues arising from the ordinary course of operations of the Properties, including distributions arising from a refinancing or a sale of a Property, but excluding distributions of Distributable Cash;

“**capitalization rate**” or “**cap rate**” means the yield of a property calculated by dividing the NOI of the property, without regard to mortgage or loan expense, by the purchase price of the property calculated as a percentage;

“**Cash Flow**” means, for any Distribution Period:

- (a) the sum of all cash amounts received by the Trust for or in respect of such Distribution Period, including interest received on the Investment LP Notes, amounts received as a limited partner holding Investment LP Units in the Investment LP pursuant to the terms of the Investment LP Agreement and all other income, interest, distributions, dividends, proceeds from the investment in the Investment LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as

well as all amounts received by the Trust in any prior Distribution Period to the extent not previously distributed; less

- (b) all costs and expenses of the Trust that, in the opinion of the Trustee, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period; less
- (c) all amounts payable in cash that relate to the redemption of Units and that have become payable by the Trust in such Distribution Period or prior Distribution Period; and less
- (d) any interest expense incurred by the Trust between distributions, provided that any funds borrowed by the Trust or the proceeds of the issuance of Units or other securities of the Trust and related transactions in connection therewith will not be included in the calculations of Cash Flow in respect of any Distribution Period;

**“Class 1 Units (Series A-1)”** means the units of beneficial interest in the Trust, designated as “Class 1 Units (Series A-1)”;

**“Class 1 Units (Series R-1)”** means the units of beneficial interest in the Trust, designated as “Class 1 Units (Series R-1)”;

**“Closing Date”** means the initial closing date of the Offering, which occurred on January 4, 2021;

**“Code”** means the United States Internal Revenue Code of 1986, as amended from time to time;

**“CRA”** means the Canada Revenue Agency;

**“Dealer’s Fee”** means a fee paid to a dealer, up to 3.0% of the aggregate purchase price of Class 1 Units (Series A-1) and Class 1 Units (Series R-1) in connection with the securities sold under the Offering;

**“Distributable Cash”** means, for any period, an amount equal to the Gross Rents from the operations of the Properties, less the Operating Expenses incurred in the operation of the Properties, less any other costs or expenses payable by the applicable Property LP, and less reasonable reserves determined by the Property GP to be necessary to lease the Properties or manage the affairs of the applicable Property LP in a prudent and businesslike manner or otherwise required to be retained to pay expenses incurred or to be incurred in connection with the applicable Property LP’s business, but does not include Capital Distributions;

**“Distributable Cash Flow”** means, for any Distribution Period, an amount equal to the Cash Flow for such Distribution Period, less any amount that the Canadian Manager may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Investment LP or the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Investment LP or the Trust (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow) and less such reserves or amounts as are, in the opinion of the Canadian Manager, necessary or desirable;

**“Distribution Commencement Date”** means the end of the first fiscal quarter of the Trust or such other date determined by the Canadian Manager;

**“Distribution Payment Date”** in respect of any Distribution Period, means a date on which the Trust is required to make a distribution of Distributable Cash Flow, which date shall be within 30 days immediately following the end of the Distribution Period or, if such day is not a Business Day, the immediately following Business Day;

“**Distribution Period**” means either a DRIP Distribution Period or Non-DRIP Distribution Period, as applicable;

“**Distribution Reinvestment Plan**” or “**DRIP**” has the meaning given to it under the heading “*Item 5 - Securities Offered - Terms of Securities - The Trust - Distribution Reinvestment Plan*”;

“**DPSP**” means a trust governed by a deferred profit-sharing plan, as defined under the Tax Act;

“**DRIP Distribution**” means a distribution made by the Trust that is made pursuant to the Distribution Reinvestment Plan;

“**DRIP Distribution Period**” means each quarter of each calendar year, being any of the periods ending on March 31, June 30, September 30 and December 31 in each year;

“**ECI**” has the meaning given to it under the heading “*Item 8 - Income Tax Consequences and Registered Plan Eligibility - Certain U.S. Federal Income Tax Considerations - United States Federal Income Taxation of Foreign Corporations*”;

“**Entity**” means any one of the Trust, the Investment LP, the Investment GP, the Holding LP, any Property LP, and “**Entities**” means two or more of them;

“**EMD**” means an exempt market dealer registered under applicable securities laws in an offering jurisdiction;

“**FDAP**” has the meaning given to it under the heading “*Item 8 - Income Tax Consequences and Registered Plan Eligibility - Certain U.S. Federal Income Tax Considerations - United States Federal Income Taxation of Foreign Corporations*”;

“**FHSA**” means a trust governed by a first home savings account as defined in the Tax Act;

“**FIRPTA**” means the Foreign Investment in Real Property Tax Act of 1980, as amended;

“**First Valuation Date**” means such date as determined by the Canadian Manager, but in any event no later than 180 days following the closing of an acquisition of the first Property acquired by Holding LP;

“**Gross Rents**” means, for any period, all rental and other income from the Properties (including interest income earned on any such monies prior to their distribution) but excluding therefrom security deposits and advance rents, unless and until applied, tenant incentive payments or allowances, tenant expense recoveries, net proceeds from refinancing, and net proceeds from sale;

“**Gross Subscription Proceeds**” means the U.S. dollar equivalent of the gross proceeds received by the Trust for the issuance of Class 1 Units (Series A-1) and Class 1 Units (Series R-1) (calculated based on the U.S. dollar spot exchange rate available to the Trust on the closing date for such issuance, which for the Offering is the Closing Date);

“**Holding GP**” means Green Thumb US GP LLC, a limited liability company formed pursuant to and governed by the laws of the State of Delaware and the general partner of the Holding LP as well as the general partner of each Property LP;

“**Holding LP**” means Green Thumb Holding L.P., a Delaware limited partnership established by the Investment LP and Holding GP pursuant to the laws of Delaware and the Holding LP Agreement for the

identification, acquisition and ownership of the Properties, and any U.S. Investors and U.K. Investors which come to hold interest in the limited partnership;

“**Holding LP Agreement**” means the agreement establishing the Holding LP among the Investment LP, Holding GP and the U.S. Investor;

“**Holding LP Units**” means limited partnership interests of the Holding LP;

“**Holding LP Unitholders**” means holders of the Holding LP Units, consisting of the Investment LP, the U.S. Investors and U.K. Investors;

“**IFRS**” means the International Financial Reporting Standards;

“**Investable Funds**” means the sum of (i) the net proceeds from the Offering of the Class 1 Units (Series A-1) and Class 1 Units (Series R-1), (ii) the net proceeds from any concurrent private placement, and (iii) the net proceeds received from the Mortgage Loans;

“**Investment GP**” means Green Thumb General Partner Inc., an Ontario corporation and general partner of the Investment LP;

“**Investment LP**” means Green Thumb Limited Partnership, an Ontario limited partnership;

“**Investment LP Agreement**” means the amended and restated limited partnership agreement establishing the Investment LP made between the Trust and the Investment GP;

“**Investment LP Notes**” means the subordinated unsecured promissory notes to be issued by the Investment LP from time to time;

“**Investment LP Units**” means limited partnership units of the Investment LP;

“**Investor**”, “**Subscriber**” or “**Purchaser**” means a purchaser of Units pursuant to this Offering;

“**IRS**” means the U.S. Internal Revenue Service;

“**Lender**” means a lender and mortgagee of any of the Mortgage Loans;

“**Liquidation Fee**” means a fee payable to the Holding GP by each Property LP pursuant to each Property LP Agreement, wherein such fee may be assigned to 261 US Corp. in consideration for successfully liquidating a Property, as described in “*Item 5 - Securities Offered – Terms of Securities - The Property LPs*” below;

“**Management Agreement**” means an agreement entered into between the Trust, the Investment LP and the Canadian Manager pursuant to which the Canadian Manager provides financial services and general services necessary to manage the day-to-day operations of the Trust and the Investment LP;

“**Management Fee**” means an annual fee payable to the Canadian Manager by the Trust in accordance with the terms of the Management Agreement, in consideration of the Canadian Manager providing management services to the Trust and the Investment LP, as described in “*Item 3 – Compensation and Security Holdings of Certain Parties – Management Experience - The Management Agreement*”, below;

“**Manager**” means the Canadian Manager and/or the U.S. Manager, as applicable;

**“Mortgage Loans”** means one or more mortgages, charges, pledges, hypothecs, liens, security interests or other encumbrances of any kind or nature whatsoever of the Properties, to be granted by each Property LP (or, if a Property is held by a subsidiary or nominee entity on behalf of a Property LP, by such entity) to one or more Lenders, the proceeds of which will be used to finance the purchase, ownership and leasing of such Property;

**“National Instrument 45-106”** means *National Instrument 45-106 - Prospectus Exemptions*, as amended from time to time;

**“Net Asset Value”** means the net asset value per Unit for each series of Unit, deemed to be \$10.00 USD for the Class 1 Units (Series A-1) and Class 1 Units (Series R-1) (net of the pro rata share of the fees and expenses of the Offering attributable to the Class 1 Units (Series A-1) and Class 1 Units (Series R-1), as applicable) until the First Valuation Date and thereafter the net asset value per Unit for each series of Unit determined by the Canadian Manager no less frequently than quarterly based on the IFRS balance sheet carrying values plus certain Adjustments Factors as described in *“Item 5 - Securities Offered – Terms of Securities - The Trust”*, below;

**“Net Sale Proceeds”** means all receipts of the applicable Property LP arising from the sale or other disposition of a Property, including any principal and interest payments received on any vendor financing taken back on such sale or disposition, less the costs and expenses of the sale or disposition and amounts required to discharge any encumbrances registered against such Property;

**“Net Subscription Proceeds”** means the Gross Subscription Proceeds minus the total Dealer’s Fee;

**“NOI”** means net operating income from a property after operating expenses have been deducted, but before deducting income taxes and financing expenses (interest and principal payments);

**“Non-DRIP Distribution”** means a distribution made by the Trust after the Distribution Commencement Date that is not made pursuant to the Distribution Reinvestment Plan;

**“Non-DRIP Distribution Period”** means each month, being any of the periods ending on January 31, February 28/29, March 31, April 30, May 31, June 30, July 31, August 31, September 30, October 31, November 30 and December 31 in each year that is after the Distribution Commencement Date;

**“Non-Resident”** means either a “non-resident” of Canada within the meaning of the Tax Act or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

**“OBCA”** means the *Business Corporations Act* (Ontario), as amended from time to time;

**“Offering”** means the offering of Units in the capital of the Trust pursuant to this Offering Memorandum;

**“Offering Memorandum”** means this amended and restated offering memorandum and any amendments thereto;

**“Operating Expenses”** means all amounts paid or payable on account of expenses in the operation of and/or leasing of the Properties;

**“Ordinary Resolution”** means a resolution of the unitholders, limited partners or shareholders of an Entity, as the case may be, 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 respective entity, or a written resolution signed by the unitholders, limited partners or shareholders of an Entity, entitled, in the aggregate, to not less than 50% of the aggregate

number of votes of those persons;

“**Person**” includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status, however designated or constituted;

“**Plan Agent**” has the meaning given to it under the heading “*Item 5 - Securities Offered - Terms of Securities - The Trust - Distribution Reinvestment Plan*”;

“**Plan Participants**” has the meaning given to it under the heading “*Item 5 - Securities Offered - Terms of Securities - The Trust - Distribution Reinvestment Plan*”;

“**Project Improvement Management Fee**” means a fee payable to the U.S. Manager by each Property LP pursuant to each Property Management and Leasing Agreement in consideration of the U.S. Manager providing capital improvement project management services to the Properties, as described in “*Item 5 - Securities Offered – Terms of Securities - The Property LPs*” below;

“**Properties**” means the lands and premises located in the U.S. or interests therein to be purchased, owned and leased, by a Property LP, and “**Property**” means one of the Properties;

“**Property LP**” means a limited partnership created to hold a Property;

“**Property LP Agreement**” means the agreement establishing each Property LP, between the Holding LP, Holding GP and 261 US Corp., as the founding limited partner, each of which will be in substantially the same form;

“**Property Management and Leasing Agreement**” an agreement between the U.S. Manager and each Property LP pursuant to which the U.S. Manager provides property management services to the Properties;

“**Property Management Fee**” means a fee payable to the U.S. Manager by each Property LP pursuant to each Property Management and Leasing Agreement between the U.S. Manager and each Property LP in consideration of the U.S. Manager providing property management services to the Properties, as described in “*Item 5 - Securities Offered – Terms of Securities - The Property LPs*”, below;

“**Proportionate Class 1 Units (Series A-1) Interest**” is equal to: (i)(A) the aggregate of the U.S. dollar equivalent of the gross proceeds received by the Trust for the issuance of each Class 1 Unit (Series A-1) less the Dealer’s Fee payable in respect of such Class 1 Unit (Series A-1), less (B) the aggregate amount paid on redemption of Class 1 Units (Series A-1), divided by (ii) the Net Subscription Proceeds less the aggregate amount paid on redemption of Units;

“**Proportionate Class 1 Units (Series R-1) Interest**” is equal to: (i)(A) the aggregate of the U.S. dollar equivalent of the gross proceeds received by the Trust for the issuance of each Class 1 Unit (Series R-1) less the Dealer’s Fee payable in respect of such Class 1 Unit (Series R-1), less (B) the aggregate amount paid on redemption of Class 1 Units (Series R-1), divided by (ii) the Net Subscription Proceeds less the aggregate amount paid on redemption of Units;

“**RDSP**” means a trust governed by a registered disability savings plan, as defined under the Tax Act;

“**Rae Ostrander Group**” means the Rae Ostrander Group, a group of companies and individuals including

but not limited to the Canadian Manager, the U.S. Manager, Green Thumb US GP LLC and Rae Ostrander;

“**Redemption Date**” means with respect to redemption of Units by a Unitholder, the last Business Day of the last month in each quarter or such other day(s) as the Canadian Manager may permit;

“**Redemption Notice**” has the meaning given to it under the heading “*Item 5 - Securities Offered - Terms of Securities - The Trust – Redemption of Units – Notice Period*”;

“**Redemption Value**” means an amount equal to the aggregate Net Asset Value of the Trust. At the discretion of the Canadian Manager, Units may be redeemable at the Net Asset Value of the Trust if the Trust has sufficient cash available from the net proceeds of any sale or liquidation of Properties;

“**Refinancing**” means any extension, increase or refinancing of all or any part of any debt financing in respect of one or more parcels of Property, but excluding any ordinary course borrowings for operating purposes;

“**Registered Plan**” means any one of a RESP, RRIF, TFSA, FHSA, DPSP, RDSP or RRSP;

“**REIT**” means a trust governed by real estate investment trust;

“**RESP**” means a trust governed by registered education savings plan as defined in the Tax Act;

“**RRIF**” means a trust governed by registered retirement income fund as defined in the Tax Act;

“**RRSP**” means a trust governed by registered retirement savings plan as defined in the Tax Act;

“**SIFT Rules**” means the provisions of the Tax Act applicable to SIFT trusts, SIFT partnerships, each as defined therein, and their unitholders, as applicable;

“**Special Resolution**” means a resolution of the unitholders, limited partners or shareholders of an Entity, as the case may be, approved by not less than 66 2/3% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective entity, or a written resolution signed by the unitholders, limited partners or shareholders of an Entity, entitled, in the aggregate, to not less than 66 2/3% of the aggregate number of votes of those persons;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

“**TFSA**” means a trust governed by a tax-free savings account as defined in the Tax Act;

“**Total Investable Funds**” means the sum of (i) (A) the net proceeds from the Offering of the Class 1 Units (Series A-1) and the Class 1 Units (Series R-1); (B) the net proceeds from any concurrent private placement, (C) the net proceeds from any further issuances of Units by the Trust (either by way of private placement or otherwise), and (D) the net proceeds received from the Mortgage Loans, less (ii) the aggregate amount paid on redemption of Units;

“**Treasury Regulations**” means the U.S. Treasury Regulations promulgated under the Code;

“**Trust**” means Green Thumb Real Estate Investment Trust, an open-ended unincorporated investment trust established pursuant to the laws of the Province of Ontario, and, where the context requires, includes its subsidiaries;

“**Trustee**” means TSX Trust Company;

“**Trust Agreement**” means the amended and restated trust agreement dated April 30, 2024 among the Trustee, the Canadian Manager, as settlor, and all persons who become Unitholders as provided therein, as amended and restated from time to time;

“**Trust Property**” means all of the property and assets of the Trust held pursuant to the Trust Agreement;

“**Units**” means the Class 1 Units (Series A-1) and the Class 1 Units (Series R-1), collectively;

“**Unitholder**” means a holder of record of any Units;

“**U.K.**” means the United Kingdom;

“**U.K. Investors**” means certain individual accredited investors resident in the U.K. that hold Holding LP Units from time to time;

“**U.S.**” means the United States of America;

“**U.S. Investors**” means certain individual accredited investors resident in the U.S. that hold Holding LP Units from time to time;

“**U.S.-Canada Tax Treaty**” has the meaning given to it under the heading “*Item 8 - Income Tax Consequences and Registered Plan Eligibility - Certain U.S. Federal Income Tax Considerations*”;

“**U.S. Manager**” means PropertyMaxx Management Corp., a Rae Ostrander Group entity;

“**USRPI**” means United States Real Property Interest; and

“**Valuation Date**” means the day on which the Net Asset Value is calculated on the last Business Day of the month, or any such other day as the Canadian Manager may designate in its sole discretion.

## SUMMARY

*The following is a summary of certain information contained in this Offering Memorandum and is qualified in its entirety by the more detailed and additional information contained elsewhere in this Offering Memorandum. Capitalized terms used but not defined in this summary have the meanings given to such terms elsewhere in this Offering Memorandum.*

**Trust:** Green Thumb Real Estate Investment Trust (the “**Trust**”) is an open-ended unincorporated investment trust formed under and governed by the laws of the Province of Ontario. The Trust was established on January 4, 2021, pursuant to the Trust Agreement for the primary purpose of indirectly acquiring, owning and leasing a portfolio of interests in diversified income-producing real estate properties in the U.S. (the “**Properties**”) with a focus on multi-family residential properties. See “*Item 2 - Business of the Trust*”.

**Offering:** Units are issued at a purchase price equal to the applicable net asset value (NAV) per Unit at the time of closing. As at the date of this Offering Memorandum, the current net asset value per Unit is \$10.00 USD. The current net asset value per Unit may be obtained by contacting the Trust at the telephone number listed above. See “*Item 5 - Securities Offered*”.

**Canadian Manager:** Contrast Asset Management Inc. is the manager of the Trust and the Investment LP pursuant to the Management Agreement. See “*Item 2 - Business of the Trust - Material Contracts*”.

**Investment Objectives:** The Trust’s investment objectives are to:

- a) indirectly acquire and manage multi-family residential assets in the U.S. with a focus on opportunities that utilize leverage in the acquisition process;
- b) provide Investors with a target annual distributions of 7% calculated based on the current Net Asset Value per Unit; and
- c) provide Investors with the opportunity to participate in a target of approximately 50% of the capital growth of the Properties.

The Trust intends to prioritize the annual distribution to its Unitholders and therefore the Holding GP may opt to defer its 50% share of the net proceeds on any sale or liquidation of a Property, including any distributions paid in respect of the Property, for up to 5 years. See “*Item 5 - Securities Offered - Terms of Securities - The Trust - Distributions*”.

The Trust aims to provide its Investors with approximately 50% of the capital growth of the Properties through the Holding LP’s 50% share of the net proceeds upon any sale or liquidation of a Property. See “*Item 5 - Securities Offered - Terms of Securities - The Property LPs - Capital in the Property LPs*”.

**Investment Strategy:** The Trust was formed primarily to acquire, own and lease the Properties indirectly through the Holding LP and the applicable Property LP. The Trust has the following Investment Strategy:

- a) Acquire assets that are underperforming from a management perspective and/or acquire assets that require capital improvements,

in order to optimize both short-term increases in net operating income and the overall long-term growth in the underlying value of the asset.

- b) Acquire first mortgage financing between 50-85% loan-to-value ratio in order to increase the overall percentage of return to Unitholders in both distributions as well as long term equity growth.
- c) Rehabilitate revenue generating Properties that provide the opportunity for a value-add component. While income will not be generated at the start of these projects, once assets are stabilized, the yield will likely be higher, and the Canadian Manager would increase the distribution accordingly.
- d) Focus on acquiring class ‘C’ and ‘B’ Properties that are underperforming in secondary and tertiary markets across the U.S., as these properties tend to provide the best yield.
- e) Focus on acquiring Properties in U.S. geographic markets that are currently, or have in the past been, depressed. This allows for upside growth and limits the downside risk from an underlying equity perspective. In addition to the principal recapture realized through debt servicing payments, the debt creates leverage to amplify the 3-5% annual appreciation expectation in these markets.
- f) Enter into a Refinancing transaction for a Property to convert equity in such Property to cash to return to the Unitholders and the Rae Ostrander Group and its affiliates. See “*Item 5 - Securities Offered - Terms of Securities - The Property LPs*”.

**Investment Rationale:** The Rae Ostrander Group has focused on investments in the multi-family residential space for almost two decades. With an almost singular focus on acquiring assets that would provide maximum yield, this has led to acquisitions in secondary and tertiary markets in Canada and more recently in the U.S.

The U.S. Manager will maintain a hands-on approach to operations, with an insistency on an unusually high standard of resident service. This will be the hallmark of the U.S. Manager’s property management side of the business. Residents, on-site staff, and the management processes are the most valuable components of the enterprise. Providing safe, clean, and affordable housing, along with excellent service, will meet a major need in the ‘B’ and ‘C’ class assets in the secondary and tertiary markets. With this commitment and focus, the U.S. Manager believes it can consistently maximize annual cash flow returns.

While cash flow and yield are the focus, an additional and valuable benefit to purchasing assets in secondary and tertiary markets with strong yield has been that in uncertain economic environments the underlying values had minimal declines, while in strong market conditions there was often an unusual surge in market values as investors chase yield by moving away from primary markets where margins would start to compress.

While the U.S. Manager will not rely on high returns from long-term growth, it is expected that this will be a welcome consequence providing average annual returns between 15-20% based on recently completed projects of the Rae Ostrander Group.

**Leverage:**

The U.S. Manager believes the current residential real estate debt financing market offers debt financing at favorable rates and terms which the U.S. Manager intends to fully utilize in order to increase return on equity. The U.S. Manager will focus on opportunities that utilize debt with a loan-to-value ratio as high as possible, with a typical range of 50% to 85% of the value of the Properties. This provides a substantial increase to the return on equity and the potential to pursue future Refinancing transactions on Properties to return cash to investors.

See “*Item 4 - Capital Structure - Long-Term Debt*”.

**Fees and Expenses:**

In consideration for providing management services, the Trust will pay the Canadian Manager a management fee (the “**Management Fee**”), in an annual amount, equal to in respect of Class 1 Units (Series A-1) and Class 1 Units (Series R-1), 2.0% of the Net Asset Value of the Trust.

The Management Fee is payable on the last day of each calendar month during the term of the Management Agreement in an amount equal to 1/12<sup>th</sup> of the annual Management Fee. 100% of the Management Fee will be payable to the Canadian Manager in the form of Units or cash.

The US investors will pay their share of the Management Fee based on their share of holdings in the Holding LP, with the Canadian Manager billing the proportionate Management Fee back to the Holding LP.

The Canadian Manager may, from time to time, defer the obligation of Trust to pay all or any portion of the Management Fee for any year or any one or more months within any such year, provided that in such case the Management Fee shall continue to accrue and be payable and the deferral of the obligation of the Trust to pay all or any portion of the Management Fee in any year or month shall not act as a waiver of such obligation in subsequent years. The amount of any Management Fee deferred in a given year shall be added to the Management Fee payable in the following year.

See “*Item 3 - Compensation and Security Holdings of Certain Parties – Management Experience - The Management Agreement*” and “*Item 5 – Securities Offered - Terms of Securities - The Property LPs - Fees paid by each Property LP*”.

Pursuant to each Property Management and Leasing Agreement between the U.S. Manager and each Property LP, in consideration for providing property management and asset management services in connection with the management of the Properties, each Property LP will pay the U.S. Manager a property management fee (the “**Property Management Fee**”) in the amount of 4.0% of the rents collected in respect of any Property, and an asset

management fee (the “**Asset Management Fee**”) in the amount of 6.0% of the rents collected in respect of any Property, which fees will be payable to the U.S. Manager upon collection of such rents by, or on behalf of, each Property LP.

As well, pursuant to each Property Management and Leasing Agreement between the U.S. Manager and each Property LP, in consideration for providing project management services in connection with the project management of capital improvements to the Properties, each Property LP will pay the U.S. Manager a project management fee (the “**Project Improvement Management Fee**”), in the amount of 5.0% of the amount spent on the property improvement project, pursuant to the Property Management and Leasing Agreement.

Pursuant to each Property LP Agreement, each Property LP will pay the Holding GP an acquisition fee (the “**Acquisition Fee**”), in an amount equal to 2.0% of the total purchase price of the Property (or interest in a Property), which purchase price or interest includes the purchase price, due diligence costs, closing costs and legal fees payable on closing of such acquisition, which may be assigned by the Holding GP to 261 US Corp., in consideration for providing acquisition, sourcing, underwriting, due diligence and other services in connection with the acquisition of the Property.

Pursuant to each Property LP Agreement, each Property LP will pay Holding GP an acquisition bonus (the “**Acquisition Bonus**”), in an amount, at the discretion of the Holding GP, computed as a percentage of the total purchase price of the Property (or interest in a Property) upon approval of not less than a majority of the Unitholders, which may be assigned by the Holding GP to 261 US Corp, or any other entity of Holding GP’s choosing, in consideration for successfully completing the acquisition of a Property.

Pursuant to each Property LP Agreement, each Property LP will pay the Holding GP a liquidation fee (the “**Liquidation Fee**”), in an amount of 0.75% of the total sale price of the Property (or interest in a Property), which liquidation fee includes the sale price, closing costs and legal fees payable on the closing of such liquidation, to be assigned by the Holding GP to 261 US Corp., in consideration of successfully completing the sale of a Property.

As well, all current principal and interest payments under the Mortgage Loans will be payable by the Property LPs.

See “*Item 5 – Securities Offered - Terms of Securities - The Property LPs - Fees paid by each Property LP*”.

**Distributions:**

Commencing on the Distribution Commencement Date, the Trust will target an annual distribution yield of 7% calculated based on the current Net Asset Value per Unit. The distribution per Unit and Net Asset Value per Unit will be the same for all Investors.

The Trust intends to declare distributions on a monthly basis.

Cash distributions equal to approximately 90% of Distributable Cash, with the balance being retained as the Trust's cash reserves, will be paid on the 30th of the month following the end of the quarter for DRIP Distributions and on the 30th day of the month following the end of the month for Non-Drip Distributions, with the first of these distributions payable upon the Distribution Commencement Date. However, Holding GP has the discretion to cause Holding LP to retain any part of the Distributable Cash at Holding LP for Holding LP to reinvest in an existing or prospective Property.

The Trust will, indirectly through the Investment LP, own a portion of the issued and outstanding limited partnership units of the Holding LP, with the remaining portion held by U.S. Investors and U.K. Investors.

The Investment LP will elect to be classified as a corporation for U.S. federal income tax purposes. Accordingly, the Investment LP will be subject to applicable U.S. income and withholding taxes, as further described herein. The Investment LP will satisfy its U.S. tax liability, or make sufficient reserves for its applicable U.S. taxes, prior to making distributions to the Trust. The Trust will distribute the after tax proceeds received from the Investment LP to the Unitholders, based on the proportionate interest of the Class 1 Units (Series A-1) and Class 1 Units (Series R-1). A Canadian resident Unitholder (other than a Registered Plan) generally will be entitled to a credit in computing its Canadian taxable income in respect of the U.S. taxes paid by the Investment LP to the extent permitted by the detailed rules in the Tax Act. See "*Item 8 - Income Tax Consequences and Registered Plan Eligibility*", "*Item 10 - Risk Factors - Risk Factors Relating to Canadian Tax*" and "*Item 10 - Risk Factors - Risk Factors Relating to U.S. Tax*".

Investors will receive distributions from the Trust, as well as proceeds on a redemption of Units and/or upon termination of the Trust in U.S. dollars.

The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to indirectly acquire interests in the Properties and the ongoing operations of the Properties, and will be subject to various factors including those referenced in the "*Item 10 - Risk Factors*" section of this Offering Memorandum. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions.

Any distributions paid to Unitholders to date have been a return of capital.

See "*Item 5 - Securities Offered - Terms of Securities - The Trust - Distributions*".

**Distribution  
Reinvestment Plan:**

The Trust intends to provide Unitholders with the opportunity to elect to reinvest quarterly cash distributions made by the Trust to purchase additional Units for cash through participation in the distribution reinvestment plan of the Trust. Distributions retained by the Trust pursuant to the Distribution

Reinvestment Plan will be used for general working capital and/or acquisition purposes. See “*Item 5 - Securities Offered - Terms of Securities - The Trust - Distribution Reinvestment Plan*”.

**Redemptions:**

The Units will be redeemable at the demand of Unitholders, by written notice to the Trust which redemption will be processed on a quarterly redemption date.

As per the terms set out in the Subscription Agreement the Canadian Manager reserves the right to charge at its sole discretion Early Redemption Fees where a Unitholder redeems Units within a specified time period that follows the purchase of these Units. The Early Redemption Fee shall decline to 0% over a period of holding these applicable Units. All Units issued pursuant to DRIP shall not be charged any Early Redemption Fee. The Early Redemption Fee may be modified or cancelled by the Canadian Manager at any time. Specifically, it is anticipated that the Canadian Manager may reduce the fee to 1.0% any time when assets in the Trust are sold or refinanced.

The Early Redemption Fee is outlined in the following table for Units:

Year 1	6.00%
Year 2	5.50%
Year 3	5.00%
Year 4	4.00%
Year 5	3.00%
Year 6 and thereafter	0.00%

The entitlement of Unitholders to receive cash upon redemption is subject to the following limitations: (i) the total amount payable by the Trust by cash payment in respect of the redemption of Units for any calendar quarter shall not exceed \$100,000 USD; and (ii) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any 12-month period ending at the end of each calendar quarter shall not exceed 1% of the Net Asset Value of the Trust at the start of such 12-month period.

If redemptions in excess of this cash limit occur, the Trust may satisfy the redemption of Units in excess of this limit, by way of an *in specie* distribution of property of the Trust and/or unsecured subordinated promissory notes of the Trust, at its option, which property may not be liquid and generally will not be a qualified investment for Registered Plans and may be a prohibited investment for RRSPs, RRIFs, TFSAs, FHSAs, RESPs and RDSPs.

See “*Item 5 - Securities Offered - Terms of Securities - The Trust – Redemption of Units*”, and “*Item 10 - Risk Factors - Risks Related to Redemptions*”.

**Restriction on Ownership and Transfer of Units:**

Units may not be transferred except in conformity with applicable securities laws relating to resale of securities and only if the prior written consent of the Canadian Manager has been obtained and the transfer is in accordance with the provisions of the Trust Agreement.

See “*Item 5 - Securities Offered - Terms of Securities - The Trust - Restrictions on Ownership and Transfer of Units*” and “*Item 5 - Securities Offered - Terms of Securities – The Trust - Restrictions on Ownership and Transfer of Units - Limitations on Non-Resident Ownership*”

**Eligible Investors:**

Investors must invest the minimum amount established by the Canadian Manager from time to time and depending on the jurisdiction where they reside, may need to meet certain financial or other qualifications.

For Class 1 Units (Series A-1) and Class 1 Units (Series R-1) the minimum amount to be invested by each investor is \$1,000 USD. However, a higher amount may be required depending on the jurisdiction where an investor lives and for certain jurisdictions, whether an investor qualifies as an “accredited investor” within the meaning of applicable securities laws. In addition, the Canadian Manager has the discretion to waive or change the minimum from time to time.

See “*Item 5 - Securities Offered – Terms of Securities*” and “*Subscription Procedure*” and review the subscription agreement available from the Canadian Manager.

**Use of Proceeds:**

The Trust will use these proceeds net of Trust expenses to acquire Investment LP Units and Investment LP Notes. The Trust may also temporarily hold cash and investments for the purposes of paying its expenses and liabilities, paying amounts in connection with the redemption of any Units, and making distributions to Unitholders.

The Investment LP will invest the proceeds from the issuance of Investment LP Units and Investment LP Notes to the Trust to acquire Holding LP Units, and the Holding LP will invest the proceeds from such issuance, together with funds received from the U.S. Investors and U.K. Investors, in individual Property LPs, which will in turn acquire the Properties. As a result, an investment in Units will be an indirect investment in the acquisition and ownership of the Properties.

**Closings:**

Closings will occur periodically at the discretion of the Trust. Unless a share certificate is requested by an investor, the issuance of Units will be evidenced by electronic registration in the Trust’s books and records using a direct registration system. See “*Item 5 - Securities Offered - Subscription Procedure*”.

**Certain Canadian Federal Income Tax Consequences**

Provided the Trust makes distributions to Unitholders in each taxation year of its income, including its net realized capital gains, as described under see “*Item 5 - Securities Offered - Terms of Securities - The Trust - Distributions*”, it will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

A Unitholder who is resident in Canada will generally be required to include, in computing income for a taxation year, the amount of the Trust's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year. Distributions by the Trust to a Unitholder in excess of the Unitholder's share of the Trust's net realized capital gains and other net income will reduce the adjusted cost base of the Unitholder's Units held as capital property. If the reductions to a Unitholder's adjusted cost base would cause the adjusted cost base of a Unit held as capital property to be negative, the Unitholder will be deemed to realize a capital gain equal to such negative amount.

A Unitholder who disposes of a Unit that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Trust designated as payable by the Trust out of its capital gains), net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.

Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units, based upon their own particular circumstances. See "*Item 8 - Income Tax Consequences and Registered Plan Eligibility*".

**Eligibility for Investment**

Provided the Trust qualifies at all relevant times as a "mutual fund trust" for purposes of the Tax Act and the regulations thereunder, the Units, as of the date hereof, will be qualified investments for Registered Plans.

Notwithstanding that the Units may be a qualified investment for a Registered Plan, the holder of a TFSA or RDSP, the annuitant of a RRSP or RRIF or the subscriber of a RESP, as the case may be, which acquires Units will be subject to a penalty tax under the Tax Act if such Units are a "prohibited investment" (within the meaning of the Tax Act) for the particular TFSA, RDSP, RRSP, RRIF or RESP. See "*Item 8 - Income Tax Consequences and Registered Plan Eligibility*".

**Risk Factors**

The purchase of the securities offered by this Offering Memorandum must be considered speculative due to the nature of the Trust's business, in particular the risks associated with mortgage lending. In addition to the usual risks associated with an investment in a business, each subscriber should consider the risk factors set out in this Offering Memorandum under the heading "*Item 10 - Risk Factors*" before subscribing for Units.

**How to Subscribe**

A person wishing to subscribe for Units must deliver to the Trust the documents referred to in "*Item 5 - Securities Offered - Subscription Procedure*".

## ITEM 1 - USE OF AVAILABLE FUNDS

### 1.1 Funds

The net proceeds available to the Trust as a result of this offering are as follows:

	<b>Assuming minimum offering<sup>(1)</sup> (in USD\$)</b>	<b>Assuming maximum offering<sup>(1)</sup> (in USD\$)</b>
A. Amount to be raised by this offering	\$0.00 <sup>(1)</sup>	\$100,000,000 <sup>(1)</sup>
B. Selling commissions and fees	\$0.00 <sup>(2)</sup>	\$3,000,000 <sup>(2)</sup>
C. Estimated offering costs (e.g., legal, accounting, audit, etc.)	\$1,000,000 <sup>(3)</sup>	\$1,000,000 <sup>(3)</sup>
D. Net proceeds (D = A - (B+C))	(\$1,000,000)	\$96,000,000
E. Additional sources of funding required - Mortgage Loans	\$300,000,000 <sup>(4)</sup>	\$300,000,000 <sup>(4)</sup>
F. Working capital deficiency	\$0.00 <sup>(5)</sup>	\$0.00 <sup>(5)</sup>
G. Total (G = (D+E) - F)	\$299,000,000	\$396,000,000

- (1) There is no minimum or maximum offering. The amounts shown under “Assuming maximum offering” are for illustrative purposes only based on an assumed maximum offering of 10,000,000 Units.
- (2) See “*Item 9 – Compensation Paid to Sellers and Finders*”. This fee only applies to Units sold by an EMD.
- (3) Estimated legal, accounting, audit costs and printing and other administrative costs associated with marketing the Class 1 Units (Series A-1) and the Class 1 Units (Series R-1) pursuant to this Offering Memorandum.
- (4) The U.S. Manager intends to finance a part of the purchase price of the Properties by way of Mortgage Loans to be granted by an applicable Property LP to one or more Lenders. The amounts and Lenders of such Mortgage Loan have not yet been identified and the amount shown in the table above on account of the Mortgage Loans is an estimate only. See “*Item 2 - Business of the Trust*” and “*Item 4 - Capital Structure - Long-Term Debt*” for a description of the Mortgage Loans.
- (5) As at the date of this Offering Memorandum, the Trust does not have a working capital deficiency.

## 1.2 Use of Available Funds

The available funds will be used as follows:

<b>Intended use of available funds (listed in order of priority)</b>	<b>Assuming minimum offering <sup>(1)</sup> (in US\$)</b>	<b>Assuming maximum offering <sup>(1)</sup> (in US\$)</b>
A. Investments in Properties and other qualified investments and operating expenses (See “ <i>Item 2 - Business of the Trust</i> ”) <sup>(2)</sup>	\$0.00	\$396,000,000
B. Estimated expenses of this Offering <sup>(3)</sup>	\$0.00	\$1,000,000
C. Estimate closing costs for purchase in Properties (including transfer fees, legal, due diligence and financing costs) <sup>(4)</sup>	\$0.00	\$4,000,000
D. Creation of reserve for share of renovation and upgrading Properties <sup>(5)</sup>	\$0.00	\$846,600
E. Creation of reasonable working capital reserves for share of the Properties <sup>(6)</sup>	\$0.00	\$1,000,000
E. Acquisition Fees <sup>(7)</sup>	\$0.00	\$1,693,200
F. Dealer Fees <sup>(8)</sup>	\$0.00	\$3,000,000
G. Total (Equal to G in the table under 1.1 above)	\$299,000,000	\$396,000,000

- (1) There is no minimum or maximum offering. The amounts shown under “Assuming maximum offering” are for illustrative purposes only based on an assumed maximum offering of 10,000,000 Units.
- (2) The available funds will be used primarily to invest directly or indirectly in Properties in accordance with the Trust’s Investment Strategy. See “*Item 2 - Business of the Trust*”. In the normal course, the Trust would expect to pay the Trust’s operating expenses from its revenues and not directly from funds raised as part of this offering. However, there is no assurance that this will always be possible and it may from time to time be necessary to use a portion of the funds raised as part of this offering to cover the Trust’s operating expenses. The operating expenses of the Trust include the management fee paid to the Canadian Manager as consideration for the services provided by the Canadian Manager under the Management Agreement. See “*Item 2 - Business of the Trust*”.
- (3) This is an estimate only.
- (4) The amount incurred in respect of the purchase of Properties by a Property LP will include, without limitation, all due diligence inspections and reviews of the Properties, third party consultant’s fees, closing adjustments, legal and accounting fees, acquisition fees paid to third party mortgage Lenders, insurers and brokers, other closing costs and transfer fees and taxes.
- (5) The U.S. Manager may undertake a refurbishment program with respect to one or more of the Properties. The amount shown is an estimate of the amount which may be required to establish a reserve for the payment of the Trust’s share of the anticipated and unanticipated costs of such programs for all of the Properties.
- (6) The U.S. Manager will establish working capital reserves for the Property LPs, to help ensure sufficient funds

are on hand from time to time to pay the Trust's share of the anticipated and unanticipated operation and capital expenses for the Properties.

- (7) Holding GP will be paid an Acquisition Fee to assign to 261 US Corp. for the provision of acquisition services provided to the Properties.
- (8) See "*Item 9 – Compensation Paid to Sellers and Finders*".

The proceeds of the Offering will also be used from time to time by the U.S. Manager to make refundable and nonrefundable deposits on account of the purchase price of Properties, to pay mortgage application fees and to pay property due diligence and inspection costs. These payments and costs will include amounts paid to arm's length third parties and all out-of-pocket costs incurred by the U.S. Manager in the conduct of property inspection and due diligence as well as any other fees or reimbursements payable to the U.S. Manager as provided in the Property Management and Leasing Agreement. Some Properties in respect of which non-refundable deposits, mortgage application fees and property due diligence and inspection costs are paid may not be acquired by the Holding LP, resulting in a possible loss of such deposits, fees and/or costs.

In determining what would constitute "reasonable reserves" for renovation and upgrading and working capital reserves for such Properties, the U.S. Manager will review a comprehensive third-party due diligence report that will be produced for each Property. The amount of a renovation and upgrading reserve for a given Property will be assessed by the U.S. Manager having regard to, among other things, the Property's age, general state of repair, and an assessment of whether anticipated revenues would be sufficient to cover all or a portion of the repairs or upgrades identified as reasonably necessary through the due diligence process. For the purposes of this Offering Memorandum, the U.S. Manager has estimated that a reasonable reserve for renovation and upgrading of the Properties is 1.0% of the Trust's share of the equity value of the Properties.

In determining how much of a working capital reserve would be reasonable for a given Property, the U.S. Manager will generally target a working capital reserve of 1.0% of the Trust's share of the equity value of the Property. However, for any given Property, the U.S. Manager could allocate a larger or smaller amount to working capital reserves than the targeted amount of 1.0% of the purchase price of the Property, based on property-specific considerations.

### **1.3 Proceeds Transferred to Other Issuers**

No transfers have been made to other issuers.

## **ITEM 2 - BUSINESS OF THE TRUST AND OTHER INFORMATION AND TRANSACTIONS**

### **2.1 Structure**

#### **2.1.1 Name and Incorporation**

##### ***(1) The Trust***

The Trust is an open-ended unincorporated investment trust governed by the laws of the Province of Ontario. The Trust was formed as of January 4, 2021, among the Trustee, the Canadian Manager, as settlor, and all persons who become holders of Units as provided therein. The Trust will make an election pursuant to the Code to be classified as a corporation for U.S. federal income tax purposes. The registered and head office of the Trust is 6-425 Hespeler Rd., Suite 210, Cambridge, Ontario N1R 8J6.

### ***(2) The Investment LP***

The Investment LP is a limited partnership formed pursuant to and governed by the laws of the Province of Ontario. The Investment LP will make an election pursuant to the Code to be classified as a corporation for U.S. federal income tax purposes effective on the date of its formation. The general partner of the Investment LP is the Investment GP, a corporation incorporated pursuant to the laws of Ontario.

### ***(3) The Holding LP***

The Holding LP is a limited partnership formed pursuant to and governed by the laws of the State of Delaware. The general partner of the Holding LP is Holding GP, a limited liability company formed pursuant to and governed by the laws of the State of Delaware. All of the issued and outstanding shares of Holding GP are owned by 2612363 Ontario Limited.

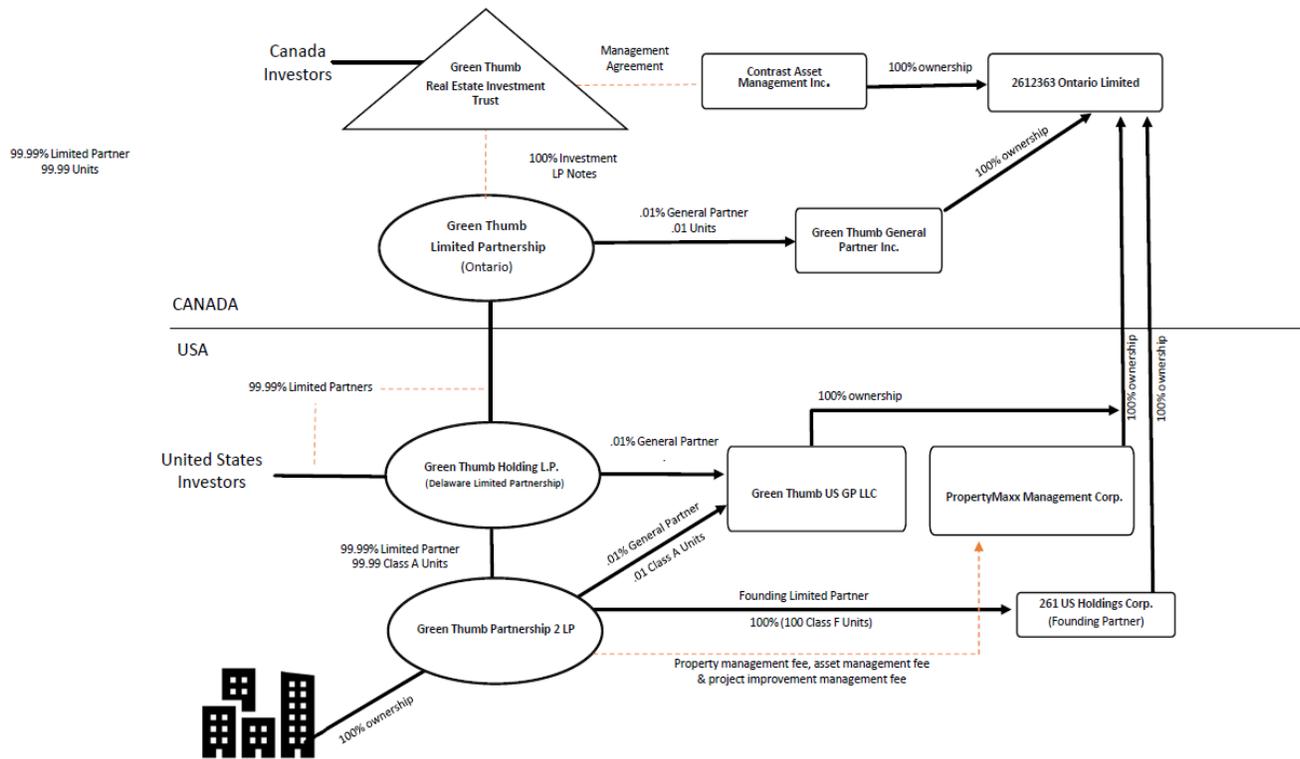
### ***(4) The Property LPs***

Each Property LP is a limited partnership formed pursuant to and governed by the laws of the State of Delaware. The general partner of each Property LP is Holding GP, a limited liability company formed pursuant to and governed by the laws of the State of Delaware. All of the issued and outstanding shares of Holding GP are owned by 2612363 Ontario Limited. Each Property LP will be a special purpose entity whose sole purpose will be to be the fee owner of a discrete Property and to distribute its revenues earned by such Property to its sole member.

## **2.1.2 Intercorporate Relationship**

The following chart sets forth the relationships among the Trust, the Investment LP, the Holding LP and the Manager (and certain related entities). See “*Item 10 - Risk Factors*”.

## Green Thumb Entities & Structure



## 2.2 The Business

### 2.2.1 Investment Strategy

The Canadian Manager established the Trust primarily for the purposes of investing in U.S. multi-family residential properties. The Canadian Manager believes the multi-family residential assets market presents a compelling investment opportunity to acquire assets that are underperforming from a management perspective and/or assets that require capital improvements to optimize both short-term increases in net operating income and the overall long-term growth in the underlying value of the asset.

#### *Investment Objectives*

The Trust's investment objectives are to:

- a) indirectly acquire and manage multi-family residential assets in the U.S. with a focus on opportunities that utilize leverage in the acquisition process;
- b) provide Investors with a target annual distributions of 7% calculated based on the current Net Asset Value per Unit; and

- c) provide Investors with the opportunity to participate in a target of approximately 50% of the capital growth of the Properties.

The Trust intends to prioritize the annual distribution to its Unitholders and therefore the Holding GP may opt to defer its 50% share of the net proceeds on any sale or liquidation of a Property, including any distributions paid in respect of the Property, for up to 5 years. See “*Item 5 - Securities Offered - Terms of Securities - The Trust - Distributions*”.

The Trust aims to provide its Investors with approximately 50% of the capital growth of the Properties through the Holding LP’s 50% share of the net proceeds upon any sale or liquidation of a Property. See “*Item 5 - Securities Offered - Terms of Securities - The Property LPs - Capital in the Property LPs*”.

### ***Investment Strategy***

The Trust was formed primarily to acquire, own and lease the Properties indirectly through the Holding LP and the applicable Property LP. The Trust has the following Investment Strategy:

- a) Acquire assets that are underperforming from a management perspective and/or acquire assets that require capital improvements, in order to optimize both short-term increases in net operating income and the overall long-term growth in the underlying value of the asset.
- b) Acquire first mortgage financing between 50-85% loan-to-value ratio in order to increase the overall percentage of return to Unitholders in both distributions as well as long term equity growth.
- c) Rehabilitate revenue generating Properties that provide the opportunity for a value-add component. While income will not be generated at the start of these projects, once assets are stabilized, the yield will likely be higher, and the U.S. Manager would increase the distribution accordingly.
- d) Focus on acquiring class ‘C’ and ‘B’ Properties that are underperforming in secondary and tertiary markets across the U.S., as these properties tend to provide the best yield.
- e) Focus on acquiring Properties in U.S. geographic markets that are currently, or have in the past been, depressed. This allows for upside growth and limits the downside risk from an underlying equity perspective. In addition to the principal recapture realized through debt servicing payments, the debt creates leverage to amplify the 3-5% annual appreciation expectation in these markets.

### ***Investment Rationale***

The Rae Ostrander Group has focused on investments in the multi-family residential space for almost two decades. With an almost singular focus on acquiring assets that would provide maximum yield, this has led to acquisitions in secondary and tertiary markets in Canada and more recently in the U.S.

The U.S. Manager will maintain a hands-on approach to operations with an insistency on an unusually high standard of resident service. This will be the hallmark of the U.S. Manager’s property management side of the business. Residents, on-site staff, and the management processes are the most valuable components of the enterprise. Providing safe, clean, and affordable housing along with excellent service is meeting a major need in the ‘B’ and ‘C’ class assets in these secondary and tertiary markets. With this commitment and focus, the U.S. Manager believes it can consistently maximize annual cash flow returns.

While cash flow and yield are the focus, an additional and valuable benefit to purchasing assets in secondary and tertiary markets with strong yield has been that in uncertain economic environments the underlying values had minimal declines, while in strong market conditions there was often an unusual surge in market values as investors chase yield by moving away from primary markets where margins would start to compress.

While the U.S. Manager will not rely on high returns from long-term growth, it is expected that this will be a welcome consequence providing average annual returns between 15-20% based on recent completed projects of the Rae Ostrander Group.

### **2.2.2 Description of the Activities of the Trust**

The Trust will invest the proceeds from the issuance of Units in Investment LP Units and Investment LP Notes. The Investment LP will invest the proceeds from the issuance of such Investment LP Units and Investment LP Notes in Holding LP Units, and the Holding LP will use the proceeds from the issuance of the Holding LP Units (together with the proceeds from the issuance of the Holding LP Units to U.S. Investors and U.K. Investors) to fund, directly or indirectly, acquisition of the Properties. See “*Item 1 - Use of Available Funds*”.

As a result, an investment in Units will be an indirect investment in the acquisition and ownership of the Properties and other returns on and of capital payable to the Investment LP will also ultimately form part of the Distributable Cash Flow available for distribution to Unitholders.

#### ***Activities of the Trust***

The Trust was established on January 4, 2021 for the purpose of indirectly owning and leasing interests in a diversified portfolio of high quality, revenue-producing properties in the U.S. with a focus on multi-family residential properties. Its principal undertaking is to issue Units and to acquire, own and lease the Properties indirectly through the Holding LP and the applicable Property LP.

The Trust’s long-term objective is to earn income and gains from the Trust’s indirect interest in the Properties held through the Investment LP and the Holding LP, being a portfolio of interests in diversified income-producing residential real estate properties in the U.S. with a focus on multi-family residential properties. An investment in Units is intended to provide Purchasers with the opportunity to receive cash distributions originating from the ongoing management of the Properties and the opportunity to receive, in certain circumstances, the proceeds from a Refinancing of a Mortgage Loan or a sale of a Property. Each Property LP has the ability at any time to borrow against the Property owned by each Property LP, for the purpose of converting equity into cash and pursuing a Refinancing transaction, provided that, following such transaction, the applicable Property LP will hold equity of at least 20% of the appraised value of a Property. The proceeds of such a Refinancing transaction will then be split between Holding LP Unitholders and the Rae Ostrander Group and its affiliates. See “*Item 5 - Securities Offered - Terms of Securities - The Property LPs*”.

#### ***Business of the Investment LP and the Holding LP***

The Investment LP has been established for the purposes of issuing Investment LP Units and Investment LP Notes and investing in Holding LP Units. The Holding LP has been established for the purposes of owning and leasing a diversified portfolio of revenue-producing residential real estate properties in the U.S. with a focus on multi-family residential properties. It is intended that the Properties will be owned by the applicable underlying limited partnership, Property LP, established and owned by the Holding LP. See “*Item 2 - Business of the Trust - Structure*”.

#### ***The Properties***

The U.S. Manager, on behalf of the Holding LP, intends to invest the proceeds realized from the issuance of Holding LP Units and from Mortgage Loans in diversified income-producing residential real estate properties in the U.S. with a focus on multi-family residential properties. The U.S. Manager intends to manage and

reposition the Properties with the view to preserving capital and providing quarterly cash returns.

Each Property purchased by the Trust will be expected to generate a positive return on the Trust's invested capital. The U.S. Manager will be able to waive this minimum requirement for Properties which it believes provide unique value-added opportunities often with a focus on rehabilitating revenue generating units.

The Trust will provide disclosure for each of the Properties acquired in disclosure that is expected to be similar to that provided for properties acquired by other Canadian private REITs. The Trust anticipates such information will include, for each Property, details on the location, size, age, key tenants, and lease terms for key tenants, Property occupancy, relevant competition in the surrounding area, going-in capitalization rate, purchase price and purchase date. Disclosure will also include any material capital expenditures intended to be made on the Property. If an appraisal is obtained for a Property acquisition, a summary of the results of the appraisal will also be included.

### ***Management of the Properties***

The Canadian Manager believes that the Trust will benefit from the U.S. Manager's management process. The Manager believes optimized financial performance will be a byproduct of a commitment to the highest level of resident service. By focusing on resident experience, the U.S. Manager hopes to substantially increase demand for the Properties. The U.S. Manager also believes that treating residents as highly valued customers will improve their quality of life and the surrounding community in general.

### ***Investment Restrictions and Operating Policies***

#### ***Investment Restrictions***

The Trust Agreement provides certain restrictions on investments that may be made directly or indirectly by the Trust. The assets of the Trust may be invested only in accordance with the following restrictions:

- a) notwithstanding anything else contained in the Trust Agreement, the Trust shall not make any investment, take any action or omit to take any action that would result in the Trust not qualifying, at all times, as a "mutual fund trust" within the meaning of the Tax Act;
- b) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada or a U.S. chartered bank, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment restrictions and operating policies of the Trust, the Trust 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 Canadian Manager);
- c) the Trust shall not invest directly or indirectly in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- d) the Trust shall not take any action, or acquire, retain or hold any investment in any entity or other property that would result in the Trust being a "SIFT trust", as defined in the Tax Act;
- e) the Trust shall not invest more than 10% of Total Investable Funds in securities of a publicly traded entity; and
- f) if the Trust invests, directly or indirectly, in securities of a Trust managed by a Rae Ostrander Group

entity, there will be no duplication of fees chargeable in connection with such investments.

### *Operating Policies*

The Trust Agreement provides that operations and affairs of the Trust are to be conducted in accordance with the following policies:

- a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 - *Investment Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;
  - (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; and
  - (ii) to the extent the Canadian Manager determines to be practicable and consistent with its fiduciary duty to act in the best interest of the Trust, any written instrument which is, in the judgment of the Canadian Manager, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Canadian Manager, Unitholders, annuitants, beneficiaries, subscribers or holders under a Registered Plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;
- b) the Trust may engage in construction or development of real property to maintain its real properties in good repair or to improve the income producing potential of properties in which the Trust has an interest;
- c) title to each real property shall be held by and registered in the name of the applicable Property LP, a corporation, a partnership or other entity, wholly-owned, directly or indirectly, by the Trust or the Holding LP or jointly-owned, directly or indirectly, by the Trust or the Holding LP, with joint venturers;
- d) the Trust shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Trust would be more than 90% of the higher of the acquisitions costs or the appraised value of the Properties calculated at the time such debt is procured;
- e) the Trust shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Canadian Manager considers appropriate, taking into account all relevant factors including the practice of owners of comparable properties; and
- f) the Trust shall obtain a Phase I environmental site assessment of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Trust shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the U.S. Manager.

For the purpose of the foregoing investment restrictions and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust will be deemed to be those of the Trust and they will be accounted for in accordance with the methods prescribed by IFRS. In addition, any references in the foregoing investment restrictions and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

#### *Amendments to Investment Restrictions and Operating Policies*

Pursuant to the Trust Agreement, all of the investment restrictions set out under the headings “Investment Restrictions” and “Operating Policies” above may be amended only with the approval of 66 2/3% of the votes cast by Unitholders of the Trust at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the Trust then in force (other than subparagraph (a) of the “Investment Restrictions”), such investment guideline or operating policy in conflict shall, if the Canadian Manager on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Canadian Manager shall not require the prior approval of Unitholders.

#### *Operating Expenses of the Trust*

The Trust will pay for all ordinary expenses incurred in connection with its operation and administration. It is expected that these expenses will include, without limitation: mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; any reasonable out-of-pocket expenses incurred by the Canadian Manager or its agents and paid to third parties in connection with their on-going obligations to the Trust; fees payable to the auditors and legal advisors of the Trust; marketing, leasing and investor relations expenses; regulatory filing fees, administrative expenses and costs incurred in connection with the continuous public filing requirements of the Trust and investor relations, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses the Trust may incur and any expenditures incurred upon the termination of the Trust. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Canadian Manager (and any of its officers, employees consultants or agents) or the Trustee are entitled to an indemnity from the Trust.

The Trust will be indirectly responsible for the payment of ordinary course operating expenses relating to real estate, which expenses are customary for real estate related entities. Certain of the operating expenses will be payable to the Canadian Manager in connection with its work as manager of the Trust. In addition, the Trust will be indirectly responsible for payment of fees to property managers and capital expenditure fees. The fees payable to certain Rae Ostrander Group entities as property managers will be comparable to, and competitive with, the fees charged by arm’s length property managers for management of properties of a like kind.

For capital projects, the U.S. Manager may, in its discretion, undertake the capital expenditures and receive a capital expenditure fee commensurate with the capital expenditure fee payable to a third-party property manager. The U.S. Manager is focused on building strong investment returns first and foremost. As a result, the U.S. Manager believes that compared to other Canadian REITs, real estate operating companies and existing real estate oriented, retail structured products, the fees indirectly payable by the Trust are lower than average.

## **2.3 Development of the Business**

In January 2024, the Manager successfully closed on the purchase of two properties located in Clinton Township, Michigan, U.S. While the Manager's focus on B and C class assets that require improved management and or substantial attention to deferred maintenance has not changed, the projected yield and overall returns have. The Manager is anticipating more product coming to market and the absence of bidding wars. The Manager believes it is in a buyer's market and the current environment is favorably aligned with its business plan.

### **2.3.1 Properties**

The Trust was established for the purpose of indirectly owning and leasing interests in a diversified portfolio of high quality, revenue-producing properties in the U.S. with a focus on multi-family residential properties. Its principal undertaking is to issue Units and to acquire, own and lease the Properties indirectly through the Holding LP and the applicable Property LP.

Two properties were recently purchased on January 19, 2024, by Green Thumb Partnership 2 LP (for relationship to Green Thumb REIT, see item 2.1.2 Intercorporate Relations, page 27). The properties, Country Squire Apartments and Weathervane Apartments, are collectively called "Clinton Properties". The Clinton Properties are Multifamily (Garden/Low Rise) properties totaling 326 units located on a 25.16-acre site. The properties comprise of two separate apartment developments located on two individual, contiguous parcels. The addresses of the properties are 24126 Country Squire Dr, Clinton Township MI 48035 (Country Squire) and 24500 Weathervane Boulevard, Clinton Township MI 48035 (Weathervane).

The Clinton Properties were purchased from a nonrelated entity for \$29,650,000 and closed on January 19, 2024. The Bancorp Bank issued a 3-year initial term, with two, one-year extensions, mortgage in the amount of \$19,750,000 including future funding of \$2,284,000 for renovations. Interest rate 8.75%, interest only payments. *See Item 17 Schedule I- Additional Disclosure Requirements for an Issuer Engaged in Real Estate Activities*

## **2.4 Long-Term Objectives**

The Trust's objectives subsequent to the next twelve months after the date of this Offering Memorandum are described above. See "*Item 2 - Business of the Trust - The Business*".

## **2.5 Short-Term Objectives**

The objectives of the Trust over the next twelve months after the date of this Offering Memorandum are to continue to raise sufficient funds to acquire additional qualified Properties, make property capital improvements, build its pipeline of future property acquisitions, and leverage its mortgage lending capabilities to increase investment opportunities.

The Offering Memorandum form requires the following table to be completed with respect to the Trust's objectives.

Actions to be taken	Target completion date or, if not known, number of months to complete	Cost to complete (in US\$)
Raising of funds under the Offering and investing available fund in real estate investments in accordance with the policies and guidelines set out herein.	Ongoing.	The cost of this Offering are estimated on an annual basis to be less than \$500,000 <sup>(1)</sup>
Source and invest in Mortgage Loans through a Property LP	Ongoing as funds are raised and mortgages are retired and replaced from time to time	See note. <sup>(2)</sup>

- (1) Estimated costs for legal, audit and other professional services and other matters associated with the issuance of the Class 1 Units (Series A-1) and the Class 1 Units (Series R-1) pursuant to this Offering Memorandum
- (2) It is not possible to accurately estimate the costs of sourcing and investing in Mortgage Loans. As part of its duties, the U.S. Manager is responsible for originating Mortgage Loans. As consideration for these services, the Manager receives a property management and asset management fee. See “*Item 5 – Securities Offered - Terms of Securities - The Property LPs - Fees paid by each Property LP*”.

## 2.6 Insufficient Funds

The funds available as a result of this offering may not be sufficient to accomplish all of the Trust’s proposed objectives over the next 12 months. There are no assurances that alternative financing will be available.

## 2.7 Additional Disclosure of Issuers Without Significant Revenue

The Trust has not had significant revenue from operations in either of its two most recently completed financial years and has not had significant revenue from operations since inception. The information required by this section is disclosed in the financial statements that are included in this Offering Memorandum. See “*Item 14 – Financial Statements*”.

## 2.8 Material Contracts

The material contracts of the Trust are as follows:

1. The Trust Agreement. See “*Item 5 - Securities Offered - Terms of Securities - The Trust*”.
2. Investments LP Agreement. See “*Item 5 - Securities Offered - Terms of Securities - The Investment LP*”.
3. Holding LP Agreement. See “*Item 5 - Securities Offered - Terms of Securities - The Holding LP*”.
4. Management Agreement. See “*Item 3 – Compensation and Security Holdings of Certain Parties - - Management Experience - The Management Agreement*”.

A description of the key terms of these agreements are described in this Offering Memorandum in the sections noted above. Copies of these agreements may be inspected at the business office of the Trust during normal business hours, during the period of distribution of the securities offered hereunder.

## 2.9 Related Party Transactions

With respect to any purchase and sale transaction between the issuer and a related party that does not relate to real property,

(a) the following table sets out starting with the most recent transaction, the following specified information

Description of business or asset	Date of transfer	Legal name of seller	Legal name of buyer	Amount and form of considerations exchanged in connection with transfer
None	N/A	N/A	N/A	N/A

(b) the following is an explanation of the reason for any material difference between the amount of consideration paid by the issuer and the amount of consideration paid by a related party for the business or asset: Not applicable.

## ITEM 3 – COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES

The Canadian Manager is responsible for managing or supervising the management of the business and affairs of the Trust.

The Trust has retained the Canadian Manager to manage the Trust and provide certain financial and administrative services to the Trust. See “*Item 3 - Compensation and Security Holdings of Certain Parties - - Management Experience - The Management Agreement*”.

### 3.1 Compensation and Securities Held

The table below provides information for each of the following:

- a) each director, officer and promoter of the issuer;
- b) each person that has beneficial ownership of, or direct or indirect control over, or a combination of beneficial ownership and direct or indirect control over, 10% or more of any class of voting securities of the issuer;
- c) any related party not specified in paragraph (a) or (b) that received compensation in the most recently completed financial year or is expected by the issuer to receive compensation in the current financial year.

Full legal name and place of residence or, if not an individual, jurisdiction of organization	If paragraph (a) or (b) applies, specify whether the person is a director, officer, promoter or person referred to in paragraph (b); if paragraph (c) applies, specify the person's relationship to the Trust, in all cases specify the date that the person became a person identified in paragraph (a), (b) or (c)	Compensation paid by Trust or related party in most recently completed financial year ended and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the Trust held after completion of the minimum offering	Number, type and percentage of securities of the Trust held after completion of maximum offering
Rae Ostrander Cambridge, Ontario	President & CFO	Nil / Nil <sup>(1)(2)</sup>	119 Class 1 Units (Series A-1) (0.010%) <sup>(3)</sup>	Unknown
Paul Ostrander Toronto, Ontario	Secretary	Nil / Nil <sup>(1)(2)</sup>	11,751 Class 1 Units (Series A-1) (0.9574%) <sup>(3)</sup>	Unknown
Janet Rodrigues Toronto, Ontario	Investor Services and Operations Manager	Nil / Nil <sup>(1)(2)</sup>	1,451 Units (0.118%) <sup>(3)</sup>	Unknown
Stephen Clarke Burlington, Ontario	Chief Operating Officer	Nil / Nil <sup>(1)(2)</sup>	0 Units (0%) <sup>(3)</sup>	Unknown
Rameez Khan, Toronto, Ontario	Controller	Nil / Nil <sup>(1)(2)</sup>	0 Units (0%) <sup>(3)</sup>	Unknown

(1) Includes shares held directly or indirectly.

(2) The President, Secretary, Chief Financial Officer, Chief Operating Officer, and Investor Services and Operation Manager may receive compensation from time to time from the Canadian Manager or its affiliates in connection with each of their activities for the Trust. See “Item 3 - Compensation and Security Holdings of Certain Parties - The Management Agreement” and “Item 5 - Securities Offered - Terms of Securities - The Property LPs - Fees paid by each Property LP”.

(3) The board and officers of the Canadian Manager may acquire additional securities of the Trust; however, the number and type of securities, if any, which may be acquired is not known.

As at the date of this Offering Memorandum, the board and officers of the Canadian Manager, as a group and including their spouses and other related persons, own 13,322 Units of the Trust, representing 1.085% of the Units issued and outstanding on such date. It is intended that other persons may be added to the group of board and officers of the Canadian Manager from time to time depending upon their expertise or financial involvement in the business and affairs of the Trust.

### 3.2 Management Experience

#### 3.2.1 Personal Profiles

A description of the principal occupations of the Manager’s board and executive officers over the past five years and a description of their experience associated with the occupation is set out below.

Full Legal Name	Principal occupation and description of experience associated with the occupation.
<p><b>Rae Ostrander</b></p>	<p><b>President &amp; CFO</b></p> <p>Rae Ostrander is the President and Chief Financial Officer, he founded and successfully operated numerous small businesses as he worked his way through his Undergraduate and Master’s degrees. Upon graduation, he worked in the not for profit sector, leading community work in underprivileged areas. Mr. Ostrander excelled at fund raising and facilitating social service programs in the Not for Profit space, which led him to begin working on his first smaller real estate projects with his partners. The Rae Ostrander Group started to acquire small multi-family assets in the early 2000s, and over the next twenty years has managed thousands of units in the residential and mixed residential commercial space. As a result of Mr. Ostrander’s strategic and tactical abilities in acquisition, operations, fiscal management, sales, and new product markets - he was recruited as a speaker and consultant to individuals and management teams seeking to expand their holdings and optimize the performance of their portfolios. Investors have sought out Mr. Ostrander in order to participate in his successful real estate ventures. Over Rae Ostrander’s twenty years of experience in the real estate industry, he has focused on yield-centered strategies by turning around undervalued real estate assets and optimizing the cash production in traditionally undervalued markets.</p>
<p><b>Paul Ostrander</b></p>	<p><b>Secretary</b></p> <p>Paul Ostrander is a Professional Engineer with an MBA in Finance and Marketing. Mr. Ostrander served for two years with Rae Ostrander Group in the mid-2000s as project manager on a major building development project and later, as an interim property manager. For the last five years, Mr. Ostrander held the position of Contoller, while also serving as a Board Advisor to Rae Ostrander Group, helping to support Rae Ostrander Group in the growth of its Canadian and U.S. limited partnership investments. Mr. Ostrander’s involvement in manufacturing turn arounds for Monsanto, Continental Can and Domtar, allowed him to transition into selling high-tech manufacturing solutions for paper, plastic and auto-parts manufacturing firms from Korea to Moscow. Mr. Ostrander became responsible for turning around European operations and rescuing failing new corporate acquisitions for these high-tech businesses. Following this, Mr. Ostrander was hired by venture capitalists to turn around Becket Technologies (a microwave packaging firm). He was able to raise \$16m</p>

	<p>of funds to grow and develop this business and take it public. As the Chief Operating Officer, Mr. Ostrander was able to grow the organization, laying the foundation for the sale of the company. Beckett Technologies was ultimately bought by James River Corp. Mr. Ostrander spent the last ten years of his career selling analytics to the top ten banks in the U.S., as well as selling Enterprise Resource Planning solutions from Oracle to the governments of Ontario and Quebec. As a volunteer, Paul Ostrander has spent the last 25 years working with the Toronto Bail Program and with Celebrate Recovery at the Salvation Army, helping men and women overcome personal challenges and develop into productive members of their community.</p>
<b>Stephen Clarke</b>	<p><b>Chief Operating Officer</b></p> <p>Stephen Clarke is an executive leader with more than 30 years of experience in marketing and sales within the wealth management and financial services sectors. He has significant operational experience in different regulatory environments, including the Investment Industry Regulatory Organization of Canada (IIROC), the Mutual Fund Dealers Association (MFDA), the Financial Services Regulatory Authority (FSRA), and Private Capital Markets (Issuers and Exempt Market Dealers). Stephen has worked in both the product (asset manager, issuer) and distribution sides of the wealth management industry in Canada and the United States. Stephen has a unique ability to structure and promote a wide range of innovative products and services through multiple channels to diverse audiences. He holds an Honours Bachelor of Commerce and a Master of Business Administration (MBA) from McMaster University.</p>
<b>Rameez Khan</b>	<p><b>Controller</b></p> <p>Rameez Khan is a seasoned CPA and ACCA Member with over ten years of experience in both North American and Middle Eastern markets. His career spans various sectors, including Public Accounting at PricewaterhouseCoopers, transaction advisory services, and merger and acquisition transactions. Rameez's expertise includes ERP Implementations (SAP FICO &amp; Oracle), financial analysis, modeling, valuations, and the preparation of consolidated Financial Statements according to GAAP &amp; IFRS standards.</p> <p>As the head of the Finance department, Rameez manages two direct reports. He oversees all property onboarding processes from due diligence, lease audits, rent rolls, to GL Mapping. Rameez also handles fund and investor accounting for distributions, contributions, Redemptions, and NAV Calculations.</p> <p>In preparing our Annual Budget and Financial Forecasts, reporting variances, and cash flow forecasting to manage and monitor both inflows and outflows, Rameez ensures that we meet our financial compliance for external reporting requirements such as SEC, OSC, TSX, etc.</p>
<b>Janet Rodrigues</b>	<p><b>Investor Services and Operations Manager</b></p> <p>Janet Rodrigues joined the team in 2022 with over 15 years of demonstrated proven management strengths in Compliance, Supervision, AML, Risk Management, and Audit in the securities industry including, Brokerage, Scholarship Plan Dealer, and Investment industries in Canada and internationally. Janet oversees all operations-related functions within the Manager. She is managing the Manager's internal administrative processes, marketing, and communications materials, and ongoing investor services, ensuring that the Manager meets the applicable Canadian and provincial regulations. She plays a key role in supporting operational and functional</p>

	areas in the review and development of policies and procedures and in building strong client relationships.
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### **3.2.2 The Management Agreement**

Pursuant to the terms of the Management Agreement, the Canadian Manager has been appointed as the sole and exclusive manager of the affairs of the Trust and the Investment LP. The Canadian Manager will provide the Trust and the Investment LP with the financial services and general services necessary to manage the day-to-day operations of the Trust and the Investment LP. In carrying out its obligations under the Management Agreement, the Canadian Manager will be required to exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the Trust or the Investment LP including exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

The services to be provided by the Canadian Manager under the terms of the Management Agreement include, without limitation: (a) the structuring of the Offering, the Trust and the Investment LP, (b) liaising with legal and tax counsel, (c) providing investor communication and reporting services, and (d) doing all such acts, taking all such proceedings, executing all such documents and exercising all such rights and privileges, although not specifically mentioned here, as the Canadian Manager may deem necessary to administer the Trust and the Investment LP and carrying out the purposes of the Trust and the Investment LP, as the case may be, in order for such entity to seek to achieve its objectives.

Notwithstanding the above, it may at times be prudent for the Canadian Manager to delegate certain of its responsibilities under the Management Agreement to third party providers. The Canadian Manager has the right to subcontract its obligations under the Management Agreement, including to an affiliate of the Canadian Manager, provided that no such subcontracting will relieve or release the Canadian Manager from any of its obligations under the Management Agreement.

The Canadian Manager will provide such administrative, executive and management personnel as may be reasonably necessary to perform its obligations by using its own employees. Pursuant to the terms of the Management Agreement, the Canadian Manager will bear all costs and expenses incurred by the Canadian Manager in connection with all salaries, wages, employee expenses, office rent and equipment, and other expenses customarily considered to be overhead expenses.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances, until the winding-up or dissolution of the Investment LP and the Trust. The Management Agreement can be terminated early in certain circumstances, including (i) the Canadian Manager's wilful misconduct, bad faith, negligence or breach of its standard of care owed hereunder, which in the case of negligence which is capable of being cured, is not cured within 30 days following written notice to the Canadian Manager from the Trust specifying in reasonable detail the nature of such negligence, and which, in the case of a breach of the Canadian Manager's standard of care, may be disputed by the Canadian Manager acting in good faith by referring the matter to arbitration, the decision resulting from such arbitration to be final; or (ii) the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Canadian Manager.

The Management Agreement contains indemnification provisions whereby the Trust and the Investment LP indemnify the Canadian Manager against any loss, expense, damage or injury suffered in the scope of its authority under the Management Agreement, provided the same does not result from wilful misconduct, bad faith, gross negligence or breach of its standard of care owed under the Management Agreement. In addition, under the Management Agreement, the Canadian Manager indemnifies the Trust and the Investment LP against any loss, expense, damage or injury suffered as a result of the Canadian Manager's wilful misconduct, bad faith, gross negligence or breach of its standard of care owed under the Management Agreement.

In consideration for providing management services, the Trust will pay the Canadian Manager a management fee (the “**Management Fee**”), in an annual amount, equal to, in respect of Class 1 Units (Series A-1) and Class 1 Units (Series R-1), 2.0% of the Net Asset Value of the Trust. The Management Fee is payable on the last day of each calendar month during the term of the Management Agreement in an amount equal to 1/12<sup>th</sup> of the annual Management Fee.

100% of the Management Fee will be payable to the Canadian Manager in the form of Units or cash.

The Canadian Manager may, from time to time, waive the obligation of Trust to pay all or any portion of the Management Fee for any year or any one or more months within any such year, provided that in such case the Management Fee shall continue to accrue and be payable and the waiver of the obligation of the Trust to pay all or any portion of the Management Fee in any year or month shall not act as a waiver of such obligation in subsequent years. The amount of any Management Fee waived in a given year shall be added to the Management Fee payable in the following year.

### **3.2.3 Potential Conflicts of Interest**

The Canadian Manager and U.S. Manager are each Rae Ostrander Group entities.

The U.S. Manager is not in any way limited or affected in its ability to carry on other business ventures for its own account and for the accounts of others, and is now, and intends in the future to be, engaged in the development of, investment in and management of other real estate properties. None of these persons will have any obligation to account to the Trust or the Unitholders for profits made in such other activities.

Due to the fact that various Rae Ostrander Group entities manage other investment portfolios and realty trusts in similar asset classes, there is a risk that conflicts may arise regarding the allocation of tenants amongst the various Rae Ostrander Group managed entities. In the future, certain Rae Ostrander Group entities may acquire interests in properties for other investment portfolios or realty trusts and although it is intended that every transaction which comes to the attention of the U.S. Manager and which would be a suitable investment for the Trust will be acquired through the Trust, certain Rae Ostrander Group entities may acquire interests in properties for other investment portfolios or realty trusts in the future. In such circumstances, there is a risk that conflicts may arise regarding the allocation of properties among the various Rae Ostrander Group managed entities. For more information, see “*Item 10 - Risk Factors - Relationship between the Trust and various Rae Ostrander Group managed entities*”.

### **3.3 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters**

There are no penalties or sanctions that have been in effect during the last 10 years, or any cease trade orders that have been in effect for a period of more than 30 consecutive days during the past 10 years against: (i) a director, executive officer or control person of the Trust; or (ii) an Trust of which any of the foregoing persons was a director, executive officer or control person at the relevant time.

There are no declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors or appointments of a receiver, receiver manager or trustee to hold assets, that have been in effect during the last 10 years with regard to any: (i) director, executive officer or control person of the Trust; or (ii) Trust of which any of the foregoing persons was a director, executive officer or control person at the relevant time.

The Trust or a director, executive officer or control person of the Trust have not pled guilty or been found guilty of any of the following: (i) summary conviction or indictable offences under the *Criminal Code* (Canada); (ii)

quasi-criminal offences in any jurisdiction of Canada or a foreign jurisdiction; (iii) misdemeanours or felony under the criminal legislation of the United States of America, or any stated or territory of the United States of America; or (iv) an offence under the criminal legislation of any other foreign jurisdiction.

### 3.4 Certain Loans

As at the date of this Offering Memorandum, to the knowledge of the Trust, none of the board or management of the Manager, or promoters or principal holders of the Trust are indebted to the Trust.

## ITEM 4 - CAPITAL STRUCTURE

### 4.1 Securities Except of Debt Securities

The table below sets out the authorized and issued share capital of the Trust as at the date of this Offering Memorandum.

Description of security	Number authorized to be issued	Price per security (in USDS)	Number outstanding as at June 30, 2024	Number outstanding after minimum offering <sup>(1)</sup>	Number outstanding after maximum offering <sup>(1)</sup>
Class 1 Units (Series A-1)	Unlimited	\$10.00	-640,395	N/A	N/A
Class 1 Units (Series R-1)	Unlimited	\$10.00	587,921	N/A	N/A

(1) There is no minimum or maximum offering.

### 4.2 Long-Term Debt

Neither the Trust nor the Investment LP has had any earnings to date, and neither currently has any outstanding long-term debt. The Holding LP has not had any earnings to date, and currently has no outstanding long-term debt. The U.S. Manager will target an overall loan-to-value ratio (of mortgage loans) of not more than 50% to 85% of the purchase price of the Properties, plus the amount of any property improvement reserve account approved by the Lenders. However, the U.S. Manager, having regard to all of the circumstances including the potential value of the Properties identified for investment, may cause the overall loan-to-value ratio of the Mortgage Loans to exceed this threshold.

### 4.3 Prior Sales

Within 12 months before the date of this Offering Memorandum, Units have been issued as set out in the following table:

Date of Issuance	Type of Security Issued	Number of securities issued	Price per Security	Total Funds Received
July 1, 2023 to June 30, 2024	Class 1 Units (Series A-1)	216,942	\$10.00	\$ 2,169,415
July 1, 2023 to June 30, 2024	Class 1 Units (Series R-1)	59,573	\$10.00	\$ 595,729

## **ITEM 5 - SECURITIES OFFERED**

### **5.1 Terms of Securities**

The Trust is offering Class 1 Units (Series A-1) and/or Class 1 Units (Series R-1), at an Offering Price of \$10.00 USD per Class 1 Unit (Series A-1) or Class 1 Unit (Series R-1).

The Units may be offered in each of the Provinces of Canada pursuant to any one of the exemptions under National Instrument 45-106 from the Offering Memorandum requirements of applicable securities laws and the exemptions under National Instrument 31-103 from the registration requirements of applicable securities laws. Such exemptions relieve the Trust from provisions under applicable securities laws requiring the Trust to file a Offering Memorandum and therefore Subscribers do not receive the benefits associated with a subscription for securities issued pursuant to a filed Offering Memorandum, including the review of material by a securities commission or similar authority.

While National Instrument 45-106 provides for several different possible Offering Memorandum exemptions, the most commonly used exemptions utilized for an investment in the Units are the “accredited investor”, “minimum amount investment” and “offering memorandum” exemptions, the terms and conditions of which are summarized below.

#### ***Accredited Investor Exemption***

In all jurisdictions, an investor may purchase Units if the investor is an “accredited investor” and purchases the Units as principal. An “accredited investor” is defined in National Instrument 45-106 and is essentially an investor that meets certain minimum income or wealth criteria and can include individuals, corporations, trusts, investment funds and other types of legal entities. For example, for an individual person to qualify as an “accredited investor” they must generally meet one of the following criteria: (i) annual net income of at least \$200,000 for the last two years (or \$300,000 if combined with their spouse); (ii) net assets of at least \$5,000,000, either alone or combined with their spouse; or (iii) net financial assets (i.e. cash, securities, insurance, deposits) of more than \$1,000,000, either alone or combined with their spouse. The Subscription Agreement includes a more detailed description of “accredited investor” and requires the investor relying on this exemption to certify that they meet at least one of the “accredited investor” criteria. Certain individuals who are relying on the accredited investor exemption will also be required to complete and sign a Risk Acknowledgement Form 45-106F9.

#### ***Family, Friends and Business Associates Exemption***

In all jurisdictions, an investor who qualifies to purchase the Units under the “family, friends and business associates” exemption provided within National Instrument 45-106.

#### ***Minimum Amount Investment Exemption***

In all jurisdictions, an investor who is not an individual may purchase Units, as principal, having a minimum cash acquisition cost of \$150,000. For purposes of determining eligibility for subscribing for Units pursuant to the ‘minimum amount investment’ exemption, an “individual” means a natural person and does not include any of the following: partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations, trusts and natural persons acting in the capacity of trustee, executor, administrator or personal or other legal representative.

#### ***Offering Memorandum Exemption***

In British Columbia and Newfoundland and Labrador, an investor may purchase Units if, before or at the time the investor completes and signs the Subscription Agreement, the investor purchases as principal, the investor receives this Offering Memorandum and completes and signs the Risk Acknowledgment Form 45-106F4 which accompanies the Subscription Agreement, and delivers it to the Trust.

In Manitoba and Prince Edward Island, an investor, provided he, she or it is either an “eligible investor” (see below) or the cash acquisition cost to that investor does not exceed \$10,000, may purchase Units if, before or at the time the investor completes and signs the Subscription Agreement, the investor purchases as principal, the investor receives this Offering Memorandum and completes and signs the Risk Acknowledgment Form 45-106F4 which accompanies the Subscription Agreement, and delivers it to the Trust.

In Alberta, New Brunswick, Nova Scotia, Ontario, and Saskatchewan, an investor may purchase Units if, before or at the time the investor signs the Subscription Agreement, the investor purchases as principal, the investor receives this Offering Memorandum, the investor completes and signs the Risk Acknowledgement Form 45-106F4 which accompanies the Subscription Agreement and delivers it to the Trust and: (i) in the case of an investor that is an individual but is not an “eligible investor”, he or she has not exceeded the investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months after taking into account his or her investment in Units pursuant to the Subscription Agreement; or (ii) in the case of an investor that is an individual and fits within one of the categories of “eligible investor” (see paragraph below), he or she has not exceeded the investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months after taking into account his or her investment in Units pursuant to the Subscription Agreement; or (iii) in the case of an investor that is an individual and fits within one of the categories of “eligible investor” and that received advice from a portfolio manager, investment dealer or exempt market dealer that his or her investment in Units pursuant to the Subscription Agreement is suitable, he or she has not exceeded the investment limit of \$100,000 in all offering memorandum exemption investments in Units pursuant to the Subscription Agreement. The investment limits above do not apply to investors that are not individuals, whether eligible or non-eligible, accredited investors or a person described in subsection 2.5(1) of NI 45-106.

An “eligible investor” is defined in National Instrument 45-106 and is essentially an investor that meets certain minimum income or wealth criteria and can include individuals, corporations, trusts, investment funds and other types of legal entities. For example, for an individual person to qualify as an “eligible investor” they must generally meet one of the following criteria (i) annual net income of at least \$75,000 for the last two years (or \$125,000 if combined with their spouse); or (ii) net assets of at least \$400,000, either alone or combined with their spouse. The Subscription Agreement includes a more detailed description of “eligible investor” and requires the investor relying on this categorization to certify that they meet at least one of the “eligible investor” criteria.

**Each Subscriber is urged to consult with his own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing securities pursuant to such exemption.**

### **5.1.1 The Trust**

The rights and obligations of the Unitholders are governed by the Trust Agreement. The following is a summary of certain material provisions of the Trust Agreement. This summary does not purport to be complete and reference should be to the Trust Agreement itself, a copy of which is available from the Trust. Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the Trust Agreement.

#### ***Units***

The beneficial interests in the Trust are represented by a single class of units described and designated as Class 1 Units. Class 1 Units are divided into interests of three series, described and designated as Class 1 Units (Series A-1) and Class 1 Units (Series R-1).

The Trust ceased distributing Class 1 Units (Series H-1) as of February 1, 2022.

The Class 1 Units (Series R-1) are designed for investors wishing to make investments through a registered plan. The Class 1 Units (Series A-1) are designed for all other investors that qualify to invest in the Trust.

Each series will be entitled to a targeted distribution yield of 7% calculated based on the current Net Asset Value per Unit.

The Net Asset Value per Unit for each series of Unit, is deemed to be \$10.00 USD for the Class 1 Units (Series A-1) and Class 1 Units (Series R-1) (net of the pro rata share of the fees and expenses of the Offering attributable to the Class 1 Units (Series A-1) and Class 1 Units (Series R-1), as applicable) until the First Valuation Date and thereafter the net asset value per Unit for each series of Unit determined by the Canadian Manager no less frequently than quarterly based on the IFRS balance sheet carrying values plus certain adjustments factors (the “**Adjustment Factors**”).

The Adjustment Factors include, but are not limited to:

- a) portfolio premiums, if any; plus
- b) capitalization of certain capital 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; plus
- c) portfolio inter-quarter timing adjustments, if any; less
- d) discretionary adjustments, if any.

“Portfolio premium” means an adjustment to IFRS valuations to account for the difference that buyers may pay for a portfolio of properties over individual component properties considered on their own. The IFRS valuation approach evaluates each Property on a standalone basis, without considering the value of economies of scale, clustering advantages, the time, expense and difficulty of assembling a portfolio and the attractiveness of a portfolio to potential buyers.

The calculation of the Net Asset Value involves critical estimates, assumptions, and judgements as part of the process. The Net Asset Value is currently determined as per the above methodology and approved on a quarterly basis by the Canadian Manager for posting to the website of the Trust and for use in, but not limited to processing redemptions, new subscriptions, financial statements of the Trust and account statements for Unitholders.

Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to the proportionate entitlement of the holders of Class 1 Units (Series A-1) and Class 1 Units (Series R-1) to participate in distributions made by the Trust including distributions of net realized capital gains or income, if any, and to receive proceeds on a redemption of Units and/or upon termination of the Trust, based on the Proportionate Class 1 Units (Series A-1) Interest and Proportionate Class 1 Units (Series R-1) Interest respectively.

No certificates will be issued for any Units that are issued. Outstanding Units may be subdivided or consolidated on such basis and at such time(s) as the Canadian Manager in its discretion may determine. Fractions of Units of a class of the Trust may be issued. None of the Units will be listed on a stock exchange. The rights of Unitholders are contained in the Trust Agreement. Each Unitholder is entitled to one vote per Unit held and votes of Unitholders will be conducted with holders of Class 1 Units (Series A-1) and Class 1 Units (Series R-1) voting together as a single class.

On the redemption of Units, the Trust may in its sole discretion, designate payable to redeeming Unitholders, the

Unitholder's proportionate share at the time of the redemption of any capital gains realized by the Trust in the taxation year in which the redemption occurred. In addition, the Trust may designate for the purposes of the Tax Act any capital gains realized by the Trust as a result of the redemption of Units (including any capital gains realized by the Trust on an *in specie* redemption of Units) as being paid to the redeeming Unitholders, with the result that the taxable portion of such gains generally may be deductible by the Trust. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder of the Units redeemed but, for greater certainty, will not reduce the amount paid to the redeeming Unitholder in connection with the redemption. On termination or liquidation of the Trust, the Unitholders of record are entitled to receive on a proportionate basis based on the Proportionate Class 1 Units (Series A-1) Interest and Proportionate Class 1 Units (Series R-1) Interest, respectively, all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses of the Trust.

### ***Restrictions on Ownership and Transfer of Units***

#### *Transfer of Units*

Units may not be transferred except in conformity with applicable securities laws relating to resale of securities and only if the prior written consent of the Canadian Manager has been obtained and the transfer is in accordance with the provisions of the Trust Agreement.

#### *Limitation on Non-Resident Ownership*

In order for the Trust to maintain its status as a "mutual fund trust" under the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents, except in limited circumstances. Among those circumstances are that all or substantially all of the mutual fund trust's property is not "taxable Canadian property", as defined by the Tax Act. Although it is not expected that the Trust will own "taxable Canadian property" initially, Non-Residents will not be permitted to be the beneficial owners of more than 49% of the Units (on a number of Units or fair market value basis) and the Canadian Manager will inform the transfer agent and registrar of this restriction. The Canadian Manager may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Canadian Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding (on a number of Units or fair market value basis) are, or may be, Non-Residents or that such a situation is imminent, the Canadian Manager shall inform the transfer agent and the transfer agent shall not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a Non-Resident.

If, notwithstanding the foregoing, the Canadian Manager determines that more than 49% of the Units (on a number of Units or fair market value basis) are held by Non-Residents, the Canadian Manager may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Canadian Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Canadian Manager with satisfactory evidence that they are not Non-Residents within such period, the Canadian Manager may, on behalf of such Unitholders sell such Units and, in the interim, suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Canadian Manager which is unpaid and owing to such Unitholders. The Canadian Manager will have no liability for the amount received provided that they act in good faith.

## ***Distributions***

Commencing on the Distribution Commencement Date, the Trust will target an annual distribution yield of 7% calculated based on the current Net Asset Value per Unit. The distribution per Unit and Net Asset Value per Unit will be the same for all Investors.

The Trust will aim to realize a projected 15-20% pre-tax investor internal rate of return on the Holding LP's investment in the Properties upon the occurrence of a liquidity event, although these figures will necessarily vary as between series of Units based on the proportionate entitlements of each series of Units. See "*Item 10 - Risk Factors*".

The Trust intends to declare distributions on a monthly basis.

Cash distributions equal to approximately 90% of Distributable Cash, with the balance being retained as the Trust's cash reserves, will be paid on the 30th of the month following the end of the quarter for DRIP Distributions and on the 30th of the month following the end of each month for Non-DRIP Distributions, with the first of these distributions payable upon the Distribution Commencement Date. However, Holding GP has the discretion to cause Holding LP to retain any part of the Distributable Cash at Holding LP for Holding LP to reinvest in an existing or prospective Property.

The Investment LP will elect to be classified as a corporation for U.S. federal income tax purposes. The Investment LP will be subject to applicable U.S. income and withholding taxes. The Investment LP will satisfy its U.S. tax liability, or make sufficient reserves for its applicable U.S. taxes, prior to making distributions to the Trust. The Trust will then distribute the Distributable Cash Flow to the Unitholders, based on the proportionate interest of the Net Subscription Proceeds attributable to each series of Units, as described below. A Canadian resident Unitholder (other than a Registered Plan) generally will be entitled to a credit in respect of the U.S. taxes paid by the Investment LP in computing its Canadian taxable income to the extent permitted by the detailed rules in the Tax Act. See "*Item 8 - Income Tax Consequences and Registered Plan Eligibility - Certain U.S. Federal Income Tax Considerations*", "*Item 10 - Risk Factors - Risk Factors Relating to Canadian Tax*" and "*Item 10 - Risk Factors - Risk Factors Relating to U.S. Tax*".

Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Trust, will be determined and declared in U.S. dollars; however, holders of Class 1 Units (Series A-1) and Class 1 Units (Series R-1) will receive their distributions in U.S. dollars.

**The amount of the distributions payable in respect of each series of Units will differ based on the proportionate interest of the Net Subscription Proceeds attributable to each series, determined as follows:**

(a) Class 1 Unit (Series A-1) distributions are equal to the Distributable Cash Flow multiplied by the Proportionate Class 1 Units (Series A-1) Interest divided by the total number of outstanding Class 1 Units (Series A-1); and

(b) Class 1 Unit (Series R-1) distributions are equal to the Distributable Cash Flow multiplied by the Proportionate Class 1 Units (Series R-1) Interest divided by the total number of outstanding Class 1 Units (Series R-1).

Investors will receive distributions from the Trust, as well as proceeds on a redemption of Units and/or upon termination of the Trust in U.S. dollars.

Investors, other than Investors holding their Units through a Registered Plan, who wish to receive distributions in Canadian dollars, instead of U.S. dollars, will be contacted by email by the Canadian Manager to confirm the conversion direction and will facilitate the Canadian dollar distribution through TD Bank Foreign Exchange Services.

The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to indirectly acquire interests in the Properties and the ongoing operations of the Properties, and will be subject to various factors including those referenced in the “*Item 10 - Risk Factors*” section of this Offering Memorandum. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions.

The Trust may designate for the purposes of the Tax Act capital gains realized by the Trust as a result of the redemption of Units (including any capital gains realized by the Trust on an *in specie* redemption of Units) as being paid to the redeeming Unitholders, with the result that the taxable portion of such gains generally may be deductible by the Trust. In addition, on the redemption of Units, the Trust may in its sole discretion, designate payable to redeeming Unitholders, the Unitholder’s proportionate share at the time of the redemption of any capital gains realized by the Trust in the taxation year in which the redemption occurred. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder of the Units redeemed but, for greater certainty, will not reduce the amount paid to the redeeming Unitholder in connection with the redemption.

Distributions payable to Unitholders pursuant to the Trust Agreement shall be deemed to be distributions of income of the Trust, net realized taxable capital gains of the Trust, foreign source income, Trust capital or other items in such amounts as the Canadian Manager, in its absolute discretion, determine and shall be so designated, where required, and allocated to the Unitholders in the same proportions as distributions received by the Unitholders, subject to the discretion of the Canadian Manager to adopt an allocation method which the Canadian Manager considers to be more reasonable in the circumstances. For greater certainty, any distribution of net realized capital gains of the Trust shall include the non-taxable portion of the capital gains of the Trust which are included in such distribution.

If, on a Distribution Payment Date, the Canadian Manager determines that the Trust does not have cash in an amount sufficient to pay the full amount of any distribution to be made on such Distribution Payment Date, or for any other reason cannot pay the distribution in cash, or the Canadian Manager otherwise elects in respect of any such distribution, the distribution payable to the Unitholders on such Distribution Payment Date will be distributed to Unitholders in the form of additional Units, or fractions of Units, having a value equal to the cash shortfall. Those additional Units will be issued under exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or an Offering Memorandum or similar filing.

If, for any taxation year of the Trust, after the regular distributions, there would remain in the Trust additional net income or net realized capital gains, the Trust will be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions for such year to Unitholders as is necessary to ensure that the Trust will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units and/or cash. Any special distributions payable in Units will increase the aggregate adjusted cost base of a Unitholder’s Units. Immediately after a proportionate pro rata distribution of such Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution.

Any distributions paid to Unitholders to date have been a return of capital.

### ***Distribution on Termination of the Trust***

On the termination of the Trust, the assets of the Trust shall be liquidated and the proceeds distributed in the

following order:

- (a) to pay the liabilities of the Trust and to establish reserves for the contingent liabilities of the Trust; and
- (b) to redeem the Units from Unitholders, on a proportionate basis based on the Proportionate Class 1 Units (Series A-1) Interest and Proportionate Class 1 Units (Series R-1) Interest, respectively.

Such distribution may be made in cash or in kind or partly in each, all as the Canadian Manager in its sole discretion may determine.

If, after a period of six (6) months from the date of termination of a Trust, any Unitholder cannot be located, such Unitholder's share of the Trust Property shall be deposited in a non-interest bearing account in a chartered bank or similar institution in Canada in the name of such Unitholder and the Trust, the Trustee, the Canadian Manager and any representative thereof (including any custodian or sub-custodian of assets of the Trust) shall thereupon be released from any and all further liability with respect to such property and thereafter the Unitholder shall have no rights as against the Trust, the Trustee, the Manager or any representative thereof (including any custodian or sub-custodian of the assets of the Trust) in respect of such property or an accounting therefor.

### ***Distribution Reinvestment Plan***

The Trust has implemented a distribution reinvestment plan (the "**Distribution Reinvestment Plan**" or "**DRIP**") which provides that, subject to obtaining any required regulatory approvals, all quarterly cash distributions made by the Trust shall, at the election of each Unitholder, be automatically reinvested in additional Units (of the applicable series) on each such Unitholder's behalf in accordance with the terms of such plan (as described below) and the reinvestment plan agency agreement entered into by the Trust, the Canadian Manager and SGGG Fund Services Inc. (the Trust's registrar and transfer agent acting as plan agent) (the "**Plan Agent**") to establish the Distribution Reinvestment Plan. Notwithstanding the foregoing, Unitholders who are Non-Residents will not be able to participate in the Distribution Reinvestment Plan and Unitholders who become Non-Residents will be required to terminate such Unitholders' participation in the Distribution Reinvestment Plan.

Distributions payable to participants in the Distribution Reinvestment Plan (the "**Plan Participants**") will be payable to the Plan Agent and applied to purchase Units of the applicable series. Distributions retained by the Trust pursuant to the Distribution Reinvestment Plan will be used for general working capital and/or acquisition purposes.

The Canadian Manager reserves the right to amend, modify, suspend or terminate the Distribution Reinvestment Plan at any time, but such actions shall have no retroactive effect that would prejudice a Plan Participant's interests. The Canadian Manager will provide reasonable written notice to participants of any modifications made to the Distribution Reinvestment Plan that, in the Canadian Manager's opinion, may materially prejudice Plan Participants. Reasonable written notice will also be provided of any suspension or termination of the Distribution Reinvestment Plan. Generally, no notice will be given to participants regarding any amendments to the Distribution Reinvestment Plan intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions.

Fractional Units may be purchased under the Distribution Reinvestment Plan. No certificates representing Units issued or purchased pursuant to the Distribution Reinvestment Plan will be issued. The Plan Agent's charges for administering the Distribution Reinvestment Plan will be paid by the Trust. The reinvestment of distributions under the Distribution Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions. See "*Item 8 - Income Tax Consequences and Registered Plan Eligibility*".

A Plan Participant may terminate his or her participation in the Distribution Reinvestment Plan at any time by

written notice to the Plan Agent through his or her dealer and thereafter distributions that become payable to such Plan Participant will be made in cash. The Canadian Manager may terminate the Distribution Reinvestment Plan upon not less than 30 days' notice to the Plan Participants.

### ***Meetings of Unitholders***

Annual meetings of Unitholders are not required. However, the Canadian Manager may, at any time, convene a meeting of the Unitholders and will be required to convene a meeting on receipt of a request in writing of Unitholders holding, in aggregate, 15% or more of the Units outstanding. A meeting of holders of a series of Units may be called by the Canadian Manager if the nature of the business to be transacted at the meeting is only relevant to the Unitholders of such series of Units. A meeting of holders of a series of Units shall be called by the Canadian Manager upon written request of the Unitholders of the series holding in the aggregate not less than 15% of the Units of the series then outstanding, which requisition must specify the purpose or purposes for which such meeting is to be called.

Any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval of Unitholders by Special Resolution, will require the approval of Unitholders by an Ordinary Resolution.

A quorum for a meeting convened to consider such a matter will consist of two or more Unitholders or any series of Unitholders present in person or by proxy and representing not less than 10% of the Units or series of Units, as the case may be. If a quorum is present at the opening of a meeting, the Unitholders may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. The chair of any meeting at which a quorum of Unitholders is present may, with the consent of the majority of the Unitholders present in person or by proxy, adjourn at such meeting and no notice of any such adjournment need be given. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Unitholders, shall be cancelled and, if otherwise called, shall stand adjourned to such day being not less than 10 days later and to such place and time as may be selected by the Canadian Manager. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Each Unitholder is entitled to one vote per Unit held and votes of Unitholders will be conducted with holders of Class 1 Units (Series A-1) and Class 1 Units (Series R-1) voting together as a single class. Notwithstanding the foregoing, if the Canadian Manager determines that the nature of the business to be transacted at a meeting affects Unitholders of one series of Units in a manner materially different from its effect on Unitholders of another series of Units, the Units of such affected series will be voted separately as a series.

### ***Resolution in Lieu of a Meeting***

A resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of Unitholders is as valid as if it had been passed at a meeting of Unitholders. A resolution in writing executed by Unitholders holding a proportion of the outstanding Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

### ***Termination of the Trust***

The Canadian Manager may at any time terminate and dissolve the Trust by giving written notice to each of the then Unitholders of its intention to terminate the Trust at least 90 days before the date on which the Trust is to be terminated.

Upon termination, the net assets of the Trust will be distributed to the holders of each series of Units on a proportionate basis based on the Proportionate Class 1 Units (Series A-1) Interest and Proportionate Class 1 Units (Series R-1) Interest, respectively. Prior to the termination date, the Canadian Manager will convert the assets of the Trust to cash. After payment of the liabilities of the Trust, the holder of each series of Units registered as such at the close of business on the date fixed as the termination date will be entitled to receive from the Trust the proportionate share of the value of the Trust attributable to such series of Units based on the Proportionate Class 1 Units (Series A-1) Interest and Proportionate Class 1 Units (Series R-1) Interest, respectively.

### ***Amendments to the Trust Agreement***

Any proposed change to the Trust Agreement, the Investment Objectives, or the Investment Strategy or any change to the terms applicable to classes or series of Units as set out in this Offering Memorandum, that would materially adversely affect the interest of the Unitholders of the Trust as a whole and/or of a class or series of the Trust, any appointment of a substitute Canadian Manager (other than an affiliate of the Canadian Manager) and any change to the fees payable by the Trust to the Canadian Manager, which could result in an increase in the aggregate fees payable by the Trust to the Canadian Manager in respect of one or more classes or series of Units outstanding at that time, may only take effect upon either:

- (a) the approval of not less than a majority of the votes cast at a meeting of Unitholders of that Trust or of the affected class or series, as the case may be, duly called for the purpose of considering the proposed change (or by written resolution); or
- (b) Unitholders affected by such change having been given not less than 60 days' written notice of the proposed change and the opportunity to redeem all of such Unitholder's Units prior to the effective date of the change (in such event the Canadian Manager shall be deemed to have waived, to the extent necessary, any redemption deductions for Units that are redeemed in the specified period).

### ***Information and Reports***

The Trust will furnish to Unitholders such financial statements (including annual financial statements) and other reports as are from time to time required by the Trust Agreement and by applicable law. In addition, on or before March 31 in each calendar year (or such other time as required by law), the Trust will forward to Unitholders who received distributions from the Trust in the prior taxation year, such information required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of such distributions.

### ***Redemption of Units***

A Unitholder is entitled, subject to the discussion under the headings "Notice Period" and "Suspension and Restriction of Redemptions" below, to redeem any Units of that class of the Trust held by the Unitholder on a Valuation Date at the Net Asset Value per Unit of that class of the Fund. Redemption orders specifying the class of Units of the Trust, and the number or dollar amount of the Units to be redeemed must be in writing. Redemption orders may be made to an EMD or in writing directly to the Canadian Manager (including via electronic transmission of a signed redemption request).

#### ***Notice Period***

Redemptions are permitted on a quarterly basis, on a Redemption Date which is the last Business Day of last month in each quarter or on such other days as the Canadian Manager may permit in its sole discretion.

Unitholders should send a written notice of redemption (the “**Redemption Notice**”) at least thirty (30) days prior to the applicable Redemption Date provided however that the Canadian Manager has the right to waive or abridge such notice period at its sole discretion. Any requests for redemption entered after such time will be processed on the next Valuation Date.

#### *Redemption Payments*

The Canadian Manager shall, generally within thirty (30) Business Days following the determination of the Net Asset Value per Unit for the applicable Redemption Date, distribute an amount equal to the Net Asset Value per Unit determined as of the relevant Redemption Date.

Any redemption order of a unitholder that has been deferred because of a suspension of redemptions of the Trust will be completed by the Canadian Manager at the Redemption Amount determined on the next Redemption Date, as applicable, following the termination of the suspension or such other date as the Canadian Manager may determine upon the conditions giving rise to such suspension having ceased to exist or no longer being applicable.

Subject to applicable laws and the conditions listed below, the Trust will redeem the Units specified in such Redemption Notice. The redemption price payable per Unit in respect of each series of Units will be equal to the Net Asset Value of the Trust based on the proportionate interest of the Net Subscription Proceeds attributable to each series, determined as follows:

- (i) the redemption price per Class 1 Unit (Series A-1) is equal to the Redemption Value of the Trust multiplied by the Proportionate Class 1 Units (Series A-1) Interest divided by the total number of outstanding Class 1 Units (Series A-1); and
- (iii) the redemption price per Class 1 Unit (Series R-1) is equal to the Redemption Value of the Trust multiplied by the Proportionate Class 1 Units (Series R-1) Interest divided by the total number of outstanding Class 1 Units (Series R-1).

Investors will receive distributions from the Trust, as well as proceeds on a redemption of Units and/or upon termination of the Trust in U.S. dollars.

#### *Payment in Cash*

The redemption price per Unit multiplied by the number of Units tendered for redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Units were tendered for redemption, provided that:

- (a) the total amount payable by the Trust by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed \$100,000 USD; and
- (b) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any 12-month period ending at the end of that calendar quarter will not exceed 1% of the aggregate Net Asset Value of the Trust at the start of such 12-month period.

See “*Item 10 - Risk Factors - Risks Related to Redemptions - Limitation on Payment of Redemption Price in Cash*”

#### *Payment in Specie*

If redemptions in excess of this cash limit occur, the Trust may satisfy the redemption of Units in excess of this

limit, by way of an *in specie* distribution of property of the Trust and/or unsecured subordinated notes of the Trust, at its option, as determined by the Manager in its sole discretion. Property distributed by the Trust on a redemption may be illiquid, generally will not be qualified investments for Registered Plans and may be prohibited investments for RRSP, RRIFs, TFSAs, FHSAs, RESPs and RDSPs. In those circumstances, adverse tax consequences generally may apply to a Unitholder, or a Registered Plan and/or its annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption.

See “*Item 10 - Risk Factors - Risks Related to Redemptions - Payment of Redemption Price in Kind*”.

#### *Suspension and Restriction of Redemptions*

For any period not exceeding one year during which the Canadian Manager determines that conditions exist which render impractical the sale of assets directly or indirectly held by the Trust or which impair the ability of the Canadian Manager to determine the value of the assets of the Trust, the Trust may suspend redemptions of its Units. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Canadian Manager of the suspension and that the redemption will be affected at the Redemption Amount determined on the next Redemption Date, as applicable, following the termination of the suspension or such other date as the Canadian Manager may determine upon the conditions giving rise to such suspension having ceased to exist or no longer being applicable. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the rules and regulations promulgated by any governmental body having jurisdiction over the Trust, any declaration of suspension made by the Canadian Manager shall be conclusive.

#### *Early Redemption Fee*

As per the terms set out in the Subscription Agreement the Canadian Manager reserves the right to charge at its sole discretion Early Redemption Fees where a Unitholder redeems Units within a specified time period that follows the purchase of these Units. The Early Redemption Fee shall decline to 0% over a period of holding these applicable Units. All Units issued pursuant to DRIP shall not be charged any Early Redemption Fee. The Early Redemption Fee may be modified or cancelled by the Canadian Manager at any time and is outlined in the following table for Units:

Year 1	6.00%
Year 2	5.50%
Year 3	5.00%
Year 4	4.00%
Year 5	3.00%
Year 6 and thereafter	0.00%

As a result of the Early Redemption Fee and at the discretion of the Canadian Manager, Units may be redeemable at a value of up to 100% of the Net Asset Value of the Trust if the Trust has sufficient cash available from the net

proceeds of any sale or liquidation of Properties.

### *General*

Units will be redeemed according to the order in which Redemption Notices are received. The Manager may from time to time impose such further conditions on the redemption of Units of the Trust, or of one or more series of Units of the Trust, provided that no such condition may cause the Trust not to be required to redeem Units of the Trust at the demand of the holder as contemplated by paragraph 108(2)(a) of the Tax Act.

In the discretion of the Manager, no Units may be redeemed at the option of a Unitholder of the Trust after a notice of termination is delivered (in accordance with the notice and delivery requirements herein) by the Manager to the Unitholder, including any requests for redemption made by a Unitholder since the last Valuation Date (immediately before the date of the notice of termination) and the date of delivery of the notice of termination.

### ***Powers and Responsibilities of the Trustee***

The Trustee, without any action or consent by the Unitholders, may exercise the following powers and authorities which may or may not be exercised by them in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) holding Trust Property in safekeeping; retaining moneys, securities, property, assets or investments; investing moneys from time to time forming part of the Trust Property (as such term is defined in the Trust Agreement);
- (c) ensuring that the Gross Subscription Proceeds are invested in Investment LP Units and Investment LP Notes net of any expenses incurred by the Trust;
- (d) borrowing money as necessary to pay distributions to Unitholders, and encumbering Trust Property in respect thereof;
- (e) paying properly incurred expenses out of Trust Property;
- (f) opening, operating and closing bank accounts and other similar credit, deposit and banking arrangements, to negotiate and signing banking and financing contracts and agreements and depositing monies from time to time forming part of the Trust Property in such accounts;
- (g) possessing and exercising rights, powers and privileges pertaining to ownership of or interest in Trust Property;
- (h) holding legal title to Trust Property;
- (i) reinvesting income and gains of the Trust and taking other actions besides the mere protection and preservation of the Trust Property;
- (j) appointing the auditors of and registrar and transfer agent for the Trust;
- (k) appointing the bankers of the Trust;

- (l) ensuring compliance with applicable securities legislation;
- (m) preparing and filing or causing to be prepared and filed all requisite returns, reports and filings;
- (n) monitoring the Trust's tax status as a "mutual fund trust" within the meaning of the Tax Act;
- (o) providing all requisite office accommodation and associated facilities;
- (p) providing or causing to be provided to the Trust all other administrative and other services and facilities required by the Trust;
- (q) maintaining or causing to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (r) prescribing any instrument provided for or contemplated by the Trust Agreement;
- (s) remitting distributions to Unitholders;
- (t) collecting, suing for and receiving all sums of money or other property or items that are believed due to the Trust and obtaining security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of all obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (u) possessing and exercising all the rights, powers and privileges pertaining to the ownership of all or any part of the Trust Property, including the Investment LP Units, to the same extent that any person might, unless otherwise limited herein;
- (v) where reasonably required, engaging, employing, contracting with or retaining on behalf of the Trust any persons as agents, representatives, employees or independent contractors in one or more capacities;
- (w) except as prohibited by law, delegating from time to time to the Trust's employees, consultants, agents and other persons including, without limitation, the Canadian Manager, the doing of such things and the exercise of such powers as the Trustee may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of the Trust Agreement;
- (x) issuing and redeeming Units pursuant to the terms and conditions of the Trust Agreement;
- (y) paying all taxes or assessments, of whatever kind or nature, and to settling or compromising disputed tax liabilities;
- (z) doing all such acts and things, and executing, delivering and performing the obligations of the Trust under all such agreements and instruments as are necessary to complete the Offering; and
- (aa) doing all such other acts and things and executing all such agreements and other instruments as are incidental to the foregoing, and exercising all powers that are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes or objectives for which the Trust is formed and to carry out the provisions of the Trust Agreement.

The Trustee is required to exercise their powers and discharge their duties honestly, in good faith and to exercise the degree of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances. The Trustee appoints the Canadian Manager to manage the business and affairs of the

Trust on such terms and conditions as the Trustee and the Canadian Manager shall determine, and as may be set forth more particularly in the Management Agreement. To the extent that the Trustee has delegated the performance of its rights, duties, powers, discretions, authorities, obligations and responsibilities under the Trust Agreement or under the Management Agreement to the Canadian Manager, the Trustee shall be deemed to have satisfied the standard of care set out above in respect of such rights, duties, powers, discretions, authorities, obligations and responsibilities.

The Trust Agreement provides that the Trustee may resign upon written notice to the Trust.

The Trust Agreement provides that the Trustee will be indemnified out of the Trust Property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee in consequence of its performance of its duties and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been a Trustee or officer of the Trust or such affiliated entity. However, any such party will not be indemnified in respect of unpaid taxes or other governmental charges that arise out of or as a result or in the course of a breach of the standard of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances. A Trustee, former Trustee, officer or former officer shall not be entitled to satisfy any right of indemnity or reimbursement except out of the Trust Property, and no Unitholder or other Trustee or officer shall be personally liable to any person with respect to any claim for such indemnity or reimbursement as aforesaid.

In addition, the Trust Agreement contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by them in the carrying out of their duties.

### ***Rights of Unitholders***

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Canadian Manager are limited to those contained in the Trust Agreement and, except as provided therein, no Unitholder shall be entitled to call for any partition or division of the Trust Property or for a distribution of any particular asset forming part of the Trust Property or of any particular monies or funds received by the Canadian Manager. The legal ownership of the Trust Property and the right to conduct the activities of the Trust are vested exclusively in the Trustee and/or the Canadian Manager, and no Unitholder has or is deemed to have any right of ownership in any of the Trust Property, except as specifically provided therein. Except as specifically provided in the Trust Agreement, no Unitholder shall be entitled to interfere with or give any direction to the Canadian Manager with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Canadian Manager under the Trust Agreement. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in the Trust Agreement.

The foregoing is a summary only of certain of the material provisions of the Trust Agreement. For a complete understanding of all of the provisions of the Trust Agreement, reference should be made to the Trust Agreement itself, a copy of which is available from the Trust.

### **5.1.2 The Investment LP**

The following is a summary only of certain of the material provisions of the Investment LP Agreement. For a complete understanding of all of the provisions of the Investment LP Agreement, reference should be made to the Investment LP Agreement itself, a copy of which will be available from the Investment GP. Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the Investment LP Agreement.

The rights and obligations of the Investment GP and the parties holding Investment LP Units will be governed by the limited partnership agreement establishing the Investment LP among the Investment GP, the Trust as the initial limited partner and all persons who subsequently become limited partners of the Investment LP holding Investment LP Units.

### ***Capital in the Investment LP***

The capital of the Investment LP will consist of an unlimited number of Investment LP Units, the interests held by the Investment GP as general partner, and Investment LP Notes. All of the Investment LP Units and the Investment LP Notes will be held by the Trust.

### ***Allocation of Net Income and Net Losses***

Net income and net losses of the Investment LP will be allocated (except for U.S. federal income tax purposes) among the Investment GP and the Trust on the following basis:

- (a) first, 0.01% of net income or net losses will be allocated to the Investment GP; and
- (b) second, the balance of net income or net losses will be allocated to the Trust.

### ***Cash Flow Distributions***

To the extent cash flow permits, the Investment LP will pay and distribute an amount equal to all cash flow from its investment in Holding LP Units in that year after payment of all current obligations of the Investment LP including accrued and unpaid interest on the Investment LP Notes. Cash flow will be distributed on a quarterly basis as follows:

- (a) 0.01% to the Investment GP; and
- (b) 99.99% to the Trust.

### ***Distributions upon Wind-up***

Upon the liquidation, dissolution or wind-up of the Investment LP, the assets of the Investment LP will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all expenses incurred in the winding-up of the Investment LP;
- (b) second, to pay all of the liabilities of the Investment LP, including the Investment LP Notes and any other loans or advances made by their respective limited partners and any amounts owing to the Investment GP in respect of costs and expenses owing to them;
- (c) third, to establish such reserves as the Investment GP consider necessary; and
- (d) fourth, 0.01% of the balance to the Investment GP and 99.99% of the balance to the Trust.

Alternatively, the limited partners holding Investment LP Units may approve by Special Resolution distributions of all assets of the Investment LP *in specie*, in which event the Investment GP and each limited partner holding Investment LP Units shall, subject to the provisions of the Investment LP Agreements, be entitled to receive an undivided interest in each and every asset of the Investment LP in accordance with such limited partner's

proportionate share as of the date of dissolution or sale.

### ***Additional Capital Contributions***

No limited partner of the Investment LP will be required to make additional capital contributions to the Investment LP over and above the purchase price paid for such limited partner's units.

### ***Management of the Investment LP***

The Investment GP shall have continuing exclusive authority over the management of the Investment LP, the conduct of its affairs, and the management and disposition of the property of the Investment LP, except for certain limited matters being subject to votes of the limited partners holding Investment LP Units. The Investment GP does not have any rights to vote.

### ***Removal of the Investment GP***

The Trust may remove the Investment GP for cause, if such cause is not remedied after reasonable notice from the Trust. In such case, the Trust will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the Investment LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to the Investment LP after the appointment of the new general partner.

### ***Voting***

Each Investment LP Unit will have attached to it the right to exercise one vote at meetings of the Investment LP. Certain powers, relating generally to the existence and fundamental powers of the Investment LP, will be specified in the Investment LP Agreement to be exercisable only by way of a Special Resolution passed by the limited partners holding Investment LP Units of that Investment LP.

## **5.1.3 The Holding LP**

The following is a summary only of certain of the material provisions of the Holding LP Agreement. For a complete understanding of all of the provisions of the Holding LP Agreement, reference should be made to the Holding LP Agreement itself, a copy of which will be available from Holding GP. Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the Holding LP Agreement.

The rights and obligations of Holding GP and the parties holding Holding LP Units will be governed by the limited partnership agreement establishing the Holding LP among Holding GP, the Investment LP as the initial limited partner and all persons who subsequently become limited partners of the Holding LP, including the U.S. Investors and U.K. Investors.

### ***Capital in the Holding LP***

The capital of the Holding LP will consist of a single class of Holding LP Units plus the interest held by Holding GP as general partner. Holding GP will cause the Holding LP to make rebalancing transactions from time to time to ensure that the Holding LP Units maintain a substantial economic equivalence with the Units.

### ***Cash Flow from Operations***

In each fiscal year of the Holding LP, the Holding LP will pay and distribute to the holders of Holding LP Units

an amount equal to all cash flow from operations of the Properties in that year after payment of all current obligations relating to the Properties, and after the creation of reasonable working capital and capital improvement reserves as determined by Holding GP. However, Holding GP has the discretion to cause Holding LP to retain any part of the Distributable Cash at Holding LP for Holding LP to reinvest in an existing or prospective Property. Cash flow arising from the ordinary course of operations of the Properties will be distributed as follows:

- (a) 0.01% to the Holding GP; and
- (b) 99.99% to the limited partners of the Holding LP, which will initially only be the Investment LP, but will eventually include all US Investors.

#### ***Unit Rights and Priorities to Net Sale Proceeds***

Issued and paid up Holding LP Units shall have priority over the Holding GP during the life of the Holding LP to Net Sale Proceeds received from Property LP, which shall be distributed to the Holding LP Unitholders *pro rata*, provided, however, that the Holding GP has the discretion to cause such amounts to be retained in Holding LP for the purpose of reinvesting in new or existing Properties. The Holding GP is not entitled to share in Net Sale Proceeds.

#### ***Unit Rights and priorities in the event of a Winding Up***

Issued and paid up Holding LP Units shall have priorities during the life of the Holding LP and in the event of a winding up or dissolution of the Holding LP, as follows:

- (a) Distribution of Net Sale Proceeds shall be as provided in “The Holding LP - Unit Rights and Priorities to Net Sale Proceeds” above.
- (b) The Holding GP will be entitled to receive allocations of income or loss in accordance with its Proportionate Share, up to a maximum of \$1.00 USD annually.

#### ***Allocation of Income and Losses***

For tax and accounting purposes, income, gain, deductions and losses for each fiscal year of the Holding LP will be allocated as follows:

- (i) The Holding GP will be entitled to receive in accordance with its Proportionate Share, up to a maximum of \$1.00 USD annually.
- (ii) Thereafter, in any year in which the Holding LP owns Property LP Units, the Holding GP shall calculate the net income for each Property LP and shall keep ongoing records of the aggregate net income pertaining to each Property LP and:
  - A. In any given year, the net income or loss from operations pertaining to each Property LP shall be allocated among the Holding LP Unitholders *pro rata*; and
  - B. In the year in which a Property is sold, the Net Sale Proceeds shall be distributed as follows:
    - i. The Holding GP is not entitled to share in Net Sale Proceeds.
    - ii. The Net Sale Proceeds will be distributed among the unitholders of the applicable Property LP, including to the Class A Units of such Property LP held by Holding LP, as

described below in Section 5.1.4.

- iii. The Holding LP Unitholders will be entitled to receive the distributions from Property LP pursuant to the immediately preceding clause ii, on a *pro rata* basis.

- (iii) Net Losses shall be distributed among the Holding LP on a *pro rata* basis.

#### ***Additional Capital Contributions***

No Holding LP Unitholder is required to make additional capital contributions to the Holding LP over and above the purchase price paid for such Holding LP Unitholder's Holding LP Units.

#### ***Distributions Upon Dissolution***

Upon the dissolution or wind-up of the Holding LP the assets of the Holding LP shall be liquidated and all proceeds thereof collected by the Holding GP shall be distributed according to the following order:

- (i) to pay all expenses incurred in the winding-up of the Holding LP;
- (ii) to creditors of the Holding LP, including repayment of any indebtedness owing to the Holding GP or the Holding LP Unitholders, in the order of priority as provided by law;
- (iii) the Holding GP shall set up any reserves that the Holding GP reasonably deems necessary for any contingent or unforeseen liabilities or obligations of the Holding LP;
- (iv) in the event that the dissolution takes place in a year in which there was a sale of Property and resulting Net Sale Proceeds, to the Holding LP Unitholders according to the priorities described in "The Holding LP - Unit Rights and Priorities to Net Sale Proceeds" above; and
- (v) to the Holding LP Unitholders according to the priorities described in in "The Holding LP - Unit Rights and priorities in the event of a Winding Up" above.

#### ***Management of the Holding LP***

Under the terms of the Holding LP Agreement, Holding GP is given full power and authority to manage, control, administer and operate the business of the Holding LP. Holding GP has unlimited liability for the debts, liabilities, losses and obligations of the Holding LP. A limited partner will not be liable for any debts, liabilities, losses and obligations of the Holding LP in excess of such limited partner's paid capital contributions and any unpaid capital contributions agreed to be paid in respect of such limited partner's Holding LP Units.

#### ***Removal of Holding GP***

The limited partners may remove Holding GP as general partner of the Holding LP and replace the Holding GP in circumstances where the Holding GP has committed an act of gross negligence, wilful misconduct, bad faith or dishonesty or is in material default of its obligations. In such case, the limited partners will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities, responsibilities and obligations under the Holding LP Agreement and indemnified for all actions, claims, causes, demands, losses, damages and expenses with respect to events which occur in relation to the Holding LP after the appointment of the new general partner. The removal and replacement of Holding GP will not dissolve the Holding LP, and the business of the Holding LP will be continued by a new general partner.

## ***Voting***

Holding LP Units will have voting rights proportionate to its partnership interests at meetings of the Holding LP.

## ***Subscription for Units of the Holding LP***

Certain U.S. Investors will purchase Holding LP Units via a private placement that will be exempt from the registration requirements of the *United States Securities Act of 1933*, as amended. Certain U.K. Investors will purchase Holding LP Units via a private placement that will be exempt from the registration requirements.

### **5.1.4 The Property LPs**

The following is a summary only of certain of the material provisions of each Property LP Agreement. For a complete understanding of all of the provisions of each Property LP Agreement, reference should be made to the Property LP Agreements themselves, a copy of which will be available from Holding GP. Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the Property LP Agreements.

The rights and obligations of Holding GP and the parties holding Property LP units will be governed by the applicable Property LP Agreement, among Holding GP, the Holding LP as the initial limited partner, 261 US Corp. as the founding limited partner and all persons who subsequently may become limited partners of the applicable Property LP, although none are currently contemplated.

Each Property LP is a limited partnership formed pursuant to and governed by the laws of the State of Delaware. The general partner of each Property LP is Holding GP, a limited liability company formed pursuant to and governed by the laws of the State of Delaware. All of the issued and outstanding shares of Holding GP are owned by 2612363 Ontario Limited.

## ***Capital in the Property LPs***

Initially, each Property LP Agreement is expected to provide for two types of limited partnership units, Class A Units issued to the Holding LP, and Class F Units issued to the Rae Ostrander Group or its designee 261 US Corp., as Founding Limited Partner of each Property LP. From time to time, other persons or entities may own Class A Units of the applicable Property LP, who may receive such units as part of the purchase price consideration for such Property. Under each Property LP Agreement of each Property LP, Holding LP will have the right to cause a conversion of the Property LP Class A Units into units of Holding LP with an equivalent value.

The Class A Units of each Property LP will entitle Holding LP to share in the net income and the net losses of such Property LP and receive corresponding distributions of net cash flow generated by the Property owned by such Property LP. The Class F Units of each Property LP will entitle the holder thereof to a profits interest in the Net Sale Proceeds of the Property as provided in each Property LP Agreement.

At any time on or after the fifth anniversary of the formation of the applicable Property LP or on the occurrence of a Refinancing, the Class F Interests are convertible at the discretion of the holder thereof into a pro rata portion of Class B Units in the applicable Property LP. Such Class B Units entitle the holder thereof to share in the distributions of net cash flow generated by the Property on a pro rata basis with the Class A Units, and participate in the split of Net Sale Proceeds and net refinancing proceeds alongside the Class F Units as described in the succeeding paragraphs. The Class F Units, together with the Class B Units they are convertible into, are known herein and in the applicable limited partnership agreement for each Property LP as “**Founder Units**”.

Each Property LP has the ability at any time to borrow against the Property for the purpose of converting equity into cash and pursuing a refinancing transaction, provided that, following such transaction, the applicable Property LP will hold equity of at least 20% of the appraised value of a Property (a “**Refinancing**”).

Upon a Refinancing, the holders of Class F Units at the Property LP level shall have the right to either (i) receive a cash distribution out of the net refinancing proceeds up to the aggregate amount of all amounts previously paid to the Class A Unitholders as income, plus an amount of up to one-half of the increase in equity of the Property that was the subject of the Refinancing; or (ii) convert any Class F Units into an equivalent number of Class B Units.

Upon a sale of the Property, Net Sale Proceeds will first be used to pay the Class A Unitholders of the applicable Property LP in an amount equal to the unrepaid capital contributions of each such Class A Unitholder. Next, the holders of the Founder Units will be entitled to receive a distribution in an amount equal to the aggregate amount of all amounts previously paid to the Class A Unitholders as income, less any distributions of net income paid to Class B Unitholders as net income and less any Refinancing proceeds paid to Class F Unitholders of the applicable Property LP (the “**Founder Payment**”). Finally, Net Sale Proceeds will be divided between the Class A Units and the Founder Units, on the basis of the number of Units in each class divided by the total number of Units in both classes. Because it is anticipated that the number of Class A Units and the number of Founder Units should be roughly equal, it is anticipated that the Net Sale Proceeds after repayment of capital contributions and the payment of the Founder Payment will be divided on a 50-50 basis between the Class A Units and the Founder Units of the applicable Property LP.

#### ***Fees paid by each Property LP***

The rights and obligations of the U.S. Manager and each Property LP will be governed by the applicable Property Management and Leasing Agreement between the U.S. Manager and each Property LP. Pursuant to each Property Management and Leasing Agreement between the U.S. Manager and each Property LP, in consideration for providing property management and asset management services in connection with the management of the Properties, each Property LP will pay the U.S. Manager a property management fee (the “**Property Management Fee**”) in the amount of 4.0% of the rents collected in respect of any Property, and an asset management fee (the “**Asset Management Fee**”) in the amount of 6.0% of the rents collected in respect of any Property, which fees will be payable to the U.S. Manager upon collection of such rents by, or on behalf of, each Property LP.

As well, pursuant to each Property Management and Leasing Agreement between the U.S. Manager and applicable Property LP, in consideration for providing project management services in connection with the project management of capital improvements to the Properties, each Property LP will pay the U.S. Manager a project management fee (the “**Project Improvement Management Fee**”), in the amount of 5.0% of the amount spent on the property improvement project, pursuant to each Property Management and Leasing Agreement.

Pursuant to each Property LP Agreement, the applicable Property LP will pay the Holding GP an acquisition fee (the “**Acquisition Fee**”), in an amount equal to 2.0% of the total purchase price of the Property (or interest in a Property), which purchase price or interest includes the purchase price, due diligence costs, closing costs and legal fees payable on closing of such acquisition, which may be assigned by the Holding GP to 261 US Corp., in consideration for providing acquisition, sourcing, underwriting, due diligence and other services in connection with the acquisition of the Property.

Pursuant to each Property LP Agreement, each Property LP will pay Holding GP an acquisition bonus (the “**Acquisition Bonus**”), in an amount, at the discretion of the Holding GP, computed as a percentage of the total purchase price of the Property (or interest in a Property) upon approval of not less than a majority of the Unitholders, which may be assigned by the Holding GP to 261 US Corp, or any other entity of Holding GP’s choosing, in consideration for successfully completing the acquisition of a Property.

Pursuant to each Property LP Agreement, the applicable Property LP will pay the Holding GP a liquidation fee (the “**Liquidation Fee**”), in an amount of 0.75% of the total sale price of the Property (or interest in a Property), which liquidation fee includes the sale price, closing costs and legal fees payable on the closing of such liquidation, which may be assigned by the Holding GP to 261 US Corp., in consideration of successfully completing the sale of a Property.

The Acquisition Fee, the Acquisition Bonus and the Liquidation Fee may be paid, at the option of the recipient thereof, in the form of Class A Units in the applicable Property LP.

As well, all current principal and interest payments under the Mortgage Loans will be payable by the applicable Property LP.

## **5.2 Subscription Procedure**

Subscribers who wish to purchase Units will be required to enter into a Subscription Agreement with the Trust by completing and delivering the Subscription Agreement and related documentation to the Trust. The Subscription Agreement contains, among other things, representations and warranties required to be made by the Subscriber that it is duly authorized to purchase the Units, that it is purchasing Units for investment and not with a view for resale, and as to its corporate status or other qualifications to purchase Units on a “private placement” basis. Reference is made to the Subscription Agreement and related documentation for the specific terms of these representations, warranties and conditions. Schedule L of the Subscription Agreement provides disclosure of any commissions, corporate finance fees, finder’s fees or referral fees and other compensation in connection with the distribution and sale of the Units to investors.

You may subscribe for Units by delivering the following documents at the address shown in the Subscription Agreement:

- completed and executed Subscription Agreement;
- a bank draft, wire or electronic transfer, certified cheque or payment in kind in the form of Holding LP Units, in the amount of the subscription price for the Units; and
- in the case of an investor that is relying on the offering memorandum exemption to purchase Units:
  - a. a completed and executed Form 45-106F4 - Risk Acknowledgement;
  - b. if required, a completed and executed Schedule 1 to Form 45-106F4;
  - c. if required, a completed and executed Schedule 2 to Form 45-106F4; and
  - d. if required, a completed and executed Certificate of Eligible Investor; or
- in the case of an investor that is relying on the accredited investor exemption to purchase Units, a completed and executed Certificate of Accredited Investor and, if required, a completed and executed Form 45-106F9 - Risk Acknowledgement for Individual Accredited Investors appended to the Certificate of Accredited Investor.

As at June 30, 2024 the Trust has 640,395 Class 1 Units (Series A-1) and 587,921 Class 1 Units (Series R-1) issued and outstanding (inclusive of shares issued under the Distribution Reinvestment Plan and net of redemptions). The last closing under this Offering Memorandum occurred on April 30, 2024. Thereafter, the

Trust completes closings from time to time as subscriptions are received at the discretion of the Canadian Manager. It is expected that all accepted subscriptions will be effective on the last business day of each month and settled within three business days.

**All subscription proceeds will be held in trust until midnight on the second business day after the day the Subscriber signs the applicable Subscription Agreement. If Subscribers provide the Trust with a cancellation notice prior to midnight of the second business day after the signing date, or the Trust does not accept a Subscriber's subscription, all subscription proceeds will be promptly returned to the Subscriber without interest or deduction.**

Proceeds received from Subscribers who purchase Units under this Offering will be held in trust and only released against delivery of the Units subscribed thereof. If this Offering is terminated prior to a closing, the proceeds under the Offering received from each Subscriber shall be returned to such Subscriber without interest or deduction.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part by the Trust; and the Trust reserves the right to close the subscription books at any time without notice. A subscription for Units hereunder is subject to acceptance of a Subscription Agreement by the Trust and compliance with applicable securities laws. The Subscription Agreement referred to herein contains representations and warranties of the Subscriber, which the Trust will be relying upon in order to determine the eligibility of the Subscriber.

We will collect, use and disclose your individual personal information in accordance with the Trust's privacy policy and will obtain your consent to such collection, use and disclosure from time to time as required by our policy and the law. A copy of our current privacy policy will be provided to you with your Subscription Agreement and your consent will be sought at that time.

**You should carefully review the terms of the Subscription Agreement provided herewith 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 respecting this investment. See "Item 10 - Risk Factors".**

### **5.2.1 Proceeds of Crime (Money Laundering) Legislation**

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Trust or the Canadian Manager may require additional information concerning investors. If, as a result of any information or other matter which comes to the Trust's or the Canadian Manager's attention, any director, officer or employee of the Trust or the Canadian Manager knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

## **ITEM 6 – REPURCHASE REQUESTS**

With respect to any securities of the Trust for which investors have a right to require the issuer to repurchase the securities, for each of the two most recently completed financial years, the Trust provides the following information:

Description of security	Date of end of	Number of securities	Number of securities	Number of securities	Average price paid	Source of funds used	Number of securities with
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	financial year	with outstanding repurchase requests on the first day of the year	for which investors made repurchase requests during the year	repurchased during the year	for the repurchased securities	to complete the repurchases	outstanding repurchase requests on the last day of the year
Class 1 Units (Series A-1)	December 31, 2022	0	29,500	29,500	\$10.00	Cash on hand	0
	December 31, 2023	0	10,000	10,000	\$10.00	Cash on hand	0
Class Units 1 (Series R-1)	December 31, 2022	0	6,855	6,855	\$10.00	Cash on hand	0
	December 31, 2023	0	0	0	\$10.00	Cash on hand	0

For the period after the Trust's most recently completed financial year and up to December 31, 2023, the Trust provides the following information:

Description of security	Beginning and end dates of the period	Number of securities with outstanding repurchase requests on the 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 repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the period
Class 1 Units (Series A-1)	January 1, 2024 to June 30, 2024	0	12,117	0	\$10.00	N/A	0
Class 1 Units (Series R-1)	January 1, 2024 to June 30, 2024	0	1,900	0	\$10.00	N/A	0

## ITEM 7 – CERTAIN DIVIDENDS OR DISTRIBUTIONS

In the two most recently completed financial years, and any subsequent interim period, where the Trust paid distributions that exceeded cash flow from operations, the source of those payments was return of capital.

## ITEM 8 - INCOME TAX CONSEQUENCES AND REGISTERED PLAN ELIGIBILITY

### 8.1 Certain Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Trust and holds the Units as capital property. The Units generally will be considered to be capital property to a Unitholder provided that the Unitholder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Units as capital property may be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have their Units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property. Unitholders who do not hold their Units as

capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a holder that has entered into a “derivative forward agreement”, as that term is defined in the Tax Act, with respect to its Units. Such holders should consult their own tax advisors. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Units under the Offering.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by it prior to the date hereof. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations which may differ significantly from the Canadian federal income tax considerations discussed herein. There can be no assurance that the Proposed Amendments will be enacted in the form publicly announced or at all.

This summary assumes that neither Units nor any other “investments” in the Trust, nor units or any other “investments” in either the Investment LP or the Holding LP (individually, a “**Partnership**” and collectively, the “**Partnerships**”), will be listed or traded at any time on a stock exchange or other public market, such that the Trust and Partnerships will not a “SIFT trust” or “SIFT partnerships”, as applicable, for purposes of the Tax Act. For these purposes, an “investment” would include an interest in or debt issued by the Partnership or the Trust as well as any right that may reasonably be considered to replicate a return on, or the value of, any such interest or debt. A stock exchange or other public market includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by the issuer. Units of the Trust and units of the Partnerships are not listed or traded on a stock exchange, and it is not anticipated that any such units will trade on a trading system or other organized facility on which securities are listed or traded. In the event that the Trust was a SIFT trust or a partnership was a SIFT partnership, the tax consequences described below may be materially and adversely different.

This summary does not address the potential application of Proposed Amendments with respect to “hybrid mismatch arrangements” or the “excessive interest and financing expenses limitation” regime. Such proposals could, depending on the circumstances, result in additional Canadian tax being payable by the Trust or increase the amount of taxable income allocated by the Trust to Unitholders.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor’s particular circumstances including the province or territory in which the investor resides or carries on business. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units, based on their particular circumstances.**

### *Currency Conversion*

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units must be expressed in Canadian dollars using the rate of exchange quoted by the Bank of Canada for the day on which the amount arose, or such other rate as is acceptable to the Minister of National Revenue (Canada). For purposes of the Tax Act, the amount of income and the amount of capital gains and capital losses realized by a Unitholder may be affected by currency fluctuations.

### ***Status of the Trust***

This summary assumes that the Trust will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act. To qualify as a mutual fund trust: (i) the Trust must be a Canadian resident “unit trust” for purposes of the Tax Act; (ii) the only undertaking of the Trust must be the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable); and (iii) the Trust must comply with certain minimum requirements respecting the ownership and dispersal of a particular class of its Units.

**If the Trust were not to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.**

### ***Taxation of the Trust***

The taxation year of the Trust is the calendar year. The Trust is subject to tax in each taxation year on its income for the year, including net realized taxable capital gains. The Trust is required to include in its income for each taxation year all interest on the Investment LP Notes that accrues to the Trust to the end of the year, or that becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. The Trust will also be required to include in computing its income its pro rata share of the income of the Investment LP, as more fully described below. Costs incurred in the issuance of Units generally may be deducted by the Trust on a five year, straight line basis. The Trust also will be entitled to deduct reasonable current administrative and other expenses that are incurred to earn income.

The Tax Act requires the Trust to compute its income or loss for a taxation year as though it were an individual resident in Canada. If the Trust has any income for a taxation year, taking into account, among other things, the inclusions and deductions outlined above, the existing provisions of the Tax Act permit the Trust to deduct all amounts which are paid or become payable by it to Unitholders in such year. An amount will be considered to be payable in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in the year to enforce payment of the amount. Where the Trust does not have sufficient cash to distribute such amounts in a particular taxation year, the Trust will make one or more distributions in the form of additional Units. Income of the Trust payable to Unitholders in the form of additional Units generally will be deductible to the Trust in computing its income. Pursuant to the Trust Agreement, the Trust will be required to make sufficient income, including net realized taxable capital gains of the Trust, payable to Unitholders for each taxation year so that the Trust is not liable to pay tax under Part I of the Tax Act for the taxation year, other than tax on net realized taxable capital gains that would be refunded to it with respect to such taxation year.

A distribution by the Trust of its property upon a redemption of Units will be treated as a disposition by the Trust of such property for proceeds of disposition equal to the fair market value thereof. The Trust will take the position that any gains and losses realized on the disposition of such property are capital gains and capital losses. Accordingly, the Trust will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In the event the Trust would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it would be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of 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 the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units on the disposition of such property. The Trust Agreement

provides that all or a portion of any capital gain or realized by the Trust in connection with such redemptions may, at the discretion of the Canadian Manager, be treated as capital gains paid to, and designated as capital gains of, the redeeming holder. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming holder and therefore, the redeeming holder's proceeds of disposition of the Units redeemed. The taxable portion of the capital gain so designated must be included in the income of the redeeming holder (as income or taxable capital gains) and will be deductible by the Trust in computing its income.

In computing its income, the Trust is required to include its share of the income of the Investment LP ending in the taxation year. The adjusted cost base of the Investment LP interest held by the Trust will be increased (or decreased) at a particular time by the Trust's share of the amount of income (or loss, other than losses the deductibility of which is denied under the "at-risk" rules described below) of the Investment LP for a fiscal year of the Investment LP ended before that time, and will be reduced by all distributions of cash or other property made by the Investment LP to the Trust before that time. If at the end of any fiscal year of the Investment LP, the adjusted cost base of the Investment LP interest held by the Trust would otherwise be less than zero, the Trust will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the Investment LP interest will be increased by the amount of such deemed capital gain.

### ***Taxation of the Partnerships***

The Partnerships generally are not subject to tax under the Tax Act. Each partner of the Partnerships is required to include in computing its income for a particular taxation year, the partner's share of the income or loss of the Partnership (subject, in the case of a loss, to the application of the "at risk" rules described below) for its fiscal year ending in, or coincidentally with, the partner's taxation year, whether or not any of that income is distributed to the partner in the year. For this purpose, the income or loss of the Partnerships will be computed for each fiscal year as if the Partnership were a separate person resident in Canada.

In computing the income or loss of the Partnerships, the Partnerships are entitled to deduct their reasonable administrative and other expenses incurred by them to earn income. The fiscal period of each of the Partnerships ends on December 31 of each year. The income or loss of the Partnerships for a fiscal period will be computed according to Canadian tax principles and allocated to the partners of the Partnerships in the manner set out in the limited partnership agreement of each Partnership, subject to the detailed rules in the Tax Act.

If a Partnership incurs a loss for tax purposes, a partner will be entitled to deduct in computing its income its share of such loss to the extent that the partner's investment is considered to be "at risk" within the meaning of the Tax Act. In general, the amount considered to be "at risk" for an investor in a limited partnership for any taxation year will be the adjusted cost base of the investor's partnership interest at the end of the year, plus any undistributed income allocated to the limited partner for the year and minus the amount of any guarantee or indemnity provided to a limited partner against the loss of the limited partner's investment.

### ***Taxation of Unitholders***

#### ***Trust Distributions***

A Unitholder generally will be required to include in computing its income for a particular taxation year of the Unitholder, the portion of the net income of the Trust, including net realized taxable capital gains, that is paid or payable to the Unitholder in that taxation year, whether or not those amounts are received in cash, additional Units or reinvested in additional Units (including pursuant to the Distribution Reinvestment Plan). Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Unitholder.

Provided that the appropriate designations are made by the Trust, such portion of its net taxable capital gains and

foreign source income, as the case may be, shall be treated as such in the hands of the Unitholder for purposes of the Tax Act. Foreign taxes paid by the Investment LP will be allocated to the Trust pursuant to its limited partnership agreement. Each Unitholder's share of the "business-income tax" and "non-business-income tax" paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

The Tax Act contains rules that address certain foreign tax credit generator transactions (the "**Foreign Tax Credit Generator Rules**"). Under the Foreign Tax Credit Generator Rules, the foreign "business income tax" or "non-business-income tax", each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner's share of the partnership's income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner's share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any Unitholder. If the Foreign Tax Credit Generator Rules apply, a Unitholder's foreign tax credits will be limited.

The non-taxable portion of any net realized capital gains of the Trust for a taxation year, the taxable portion of which was designated in respect of a Unitholder for such taxation year, that is paid or payable to the Unitholder in the year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Unitholder in a year generally should not be included in the Unitholder's income for the year. However, such an amount which becomes payable to a Unitholder will reduce the adjusted cost base of the Units held by such Unitholder, except to the extent that the amount either was included in the income of the Unitholder or was the Unitholder's share of the non-taxable portion of the net capital gains of the Trust, the taxable portion of which was designated by the Trust in respect of the Unitholder. To the extent that the adjusted cost base of a Unit otherwise would be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount and the holder's adjusted cost base of the Units will be increased by the amount of such deemed capital gain.

#### *Disposition of Units*

Upon the disposition or deemed disposition of Units by a Unitholder, whether on a redemption or otherwise, the Unitholder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any income or capital gains allocated and designated by the Trust to the Unitholder as described herein) are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Units immediately before such disposition and any reasonable costs of disposition.

The adjusted cost base to a holder of a Unit for tax purposes acquired pursuant to this Offering generally will include all amounts paid by the holder for the Unit, subject to certain adjustments. The cost of additional Units received as a distribution in the form of Units will be the amount of the distribution. For purposes of determining the adjusted cost base to a holder of Units of a particular series, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units of the same series owned by the holder as capital property.

Any additional Units acquired by a Unitholder on the reinvestment of distributions will generally have a cost equal to the amount reinvested. If a Unitholder participates in the Distribution Reinvestment Plan and the Unitholder acquires a Unit from the Trust at a price that is less than the then fair market value of the Unit, it is the administrative position of the CRA that the Unitholder must include the difference in income and that the cost of the Unit will be correspondingly increased.

A redemption of Units in consideration for cash or other assets of the Trust, as the case may be, will be a

disposition of such Units for proceeds of disposition equal to such cash or the fair market value of such other assets, as the case may be, less any income or capital gain realized by the Trust in connection with the redemption of those Units to the extent that such income or capital gain is designated by the Trust to the redeeming holder. Unitholders exercising the right of redemption will consequently realize a capital gain, or sustain a capital loss, depending upon whether such proceeds of disposition exceed, or are exceeded by, the adjusted cost base of the Units redeemed. Where capital gains realized by the Trust in connection with the distribution of property *in specie* on the redemption of Units has been designated by the Trust to a redeeming holder, the holder will be required to include in income the taxable portion of the capital gain so designated. The cost of any property distributed *in specie* by the Trust to a holder upon a redemption of Units will be equal to the fair market value of that property at the time of the distribution. The holder will thereafter be required to include in its income interest or other income derived from the property, in accordance with the provisions of the Tax Act.

In addition, on the redemption of Units, the Trust may in its sole discretion, designate payable to redeeming Unitholders the Unitholder's proportionate share at the time of the redemption of any capital gains realized by the Trust in the taxation year in which the redemption occurred. Any such allocation and designation will reduce the redemption price otherwise payable to the redeeming Unitholder and, therefore, the Unitholder's proceeds of disposition of the Units redeemed.

#### *Capital Gains and Losses*

One-half of any capital gain realized by a holder from a disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of the holder will be included in the holder's income under the Tax Act as a taxable capital gain. One-half of any capital loss (an "**allowable capital loss**") realized on the disposition of a Unit generally will be deducted against any taxable capital gains realized by the holder in the year of disposition, and any excess of allowable capital losses over taxable capital gains may be carried back to the three preceding taxation years or forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

#### *Alternative Minimum Tax*

A Unitholder may have an increased liability for alternative minimum tax as a result of capital gains realized on a disposition of Units and net income of the Trust, paid or payable, or deemed to be paid or payable, to the holder and that is designated as net taxable capital gains.

## **8.2 Certain U.S. Federal Income Tax Considerations**

The following is a summary of certain material U.S. federal income tax considerations applicable to the Trust, the Investment LP and the Holding LP (as it affects the Trust and the Investment LP). This summary does not address any U.S. federal tax considerations applicable to a Unitholder, U.S. alternative minimum tax, and state, local, non-U.S. and U.S. federal non-income tax matters, are not discussed herein. This summary does not constitute an opinion, nor will any rulings be sought from the IRS, with respect to any U.S. federal income tax issue. As a result, there can be no assurance that the IRS will not assert positions contrary to the U.S. federal income tax treatment described herein. U.S. federal income tax consequences that are different from those described in this summary, as a result of a successful challenge by the IRS, could negatively impact the cash available for distribution to the Unitholders and the value of the Units.

This summary does not address all possible U.S. federal income tax considerations applicable to the Trust, the Investment LP, or the Holding LP. This summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units.

**PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE UNITS.**

This discussion is based upon current provisions of the Code, existing and proposed Treasury Regulations thereunder, current administrative rulings, judicial decisions and the Convention Between the United States of America and Canada with Respect to Taxes on Income and on Capital (the “**U.S.-Canada Tax Treaty**”) in each case, as in effect and available on the date of this Offering Memorandum. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

***United States Federal Income Taxation of Foreign Corporations***

As described below, each of the Trust and Investment LP will make an election under applicable Treasury Regulations to be classified as a corporation for U.S. federal tax purposes, effective on the date of each entity’s formation. Consequently, each will be considered a “foreign corporation” for U.S. federal income tax purposes.

A foreign corporation engaged in a U.S. trade or business generally is subject to U.S. federal income tax on income that is “effectively connected” with such U.S. trade or business and, if an income tax treaty with the U.S. applies, is attributable to a permanent establishment maintained by the foreign corporation in the U.S. (“**ECI**”). A foreign corporation that is a partner in a partnership engaged in a U.S. trade or business will itself be deemed to be engaged in a U.S. trade or business (through a permanent establishment if the partnership itself has a place of business in the U.S.).

A foreign corporation is subject to a 30% U.S. withholding tax on certain types of U.S. source income which are not ECI, unless the foreign corporation otherwise establishes an exemption from, or a reduced rate of, withholding under an applicable income tax treaty. These types of income generally include passive income such as dividends, rents (that are not otherwise ECI), interest and royalties, and other “fixed or determinable annual or periodic” income (collectively referred to as “**FDAP**”). FDAP includes rental income derived from a triple net lease such as the leases intended to be entered into with respect to the Properties. Unless an exception applies, a foreign corporation will be subject to U.S. withholding tax on the gross amount of any FDAP income, and will not be entitled to deductions for any expenses to the extent allocable to FDAP income. However, under the Code, a foreign corporation may elect to treat such income as ECI, in which case the taxable income is computed after deductions. Investment LP intends to make such an election.

A foreign corporation will be subject to U.S. federal income tax on its taxable ECI at the regular U.S. federal corporate tax rate (currently 21%). A foreign corporation’s taxable ECI is computed by claiming allowable deductions that are attributable to its effectively connected gross income on a timely filed U.S. federal income tax return. A foreign corporation that derives ECI from a partnership engaged in a U.S. trade or business generally is subject to U.S. federal income tax withholding at the highest applicable rate of tax (currently 21%) under Code Section 1446 on the income and gains allocable to such foreign corporation as a partner in the partnership, and the foreign corporation is required to file a U.S. federal income tax return to report its allocable share of the partnership income, gains, deductions, losses and credits. Withheld tax is allowed as a credit in computing the foreign corporation’s U.S. tax liability on such return. Furthermore, a foreign corporation with ECI may also be subject to U.S. federal branch profits taxes, as discussed below under “- United States Federal Income Taxation of Investment LP” and “- Branch Taxes”.

A foreign corporation that owns “United States Real Property Interests” (“**USRPI**”), including an interest in a partnership that owns U.S. real property, is subject to U.S. federal income tax on gains arising on the sale of such real property or on the sale of such partnership interest, at the U.S. federal corporate tax rate (currently 21%).

Presently, there is no preferential U.S. federal capital gains tax rate for a foreign corporation on the gain derived on disposition of a USRPI (such as an interest in a partnership owning U.S. real property), or the gain allocated to such foreign corporation on the disposition of U.S. real property by the partnership. Withholding on gains from the disposition of a USRPI is required under Code Section 1445 (the “FIRPTA” rules), although if withholding is made under the Code Section 1446 rules applicable to income allocable to non-U.S. partners of a partnership engaged in a U.S. trade or business, the FIRPTA withholding rules generally will also be satisfied.

### ***United States Federal Income Taxation of the Trust***

As noted, the Trust will elect under applicable Treasury Regulations to be treated as a corporation for U.S. federal income tax purposes. The Trust does not intend to be engaged in a U.S. trade or business nor does it expect to be a direct member of a partnership or disregarded entity (as characterized for U.S. federal income tax purposes) that is engaged in a U.S. trade or business. Therefore, the Trust does not expect to have any ECI that would be subject to U.S. federal income tax.

While the Trust will have FDAP in the form of U.S. source interest income arising on the Investment LP Notes, the rate of U.S. withholding tax on such interest income is generally reduced to zero under the U.S.-Canada Tax Treaty. Thus, no U.S. federal income tax liability should arise for the Trust on such interest. See discussion below under “- United States Federal Income Taxation of Investment LP” and “- Branch Taxes”.

### ***United States Federal Income Taxation of Investment LP***

As noted above, Investment LP will elect under applicable Treasury Regulations to be treated as a corporation for U.S. federal income tax purposes effective on the date of formation. Holding LP, which is classified as a partnership for U.S. federal income tax purposes, will not itself be subject to U.S. federal income tax, but Investment LP, as a partner in Holding LP will be required to report its allocable share (whether or not distributed) of the income, gains, losses, deductions, and credits of Holding LP (and its allocable share from subsidiary limited partnerships of Holding LP), based on the partners’ allocable shares in Holding LP. Investment LP, because it is a partner in Holding LP, will have a permanent establishment in the U.S. and will be subject to U.S. federal income tax on any ECI of its own or that flows through to it as a partner of Holding LP. Thus, Investment LP will be subject to U.S. federal income taxation on its allocable share of rental income derived directly from Holding LP or indirectly through a subsidiary limited partnership, on a net basis (e.g., taking into account allowable deductions). Furthermore, the gain from a sale of any of the U.S. real properties owned (directly or indirectly through a subsidiary limited partnership) by Holding LP that is allocable to Investment LP, or a sale or other disposition by Investment LP of its limited partnership interest in Holding LP, will also be considered ECI with respect to Investment LP and subject to U.S. federal income taxation at the U.S. federal corporate tax rate (currently 21%). Income or gains of Holding LP allocable to Investment LP generally will be subject to U.S. withholding tax under Code Section 1446 at the corporate tax rate (currently 21%), which will also apply in lieu of any FIRPTA withholding requirements otherwise arising on disposition of a USRPI by Investment LP or Holding LP. Such U.S. withholding tax will be allowed as a credit against U.S. tax as shown on the Investment LP’s U.S. federal income tax return. See discussion above under “- United States Federal Income Taxation of Foreign Corporations”, above.

In computing Investment LP’s U.S. federal taxable income derived from ECI, certain deductions (subject to limitations) will be allowed, such as the “ordinary and necessary” business expenses of Holding LP (including interest expense on mortgages related to the Properties and reasonable manager fees), depreciation of the Properties (as computed under U.S. federal income tax rules) of Holding LP and the subsidiary limited partnerships, and interest expense with respect to the Investment LP Notes of Investment LP. See discussion below under “- Deductions”, below.

In addition to the U.S. federal income tax on taxable income which is ECI, Investment LP generally will be liable

for a 5% branch profits tax on its after-tax earnings attributable to ECI. See “- Branch Taxes”, below. The 5% rate under the U.S.-Canada Tax Treaty requires that more than 50% of the units be held by Canadian or U.S. tax residents. Moreover, any FDAP of Investment LP will be subject to U.S. withholding tax on a gross basis at 30%, or such lower rate of withholding tax as may be applicable under the U.S.-Canada Tax Treaty.

### ***Deductions***

In addition to the capital it will contribute to Investment LP, the Trust will loan funds to Investment LP in the form of the Investment LP Notes, to enable Investment LP to pay for its limited partnership interest in Holding LP. A number of U.S. federal income tax rules affect the treatment of the Investment LP Notes and the interest arising thereon.

The Trust and Investment LP intend to treat the Investment LP Notes as debt allocable to Investment LP’s interest in Holding LP for U.S. federal income tax purposes, and Investment LP intends to claim interest deductions to the maximum extent allowable in computing its U.S. federal taxable income (subject to the limitations discussed below) however neither the Trust nor Investment LP have obtained an opinion of counsel on this issue. The determination of whether the Investment LP Notes are debt or equity for U.S. federal income tax purposes is based on an analysis of the facts and circumstances. Generally, the IRS will not issue a ruling on whether an advance is to be treated as debt or equity. There is no clear definition of debt under the Code, and its characterization is governed by principles developed in case law, which analyzes numerous factors that are intended to identify the economic substance of the particular instrument. Although the Trust and Investment LP intend to treat the Investment LP Notes as debt for U.S. federal income tax purposes, the IRS could challenge this position. If such a challenge were successful, interest payments on the Investment LP Notes would be recharacterized as non-deductible and Investment LP’s taxable income which is ECI, and thus its U.S. federal income tax liability, would be significantly increased. Branch profits tax may also increase in such situation. As a result, Investment LP’s cash flow would be reduced, which would negatively impact the cash available for distribution to the Unitholders and the value of the Units.

Under new Code section 163(j), enacted by Public Law no. 115-97, (more commonly known as “The Tax Cuts and Jobs Act” or the “TCJA”), the deduction for U.S. federal income tax purposes of the interest paid by Investment LP its debt, including both the debt owing to the Trust and third party debt, potentially could be limited to 30% of such entity’s “adjusted taxable income”. However, for tax years beginning in 2019 and 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act increases the Section 163(j) limitation from 30% of adjusted taxable income to 50% of adjusted taxable income. Adjusted taxable income generally means earnings before net operating losses (NOLs), interest, taxes, depreciation, amortization or depletion for tax years 2018 through 2021, and before NOLs, interest and taxes thereafter (for the 2022 tax year and beyond). Any disallowed interest expense under these provisions generally may be carried forward to future years. Lengthy and complex U.S. proposed Treasury regulations were issued in late 2018 concerning these new interest deductibility rules. Elections, under Code section 163(j)(7)(B), will be made to treat the trade or business conducted by Investment LP its subsidiary entities as an “electing real property trade or business” and, therefore, exclude Investment LP and its subsidiary entities from the limitation on interest deductibility discussed above (in exchange for the exclusion a taxpayer that makes the election is required to use the less favorable alternative depreciation system in lieu of the general depreciation system). These elections generally apply to all future tax years, absent a change in such real property trade or business that would cause the election(s) to terminate. Because Investment LP and its subsidiary entities will only have business interest expense allocable to an electing real property trade or business, the Section 163(j) limitation on interest deductibility will not apply to interest expense incurred by Investment LP.

In addition, other limitations on the deductibility of interest under U.S. federal income tax laws could apply, potentially including, but not limited to, limitations (i) that require the interest to actually be paid in order for the interest to be deducted, regardless of Investment LP’s method of accounting, because Investment LP and the

Trust are “related parties”, (ii) if the IRS claims that the interest rate on the Investment LP Notes is in excess of an arm’s-length rate (in which case a portion of the interest could be recharacterized as a non-deductible distribution), (iii) if the Investment LP Notes are issued with “original issue discount” and (iv) if the Investment LP Notes are subject to the applicable high yield debt obligations rules.. In any such case, Investment LP’s taxable income (and thus its tax liability) could be increased. As a result, the amount of funds available for distribution to Unitholders could be reduced and the value of Units adversely affected.

Certain other changes under the TCJA may also, if applicable, affect the U.S. federal tax liability of Investment LP, although the extent to which that occurs is dependent on the factual situation of the entity, as well as how the TCJA is interpreted administratively and judicially in the future. For example, tax years beginning after 2017, there are new limitations on the use of NOLs, which allows for a deduction to the extent of 80% of taxable income in any given year (although unused NOLs can be carried forward indefinitely). However, under changes made by the CARES Act, NOLs arising in a tax year beginning after 2017 and before 2021 can be carried back to each of the five tax years preceding the tax year of the loss (unless the taxpayer elects to waive the carryback period), and the 80% limitation on NOL deductions does not apply for tax years beginning after 2017 and before 2021. In addition, new Code section 59A, known as “BEAT”, which is the acronym for “base erosion anti-abuse tax”, is designed to potentially limit the tax effectiveness of deductions for payments between U.S. corporations (or non-U.S. corporations with U.S. “effectively connected income” (such as Investment LP)) and non-U.S. related parties (such as the Trust) by imposing a minimum tax. The BEAT regime generally does not apply unless the payor corporation has average annual gross receipts for the 3-tax-year period ending with the preceding tax year that are at least \$500 million, so under current facts the BEAT regime is unlikely to apply to Investment LP. The TCJA also implemented a new set of rules in Code Section 267A disallowing interest deductions in a “hybrid” related party situation, and gave authority to the U.S. Treasury to issue regulations concerning these rules. Such regulations were issued in proposed form on December 28, 2018 and are quite broad and far-reaching. While the proposed regulations provide examples of their application under certain fact patterns, none is substantially similar to a situation like the related-party indebtedness between Investment LP and the Trust. While the proposed regulations do not appear to implicate interest payments between related entities in the current structure, final regulations or other IRS authority may reach a different result. If the hybrid rules of Code Section 267A were applicable to the debt arrangements between the Trust and Investment LP, then the interest paid by Investment LP on such debt would not be allowed as a deduction from income of those entities. If any of the aforementioned TCJA provisions were to apply to Investment LP, U.S. tax costs could increase, thus decreasing cash available for distribution to the Unitholders and the value of the Units.

### ***Branch Taxes***

Under the “branch profits tax” rules of Section 884 of the Code (as modified by and subject to the requirements of the U.S.-Canada Tax Treaty), Investment LP generally will be subject to an additional 5% tax on its effectively connected earnings and profits for the taxable year (subject to a cumulative exemption of \$500,000 USD), as adjusted for certain items. Reductions in the “U.S. net equity” of Investment LP in the U.S. trade or business conducted through Holding LP by, for example, Investment LP’s distributions to the Trust, may result in the imposition of the branch profits tax. If deductions for interest paid on the Investment LP Notes are denied or limited (as discussed above), Investment LP’s earnings and profits and its resulting liability for branch profits tax could increase substantially. If the branch profits tax were to apply, Investment LP’s after-tax cash flow would be reduced, thus negatively impacting the cash available for distribution to the Unitholders and the value of the Units.

Provided that the Investment LP Notes are respected as debt for U.S. federal income tax purposes (see “- United States Federal Income Taxation of Investment LP” and “- Deductions”), as long as at least 80% of the assets of Investment LP are U.S. assets (or such debt is properly reflected as a liability on books maintained with respect to Investment LP’s U.S. trade or business arising from its ownership of an interest in Holding LP), interest paid

on the Investment LP Notes will be “branch interest” under Code Section 884 and will be treated as U.S. source income paid by a U.S. corporation. Generally, such interest is FDAP of the Trust and subject to U.S. withholding tax, but under the U.S.-Canada Tax Treaty this U.S. withholding tax is generally reduced to zero.

Unitholders that receive Investment LP Notes on the redemption of Units by the Trust should consult their own tax advisers regarding the U.S. federal income tax rules applicable to interest paid on such Investment LP Notes, as well the U.S. federal, state, local, non-U.S. and other tax consequences to such Unitholders of the acquisition, ownership and disposition of the Investment LP Notes.

### **8.2.1 International Information Reporting**

U.S. Foreign Account Tax Compliance Act (“**FATCA**”) is a U.S. law that imposes certain reporting, information gathering and U.S. withholding tax obligations on non-U.S. “foreign financial entities” and “non-financial foreign entities” that may include the Trust, Investment LP, or other of their non-U.S. subsidiaries. The implementation of FATCA with respect to Canadian entities is governed by the Canada U.S. Intergovernmental Agreement, which was signed by the governments of the United States and Canada in early 2014, the Tax Act and a set of complex Treasury Regulations. The Trust may, in order to avoid adverse U.S. tax consequences imposed by FATCA, require Unitholders to provide certain tax and reporting information necessary for the Trust to comply with FATCA. There can also be adverse U.S. tax consequences under FATCA to persons who do not provide such information, such as a 30% withholding tax on Trust distributions to such persons. If penalties do apply under FATCA to the Trust or any of its subsidiary entities, cash available for distributions to the Unitholders could be reduced and the value of the Units adversely affected.

There are also due diligence and reporting obligations included in Part XIX of the Tax Act that implement the OECD Common Reporting Standard (the “**CRS**”) which provides for the implementation of the automatic exchange of tax information applicable to residents of certain countries other than Canada or the United States. Accordingly, certain Unitholders (individuals and certain entities) may be requested to provide information to the Fund or their registered dealer regarding their residency for tax purposes including their tax identification numbers (or such information relating to controlling persons in the case of certain entities). If a Unitholder (or a controlling person of a Unitholder in the case of certain entities) is tax resident in a foreign country (other than the U.S) or if a Unitholder does not provide the requested information, Part XIX of the Tax Act generally requires information about the Unitholder’s investment to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA is expected to provide that information to countries that have adopted the CRS.

### **8.3 Eligibility for Registered Plans**

Provided the Trust qualifies at all relevant times as a “mutual fund trust” within the meaning of the Tax Act, Units will be qualified investments for Registered Plans.

Notwithstanding the foregoing, the annuitant of an RRSP or RRIF, the holder of a TFSA, FHSA or RDSP, or the subscriber of an RESP will be subject to a penalty tax in respect of Units held by such Registered Plan if such Units are a “prohibited investment” for such Registered Plan for the purposes of the Tax Act. The Units will not be a “prohibited investment” for a Registered Plan unless the annuitant of the RRSP or RRIF, the holder of the TFSA, FHSA or RDSP, or the subscriber of the RESP, as applicable, (i) does not deal at arm’s length with the Trust for purposes of the Tax Act, or (ii) has a “significant interest”, as defined in the Tax Act, in the Trust. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Trust unless the holder, annuitant or subscriber, as the case may be, owns Units that have a fair market value of 10% or more of the fair market value of all Units, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm’s length. In addition, the Units of the Trust will not be a prohibited investment if such Units are “excluded property” as defined in the Tax Act for the Registered Plan.

**Prospective investors who intend to hold Units through a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

## **ITEM 9 - COMPENSATION PAID TO SELLERS AND FINDERS**

The decision to distribute the Units and the determination of the structure and pricing and other terms and conditions of the Offering have been and will continue being made by the Trust. The Trust may from time to time retain and engage registered agents, securities dealers and brokers and other eligible persons to sell Units in any province or territory of Canada or any other jurisdictions subject to compliance with all applicable laws. Any commissions, corporate finance fees, finder's fees or referral fees and other compensation in connection with the distribution and sale of the Units will be disclosed to investors prior to closing in the Subscription Agreement.

Where permitted by securities legislation of an offering jurisdiction, the Trust may pay: (a) a commission to any agent or sub-agent that is (i) an exempt market dealer registered under applicable securities laws in an offering jurisdiction; (ii) a member of the Investment Industry Regulatory Organization of Canada; or (iii) otherwise exempt from registration requirements under applicable securities laws in the offering jurisdictions; or (b) a referral fee to any finder who refers investors in such offering jurisdiction that results in a sale of Units under this Offering. The Trust may pay a commission in connection with the Offering of up to three percent (3%) of the value of the securities purchased in the Offering. Under no circumstances will a commission or referral fee be paid where prohibited by securities or other laws.

In addition, registrants and other eligible persons seeking investors for any of the Units may charge their clients additional fees or commission to purchase or sell such Units. Such registrants and other eligible persons may also be reimbursed by the Trust for reasonable expenses incurred in connection with the Offering.

## **ITEM 10 - RISK FACTORS**

**There are certain risks inherent in an investment in the Units and in the activities of the Trust, which investors should carefully consider before investing in the Units. The following is a summary only of the risk factors. Prospective investors should review the risks relating to an investment in the Units with their legal and financial advisors.**

**The Trust advises that prospective Subscribers should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Units in order to determine the appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.**

In addition to the factors set forth elsewhere in this Offering Memorandum, prospective Subscribers should consider the following risks before purchasing Units. Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on the Trust's business, and/or the return to the Subscribers.

### *This is a Blind Pool Offering*

This is a "blind pool" Offering. Although the Trust expects that the available net proceeds of the Offering will be applied to the purchase of interests in one or more Properties, the U.S. Manager has not identified any Properties for potential investment by the Holding LP. The Unitholders' return on their investments in the Units will vary depending on the return on investment achieved on the Properties that may be acquired with the net proceeds of the Offering.

As this is a “blind pool” Offering, initially, not all of the net proceeds from the Offering will be deployed by the Trust to indirectly acquire interests in Properties. Accordingly, the net proceeds from the Offering are not expected to have an immediate impact on Distributable Cash Flow and, accordingly, until such funds are deployed by the Trust to indirectly acquire interests in Properties, the annualized pre-tax distribution yield per Unit can be expected to be less than the Trust’s targeted annual pre-tax distribution yield of 7% calculated based on the current Net Asset Value per Unit. The identification and closing of the purchase of a Property may require a significant amount of time.

#### *Investment Risk*

While the Manager believes that the Trust’s Investment Strategy will be successful over the long-term, there can be no guarantee against losses resulting from an investment in Units of the Trust and there can be no assurance that the Trust’s investment approach will be successful or that its Investment Objective will be attained. All investments in securities and other financial instruments risk the loss of invested capital. The Trust may realize substantial losses, rather than gains, from some or all of the investments described herein. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Trust.

#### *Lack of Operating History*

Although the persons involved in the management of the Trust and the service providers to the Trust, as the case may be, have had experience in their respective fields of specialization, the Trust is a newly organized investment trust with no previous operating history upon which prospective investors can evaluate the Trust’s performance.

#### *No Market for Units*

There is no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this Offering Memorandum. This may affect the pricing of the Units in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. As at the date of this Offering Memorandum, the Trust does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., any other Canadian marketplace, a U.S. marketplace, or a marketplace outside Canada and the U.S. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

#### *Reliance on the Manager*

Prospective Purchasers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the Manager and its senior executives, Rae Ostrander and Paul Ostrander. In particular, prospective Purchasers will have to rely on the discretion and ability of the Manager and their principals in determining the composition of the portfolio of Properties, and in negotiating the pricing and other terms of the agreements leading to the acquisition of interests in Properties. The ability of the Manager to successfully implement the Trust’s Investment Strategy will depend in large part on the continued employment of Rae Ostrander and Paul Ostrander. Neither the Trust nor Manager maintains key person life insurance for any of these named individuals. While, the Trust has qualified appointees who would step in to lead the search committee for an appropriate replacement manager and/or facilitate the liquidation of the Trust’s assets, if the Manager loses the services of one or both of these individuals, the business, financial condition and results of operations of the Trust may be materially adversely affected.

### *Distributions may be Reduced or Suspended*

Although the Trust intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended. The ability of the Trust to pay Unitholders a targeted annual pre-tax distribution yield of 7% calculated based on the current Net Asset Value per Unit across all Unit series and the actual amount distributed or paid to Unitholders will vary as between series of Units based on the proportionate entitlements of each series of Units and will depend on the ability of the Trust to fully deploy the net proceeds of the Offering and the Mortgage Loans to indirectly acquire interests in the Properties and the manage ongoing operations of the Properties. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and their recovery by an investor is at risk and the anticipated return on investment is based upon many performance assumptions. It is important for Purchasers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the distributions to Unitholders.

### *Same Management Group for Various Rae Ostrander Group Entities*

Due to the fact that the Rae Ostrander Group manages other investment portfolios and realty investment vehicles in similar asset classes, there is a risk that conflicts may arise regarding the allocation of tenants amongst the various Rae Ostrander Group managed entities.

### *Relationship between the Trust and various Rae Ostrander Group managed entities*

There is a risk that conflicts may arise regarding the allocation of properties among the various Rae Ostrander Group managed entities. The following measures have been adopted in order to align the interests of the various Rae Ostrander Group and Unitholders: (i) all co-investments by the Trust in any Property in which a Rae Ostrander Group entity or any related party of the Trust has, or upon acquisition will have, any direct or indirect interest require the approval of the Canadian Manager; (ii) pursuant to the Trust Agreement, the Canadian Manager is required to act with a view to the best interests of the Trust and the Unitholders, and (iii) the Management Agreement requires that the Canadian Manager exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the Trust or the Investment LP, including exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

### *Leverage by the Trust*

The Trust may from time to time borrow under loans with Canadian and U.S. chartered banks and others. See "Item 4 - Capital Structure - Long-Term Debt". The Trust intends to borrow to the extent that the Canadian Manager is satisfied that such borrowing and additional investments will increase the overall profitability of the Trust. The obligations under such loans may be secured, and while the addition of leverage has the potential to enhance returns, it also involves additional risks. For example, due to the varying loan maturities and constant fluctuations in interest rates, there is no assurance that the interest received by the Trust on its mortgage investments will always exceed the interest the Trust pays on loans that it may have previously taken out to finance mortgage investments. Therefore, there can be no assurance that the leveraging employed by the Trust will enhance returns, and to the extent that secured lenders realize on their respective collateral, they will have right to receive distributions in priority to the Unitholders in addition to the right to seize mortgage assets pursuant to security agreements with the Trust.

### *Concentration Risk*

In following its investment strategy, the Trust will invest in multi-family residential assets in the U.S. Accordingly, the Trust will face more risks than if it were diversified broadly over numerous industries, countries or sectors and the Net Asset Value per Unit of a series of the Trust may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the value of the Units.

The Manager may take a concentrated position within the Trust's portfolio or concentrate investment holdings in specialized market sectors, geographies, asset class or in a limited number of Properties, including possibly only one Property. Overweighting investments in certain sectors, markets, geographies, asset classes or issuers involves risk that the Trust will suffer a loss because of an increase or decrease in the value of the Properties.

#### *Valuation of Properties and the Trust*

Appraisals of the Properties may involve uncertainties and judgmental determinations. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market and assumptions. Independent pricing information may not at times be available regarding certain of the Properties. To the extent that the value assigned by an appraiser to any such Property differs from the actual value, the value of the Trust may be understated or overstated, as the case may be.

The Manager is solely responsible for determining the Net Asset Value per Unit of a series of the Trust. These valuations may or may not rely on third party appraisals of the value of the Properties.

#### *Reliance on third parties*

In assessing the risk of an investment in the Trust, potential investors should be aware that they will be relying on the good faith, experience and judgment of certain staff of the Manager. Should these staff be unable or unwilling to continue their employment with the Manager, this could have an adverse effect on the Trust's business, financial condition and results of its operations. The competition for such key qualified personnel is intense and there can be no assurance of success in attracting, retaining, or motivating such individuals. Failure in this regard would likely have a material adverse effect on the Trust's business, financial condition and results of operations which in turn may adversely affect the Trust's ability to perform its obligations and its ability to maintain distributions on the Units at a consistent and desirable level.

#### *Lack of Separate Legal Counsel*

Purchasers, as a group, have not been represented by separate counsel. Neither counsel for the Trust nor counsel for the Manager purports to have acted for the Investors or to have conducted any investigation or review on their behalf.

#### *COVID-19 and other Events*

Natural disasters, changes in climate, geo-political events, pandemics, and catastrophic events could materially adversely affect the Trust's financial performance. On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a pandemic. The COVID-19 pandemic and the measure attempting to contain and mitigate the effects of the virus (including travel bans and restrictions, quarantines, social distancing, shutdowns, and restrictions on business venues) have caused heightened uncertainty in the global economy. Many of the other risks described in the "Risk Factors" section may also be heightened.

COVID-19, as well as any future pandemic outbreaks, could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of

pandemic situations precludes any prediction as to the ultimate adverse impact of COVID-19 or any future pandemic outbreak. Nevertheless, COVID-19, and possible future pandemic diseases, present material uncertainty and risk with respect to economic and market conditions, corporate earnings or loan performance, and the ability of borrowers to service their debt, any of which could have an adverse impact on the performance and financial results of the Trust and the obligors of the Trust, and the value and the liquidity of the units of the Trust. Nevertheless, since the impact of COVID-19 is ongoing, the effect on the Trust may not be fully reflected in our results of operations until future periods.

Management has developed a business continuity plan and will continue to monitor and adjust its plan as the COVID-19 situation changes. Management has taken several proactive and precautionary measures to protect the health and safety of its operational staff, including the implementation of alternative working arrangements such as working-from-home as required.

### *Risks of Real Estate Investment and Ownership*

An investment in Units is an investment in U.S. real estate through the Trust's indirect interest in the Holding LP and the Properties, directly or indirectly, acquired by it. Investment in real estate is subject to numerous risks, including the factors listed below and other events and factors which are beyond the control of the Trust:

#### *Acquisition Risk*

The U.S. Manager intends to acquire interests in Properties selectively. The acquisition of interests in Properties entails risks that investments will fail to perform in accordance with expectations. In undertaking such acquisitions, the U.S. Manager 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 the Properties will not achieve anticipated occupancy levels and that estimates of the costs of improvements to bring an acquired Property up to standards established for the market position intended for that Property may prove inaccurate.

#### *General Real Estate Ownership Risks*

All real property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including 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. Distributable Cash will be adversely affected if a significant number of tenants of the Properties were to become unable to meet their obligations under their leases or if a significant amount of available space in the 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 Holding LP's investment may be incurred. The ability to rent unleased space in the Properties will be affected by many factors. Costs may be incurred in making improvements or repairs to Property 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, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a Property is producing any income. 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 Trust'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 Trust's investments or that

market conditions would prevent prompt disposition of assets. The Trust 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 Trusts may have early termination provisions which, if exercised, would reduce the average lease term.

#### *Financing Risks*

There is no assurance that the U.S. Manager will be able to obtain sufficient Mortgage Loans to finance the acquisition of interests in Properties, or, if available, that the U.S. Manager will be able to obtain Mortgage Loans on commercially acceptable terms. Further, there is no assurance or guarantee that any Mortgage Loans, if obtained, will be renewed when they mature or, if renewed, renewed on the same terms and conditions (including the rate of interest). In the absence of mortgage financing, the number of Properties which the Holding LP is able to purchase will decrease unless further funding is successfully sought and the return from the ownership of Properties (and ultimately the return on an investment in Units) will be reduced. Even if the U.S. Manager is successful in obtaining adequate Mortgage Loans, the U.S. Manager may not be able to generate sufficient funds through the operation of the Properties to service the Mortgage Loans. If a default occurs under any of the Mortgage Loans, one or more of the Lenders could exercise its rights including, without limitation, foreclosure or sale of the Properties.

#### *Interest Rate Fluctuations*

The Mortgage Loans may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Holding LP's cost of borrowing.

#### *Environmental Matters*

Under various environmental and ecological laws, the Holding LP and/or its subsidiaries could become liable for the costs of removal or remediation of certain hazardous or toxic substances that may be released on or in one or more of the Properties or disposed of at other locations. The failure to deal effectively with such substances may adversely affect the U.S. Manager's ability to sell such Property or to borrow using the Property as collateral, and could potentially also result in claims against the Holding LP by third parties.

#### *Uninsured Losses*

Holding GP will, under the terms of the Holding LP Agreement, 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 the Holding LP 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, the Trust could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such Properties.

#### *Reliance on Property Management*

Holding GP may rely upon independent management companies to perform property management functions in respect of each of the Properties. To the extent, Holding GP relies upon 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 U.S. Manager 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 U.S. Manager. 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.

### *Revenue Shortfalls*

Revenues from the Properties may not increase sufficiently to meet increases in operating expenses or debt service payments under the Mortgage Loans or to fund changes in the variable rates of interest charged in respect of such loans.

### *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 increase or decrease of these capitalization rates.

### *U.S. Market Factors*

The Properties will be located in the U.S. Concern about the stability of the markets generally and the strength of the economy may lead lenders to reduce or cease to provide funding to businesses and consumers, and force financial institutions to continue to take the necessary steps to restructure their business and capital structures. Weak economic conditions in the U.S. and the uncertainty over the duration of these conditions could have a negative impact on the retail industry. Recent improvements in demand trends globally may not continue, and the Trust's future financial results and growth could be harmed or constrained if the recovery stalls or conditions worsen.

### *Reliance on Assumptions*

The Trust's investment objectives and the Canadian Manager's strategy have been formulated based on the U.S. Manager's analysis and expectations regarding recent economic developments in the U.S., the future of U.S. real estate markets generally, and the U.S. to Canadian dollar exchange rate. Such analysis may be incorrect and such expectations may not be realized, in which case, Unitholders can expect the annualized pre-tax distribution yield per Unit to be less than 7% calculated based on the Investor's per Unit acquisition price.

### *Timing for Investment of Net Subscription Proceeds*

Although the Canadian Manager is targeting deployment of the net proceeds of the Offering within three months following the Closing Date, the time period for the full investment of the net proceeds of the Offering in Properties is not certain and may exceed nine months. The timing of such investment will depend, among other things, upon the identification of Properties meeting the criteria for acquisition. There is a risk that the U.S. Manager may not invest all proceeds of the Offering in Properties in a timely manner and may not be able to generate sufficient funds to pay the targeted annual distributions of 7% calculated based on the Investor's per Unit acquisition price.

### *Potential Conflicts of Interest*

The Canadian Manager will, from time to time, deal with parties with whom the Trust may be dealing, or may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. Pursuant to the Trust Agreement, all decisions to be made by the Canadian Manager which involve the Trust are required to be made in accordance with the Canadian Manager's duties and obligations to act honestly and in good faith with a view to the best interests of the Trust and its Unitholders. There can be no assurance that the provisions of the Trust Agreement will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of the Trust.

### ***Risks Related to Redemptions***

#### *Use of Available Cash*

The payment in cash by the Trust of the redemption price of Units will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.

#### *Limitation on Payment of Redemption Price in Cash*

The total cash amount available for the payment of the redemption price of Units by the Trust is limited to \$100,000 USD in each calendar quarter and is also limited in any 12-month period to 1% of the aggregate Net Asset Value of the Trust at the start of such 12-month period.

#### *Payment of Redemption Price in Kind*

The redemption of Units may be paid and satisfied by way of an *in specie* distribution of property of the Trust, and/or unsecured subordinated notes of the Trust, as determined by the Canadian Manager in its discretion, to the redeeming Unitholder. Such property may not be liquid and generally will not be a qualified investment for Registered Plans and may be a prohibited investment for RRSPs, RRIFs, TFSAs, FHSAs, RESPs and RDSPs. In such circumstances, adverse tax consequences generally may apply to a Unitholder, or Registered Plan and/or its annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units. Accordingly, investors that propose to invest in Units through Registered Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

#### *Restriction on Transfers*

Units may not be transferred except in conformity with applicable securities laws relating to resale of securities and only if the prior written consent of the Canadian Manager has been obtained and the transfer is in accordance with the provisions of the Trust Agreement.

#### *Limited Ability to Liquidate Investments*

There is no formal market for Units and one is not expected to develop. This offering of Units is not qualified by way of prospectus, and consequently the resale of Units is subject to restrictions under applicable securities legislation. In addition, Units may not be assigned, encumbered, pledged, hypothecated or otherwise transferred except with the prior written consent of the Canadian Manager, which may be withheld in the Canadian Manager's sole and absolute discretion. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of redemption of their Units as of any Valuation Date which redemption will be subject to the limitations described under "*Item 5 - Securities Offered – The Trust - Redemption*". There are circumstances

where the Trust may suspend redemptions. Unitholders may not be able to liquidate their investments in a timely manner. As a result, an investment in the Units is suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

## ***Risk Factors Relating to Canadian Tax***

### *Non-Resident Ownership*

The Trust intends to comply with the requirements under the Tax Act at all relevant times such that it maintains its status as a “unit trust” and a “mutual fund trust” for purposes of the Tax Act. Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents. However, the restrictions on Non-Resident ownership will not apply where all or substantially all of the mutual fund trust’s property is not “taxable Canadian property”, as defined in the Tax Act. Even though the Trust will not own any taxable Canadian property, Non-Residents may not be the beneficial owners of more than 49% of the Units. The Canadian Manager will also have various powers that can be used for the purpose of monitoring and controlling the extent of Non-Resident ownership of the Units. See “*Item 5 - Securities Offered - Terms of Securities – The Trust - Restrictions on Ownership and Transfer of Units - Limitations on Non-Resident Ownership*”.

The restrictions on the issuance of Units by the Trust to Non-Residents may negatively affect the Trust’s ability to raise financing for future acquisitions or operations. In addition, the Non-Resident ownership restrictions could negatively impact the liquidity of the Units and the market price at which Units can be sold.

### *Taxation of Trusts and Partnerships*

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting mutual fund trusts will not be changed in a manner that adversely affects Unitholders. In addition, the Tax Act requires the Trust to satisfy certain factual conditions in order for it to qualify as a mutual fund trust, including, among other things, that at least 150 beneficiaries of the Trust own not less than one block of units of any one class having an aggregate fair market value of not less than \$500. Should the Trust fail or cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “*Item 8 - Income Tax Consequences and Registered Plan Eligibility*” would be materially and adversely different in certain respects and the Units may cease to be qualified investments for Registered Plans.

The SIFT Rules apply to a trust that is a “SIFT trust” and a partnership that is a “SIFT partnership”, each as defined in the Tax Act. The SIFT Rules generally do not apply to trusts and partnerships, the interests in which are not listed or traded on a stock exchange or other public market. The Partnerships and the Trust intend to conduct their affairs in such a manner so as to ensure that the Trust is not a “SIFT trust” and neither Partnership is a “SIFT partnership”. However, there can be no assurance that the SIFT Rules or the administrative policies or assessing practices of the CRA will not be changed in a manner that adversely affects the Trust, the Partnerships and Unitholders.

Proposed Amendments with respect to “hybrid mismatch arrangements” and the “excessive interest and financing expenses limitation” regime could, depending on the circumstances, result in additional Canadian tax being payable by the Trust or increase the amount of taxable income allocated by the Trust to Unitholders.

### *Distribution of Additional Units*

Interest on the Investment LP Notes accrues at the Trust level for Canadian federal income tax purposes, whether or not actually paid. The Trust Agreement provides that a sufficient amount of the Trust's net income and net realized capital gains will be distributed each year to Unitholders in order to eliminate the Trust's liability for tax under Part I of the Tax Act. Where such amount of net income (including interest on the Investment LP Notes) and net realized capital gains of the Trust in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Units. Unitholders generally will be required to include such distributions in the form of Units in their taxable income, even in circumstances where they do not receive a cash distribution.

### *Foreign Taxes*

Foreign taxes paid by the Investment LP will be allocated pursuant to its limited partnership agreement. Each partner's share of the "business-income tax" and "non-business-income tax" paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act.

Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Under the Foreign Tax Credit Generator Rules, the foreign "business income tax" or "non-business-income tax", each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner's share of the partnership's income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner's share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any Unitholder. If the Foreign Tax Credit Generator Rules apply, a Unitholder's foreign tax credits will be limited.

### *Differences in Canadian and U.S. Tax Laws*

The Trust is required to compute its income as though it were an individual resident in Canada. The Trust is, therefore, subject to the provisions of the Tax Act which may differ materially from the applicable provisions of the Code. In addition, the effective tax rate under the Tax Act and the Code may differ, in which case Unitholders generally will be subject to the higher effective tax rate.

### *Dispositions of Real Property*

In the ordinary course and/or in connection with the termination of the Trust, the Trust may effect a sale of U.S. real property by disposing of securities of an underlying entity (such as the Holding LP or any of its subsidiary partnerships) or by disposing of the property directly. In these circumstances, the Investment LP's effective tax rate under the Code on such dispositions will be greater than the effective tax rate on capital gains under the Tax Act. In the event that a sale of real property is structured in this manner, the net cash available for distribution to Unitholders will be reduced.

### *Change of Law*

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the U.S. - Canada Tax Treaty, or the administrative and assessing practices and policies of the CRA will not be changed in a manner that adversely affects Unitholders. Any such change could result in tax being payable

by the Trust or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

### *Non-Residents of Canada*

The Tax Act may impose additional withholding or other taxes on distributions made by the Trust to Unitholders who are Non-Residents. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. In addition, this Offering Memorandum does not describe the tax consequences under the Tax Act to Non-Residents, which may be more adverse than the consequences to other Unitholders. Prospective Purchasers who are Non-Residents should consult their own tax advisors.

### *Foreign Currency*

For purposes of the Tax Act, the Trust generally is required to compute its Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada for the day on which such amount arose, or using such other rate of exchange as is acceptable to the Minister of National Revenue (Canada). As a result, the Trust may realize gains and losses for tax purposes by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

### *Loss Restriction Event*

Pursuant to rules in the Tax Act, if the Trust experiences a "loss restriction event" ("**LRE**") (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Trust's net income and net realized capital gains, if any, at such time to Unitholders so that the Trust is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the LRE rules generally applicable to a corporation that experiences 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 an LRE if a Unitholder of the Trust alone or together with affiliated persons or partnerships (or group of persons) acquires (or becomes a holder of) more than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Trust.

### ***Risk Factors Relating to U.S. Tax***

#### *Investment LP is subject to U.S. Federal Income Tax*

The Investment LP is subject to U.S. federal income tax as a "foreign" corporation engaged in a U.S. trade or business, and will have both ECI (and may have FDAP) which are U.S. source items subject to U.S. federal income tax law.

The Trust also will have U.S. source FDAP income from interest paid on the Investment LP Notes. The Investment LP hopes to benefit from certain deductions under U.S. federal income tax rules in order to reduce its overall tax burden, including but not limited to deduction of interest expense on the Investment LP Notes, but such deductions may be restricted depending upon a variety of factors, as discussed in "*Item 8 - Income Tax Consequences and Registered Plan Eligibility - Certain U.S. Federal Income Tax Considerations*". If the Investment LP's deductions were limited, the IRS were to successfully challenge a U.S. tax position the Investment LP were to take, the Trust or the Investment LP were to fail to qualify for benefits under the U.S.-Canada Tax Treaty, or U.S. tax laws or the U.S.-Canada Tax Treaty were to change (perhaps retroactively), U.S. federal income tax costs could increase, thus decreasing cash available for distribution to the Unitholders and the value of the Units.

### *Change of Law*

There can be no assurance that U.S. federal income tax laws, the terms of the U.S.-Canada Tax Treaty, and the IRS and Department of the Treasury administrative and legislative policies respecting the U.S. federal income tax consequences described herein will not be changed, possibly on a retroactive basis, in a manner that adversely affects Unitholders. In particular, any such change could increase the amount of U.S. federal income tax or withholding tax payable by the Trust or its subsidiaries, reducing the amount of distributions which the Trust would otherwise receive and thereby reducing the amount available to pay distributions to Unitholders and, potentially, the value of the Units.

## **ITEM 11 - REPORTING OBLIGATIONS**

### **11.1 Continuous Disclosure**

The Trust is not a reporting Trust under the *Securities Act* (Ontario) or applicable securities legislation in any other jurisdiction, and is not subject to continuous disclosure obligations under such legislation. Financial statements of the Trust will be reported on by its auditors on an annual basis and will be made available to Unitholders of the Trust in accordance with the provisions of the *Business Corporations Act* (Ontario) and other applicable laws as they may apply from time to time.

Certain corporate and securities information about the Trust is available at the Ontario Securities Commission website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

The Trust is also required to forward to holders of Units resident in Alberta, New Brunswick, Ontario, Saskatchewan and Nova Scotia that purchased Units under the offering memorandum exemption audited annual financial statements and disclosure regarding the use of the aggregate gross proceeds raised by the Trust under the offering memorandum exemption within 120 days following the end of each fiscal year of the Trust. The fiscal year of the Trust ends on the 31<sup>st</sup> day of December of each year. Furthermore, the Trust is required to provide notice to holders of Units resident in New Brunswick, Nova Scotia and Ontario that purchased Units under the offering memorandum exemption within ten (10) days of the occurrence of: (a) a discontinuation of the Trust's business; (b) a change in the Trust's industry; or (c) a change of control of the Trust.

As a matter of policy, the Trust has determined to make available to all holders of Units all reporting information mandated under the offering memorandum exemption in Ontario, even where such holders are resident or otherwise subject to the laws of jurisdiction outside Ontario or have subscribed under another Offering Memorandum exemption. A statement of each Unitholder's shareholdings will be made available to all holders of Units on a quarterly basis.

The Trust also intends to provide holders of Units with annual reports with information regarding their holdings in the Trust.

### **11.2 Audited Financial Statements and Auditors**

The audited financial statements of the Trust as at December 31, 2023 are included below under the heading "*Item 14 - Financial Statements*".

The auditors of the Trust are KPMG LLP of Toronto, Ontario.

## **ITEM 12 - RESALE RESTRICTIONS**

### **12.1 Restriction Period**

The Units will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the Offering Memorandum and registration requirements under securities legislation. Unless permitted under securities legislation, in all jurisdictions in Canada other than Manitoba, you cannot trade the Units before the date that is four months and a day after the date the Trust becomes a reporting Trust in any province or territory of Canada.

The Trust will not become a reporting Trust upon completion of this Offering and does not currently anticipate ever becoming a reporting Trust. **The resale restriction on the securities may therefore never expire.**

### **12.2 Manitoba Resales Restrictions**

Furthermore, unless permitted under securities legislation, in Manitoba, you must not trade the Units without the prior written consent of the regulator in Manitoba unless:

- (a) the Trust has filed an Offering Memorandum with the regulator in Manitoba with respect to the Units you have purchased and the regulator in Manitoba has issued a receipt for that Offering Memorandum, or
- (b) you have held the Units for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

**Purchasers should consult their legal advisors to determine the resale restrictions, availability of further exemptions or the possibility of obtaining a discretionary order.**

## **ITEM 13 - PURCHASERS' RIGHTS**

### **13.1 Statements Regarding Purchaser's Rights**

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

#### **13.1.1 Two Day Cancellation Right**

You can cancel your agreement to purchase Units. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy Units.

#### **13.1.2 Statutory Rights of Action in the Event of a Misrepresentation**

Generally, a "misrepresentation" is defined in the applicable securities legislation to mean 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. The meaning of misrepresentation may differ slightly depending on the law in your jurisdiction. In most jurisdictions, there are defenses available to the persons or companies that you may have a right to sue. In particular, in many jurisdictions, the person or

company that you sue will not be liable if you knew of the misrepresentation when you purchased the Units.

Subject to the more detailed disclosure below, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue (a) the Trust to cancel your agreement to buy these securities, or (b) for damages against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the Trust that you have a right to sue. In particular, the Trust has a defence if you knew of the misrepresentation when you purchased the Units.

If you intend to rely on the rights described in (a) or (b) of this section, you must do so within strict time limitations. You must commence your action to cancel the agreement within the time period provided by the securities legislation of the provinces and territories noted below. You must commence your action for damages within the time period provided by the securities legislation of the provinces and territories noted below.

While most of these rights are available if we make a misrepresentation in the Offering Memorandum or any amendment hereto, in some jurisdictions, you may have these rights in other circumstances including if the Trust fails to deliver the Offering Memorandum to you within the required time or if we make a misrepresentation in any advertisements or literature regarding Units.

**The following summaries are subject to any express provisions of the securities legislation of each jurisdiction where Units will be sold and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.**

**Investors should consult with their legal advisers to determine whether and the extent to which they may have a right of action or rescission in their province or territory of residence.**

For the purposes of this section, **misrepresentation** means:

- (a) an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect, on the market price or the value of Units of the Trust (a “**material fact**”); or
- (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A summary of the rights of action for damages or rescission in certain offering jurisdictions, which are subject to the securities legislation in such offering jurisdiction, are set forth below. Investors should refer to the applicable provisions of securities legislation for the full particulars of these rights or consult with their legal advisors. **The rights discussed below are in addition to and without derogation from any other rights or remedies available at law to a purchaser of Units of the Trust.**

### **Alberta**

A purchaser of Units of the Trust who is resident in Alberta and to whom this Offering Memorandum was delivered and who is relying on the Minimum Amount Exemption may rescind the contract to purchase such Units by sending written notice to the Trust not later than midnight on the second day, exclusive of Saturdays and holidays, after the purchaser signs the agreement to purchase the Units.

If this Offering Memorandum contains a misrepresentation when a purchaser resident in Alberta buys Units of the Trust, securities legislation in Alberta provides that every such purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the Trust and every person or company who signed this Offering Memorandum, but may elect (while still the owner of any of the Units of the Trust such purchaser purchased) to exercise a right of rescission against the Trust, in which case the purchaser shall have no right of action for damages, provided that:

- (a) neither the Trust nor anyone signing this Offering Memorandum will be liable if the Trust or such person or company proves that the purchaser purchased the Units of the Trust with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Trust nor anyone signing this Offering Memorandum will be liable for all or any portion of such damages if the Trust or such person or company proves that they do not represent the depreciation in value of the Units of the Trust as a result of the misrepresentation relied on; and
- (c) in no case will the amount recoverable under this right of action exceed the price at which the Units of the Trust were sold to the purchaser.

No person or company, other than the Trust, is liable:

- (a) if the person or company proves that this 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 Trust that it was sent without the knowledge and consent of the person or company;
- (b) if the person or company proves that the person or company, on becoming aware of the misrepresentation, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Trust of the withdrawal and the reason for it; or
- (c) with respect to any part of this 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 an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In Alberta, no action may be commenced to enforce such right of action described above unless the right is exercised:

- (a) in the case of action for rescission, no later than 180 days from the date the purchaser purchased the Units of the Trust; or
- (b) in the case of any action, other than an action for rescission, not later than the earlier of: (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three (3) years from the day the purchaser purchased the Units of the Trust.

### **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 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 Trust 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 Trustee, 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.

## **Manitoba**

Sections 141.1, 141.1.2, and 141.4 of *The Securities Act* (Manitoba) provide that if the Offering Memorandum delivered to a purchaser of Units resident in Manitoba contains a Misrepresentation and it was a Misrepresentation

at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against the Trust, every person performing a function or occupying a position with respect to the Trust which is similar to that of a director of a company, and every person or company that signed the Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Trust (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that among other limitations:

- (a) the Trust will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, the Trust will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
- (c) other than with respect to the Trust, no person or company is liable if the person or company proves:
  - (i) that this Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent; and
  - (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Trust that it was sent without the person's or company's knowledge and consent;
- (d) other than with respect to the Trust, no person or company is liable if the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Trust of the withdrawal and the reason for it;
- (e) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or 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 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 expert's report, opinion or statement; or
    - B. was not a fair copy of, or an extract from, the expert's report, opinion or statement;
- (f) other than with respect to the Trust, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:
  - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
  - (ii) believed there had been a Misrepresentation;
- (g) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser; and
- (h) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
  - (i) in the case of an action for rescission, 180 days after the date of purchase of the Units; or
  - (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and (B) two years after the date of purchase of the Units.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

- (a) this Offering Memorandum contains, proximate to that information,
  - (i) 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;
  - (ii) 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
- (b) the person or company 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 in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

### **New Brunswick**

Sections 150, 154.1, and 161 of the *Securities Act* (New Brunswick) provide that if the Offering Memorandum or amendment to the Offering Memorandum delivered to a purchaser of Units resident in New Brunswick contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against a Trust or selling security holder for damages or, alternatively, while still the owner of the purchased Units, for rescission, (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages) provided that:

- (a) no person will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in 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 Units as a result of the Misrepresentation relied upon;
- (c) in no case shall the amount recoverable exceed the price at which the Units were offered under the Offering Memorandum or amendment;
- (d) a Trust shall not be liable where it is not receiving any proceeds from the distribution of the Units being distributed and the Misrepresentation was not based on information provided by the Trust unless the Misrepresentation:
  - (i) was based on information that was previously publicly disclosed by the Trust;
  - (ii) was a Misrepresentation at the time of its previous public disclosure; and
  - (iii) was not subsequently publicly corrected or superseded by the Partnership before the completion of the distribution of the Units being distributed; and
- (e) no action may be commenced to enforce a right of action:
  - (i) for rescission, more than 180 days after the date of the purchase; or
  - (ii) for damages, more than the earlier of (A) one year after the purchaser first had knowledge of the Misrepresentation, and (B) six years after the date of the purchase.

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

- (a) the Offering Memorandum contains, proximate to that information,
  - (i) 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;

- (ii) 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
- (iii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

### **Newfoundland and Labrador**

Sections 130.1, 132, and 138 of the *Securities Act* (Newfoundland and Labrador) provide that if the Offering Memorandum delivered to a purchaser of Units resident in Newfoundland and Labrador contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against a Trust and every person performing a function or occupying a position with respect to the Trust which is similar to that of a director of a company, for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Trust (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that among other limitations:

- (a) where the person or company proves that the purchaser had knowledge of the Misrepresentation;
- (b) in an action for damages, the defendant will not be liable for all or any part of the damages that the Trust provides do not represent the depreciation in value of the Units as a result of the Misrepresentation;
- (c) other than with respect to the Trust, if the person or company 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 Trust of the withdrawal and the reason for it;
- (d) other than with respect to the Trust 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; and
- (e) other than with respect to the Trust, 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 an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (ii) believed there had been a misrepresentation;
- (f) other than with respect to the Trust, where the person or company 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 Trust that it was sent without the knowledge and consent of the person or company; and
- (g) the amount recoverable shall not exceed the price at which the securities were offered to the public;
- (h) no action may be commenced to enforce a right of action more than:
  - (i) in the case of an action for rescission, 180 days after the date of the purchase; or

- (ii) in the case of an action for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

- (a) this Offering Memorandum contains, proximate to that information,
  - (i) 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;
  - (ii) 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
- (b) the person or company 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 in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

### **Northwest Territories**

Sections 112 and 121 of the *Securities Act* (Northwest Territories) provide that if the Offering Memorandum delivered to a purchaser of Units resident in Northwest Territories contains a Misrepresentation, a purchaser who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against a Trust, the selling security holder on whose behalf the distribution is made, every person performing a function or occupying a position with respect to the Trust which is similar to that of a director of a company, and every person who signed the Offering Memorandum. In addition, such a purchaser also has a right of rescission against a Trust or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) a person will not be liable if the person proves that the purchaser purchased the Units with the knowledge of the Misrepresentation;
- (b) a person (other than the Partnership or selling security holder on whose behalf the distribution is made) will not be liable if:
  - (i) the Offering Memorandum was sent to the purchaser without the 's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Trust that it was sent without the knowledge and consent of that person or company;
  - (ii) the person, on becoming aware of the Misrepresentation in the Offering Memorandum, withdrew the person's consent to the Offering Memorandum and gave reasonable notice to a Trust of the withdrawal and the reason for it;
  - (iii) 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, statement or opinion of an expert, the person 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 report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;

- (iv) except a Trust and selling security holder, for any part of an Offering Memorandum that is 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, statement or opinion of an expert, unless the person:
  - A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
  - B. believed that there had been a Misrepresentation;
- (c) in an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the Misrepresentation;
- (d) a Trust and every person performing a function or occupying a position with respect to a Trust which is similar to that of a director of a company at the date of the Offering Memorandum who is not a selling security holder, is not liable if a Trust does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by a Trust, unless the Misrepresentation:
  - (i) was based on information previously publicly disclosed by a Trust;
  - (ii) was a Misrepresentation at the time of its previous public disclosure; and
  - (iii) was not subsequently publicly corrected or superseded by a Trust before completion of the distribution of the Units being distributed;
- (e) the amount recoverable by the purchaser in an action for damages must not exceed the price at which the Units purchased by the purchaser were offered; and
- (f) no action may be commenced to enforce a right of action more than:
  - (i) in the case of an action for rescission, 180 days after the date of the purchase; or
  - (ii) in the case of an action for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

In addition, no person will be liable with respect to a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the Offering Memorandum containing the forward-looking information contained, proximate to the forward-looking information,
  - (i) 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;
  - (ii) 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
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the Misrepresentation is deemed to be contained in the Offering Memorandum.

### **Nova Scotia**

Sections 138, 139A, and 146 of the *Securities Act* (Nova Scotia) provide that if the Offering Memorandum or any amendment delivered to a purchaser of Units resident in Nova Scotia contains a Misrepresentation, a purchaser resident in Nova Scotia to whom this Offering Memorandum has been sent or delivered and who purchases the Units is deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and the purchaser has a right of action for damages against the Trust, against every person acting in a capacity

with respect to the Trust which is similar to that of a director of a company, and every person or company that signed the Offering Memorandum or alternatively, may elect to exercise a right of rescission against the Trust (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that:

- (a) in an action for rescission or damages, a person will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) no person other than the Trust is liable if the person proves that:
  - (i) this Offering Memorandum or the amendment to this Offering Memorandum was sent or delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person's knowledge or consent;
  - (ii) after delivery of this Offering Memorandum or the amendment to this Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum, or amendment to this Offering Memorandum, the person withdrew the person's consent to this Offering Memorandum, or the amendment to this Offering Memorandum, and gave reasonable general notice of the withdrawal and the reason for it;
  - (iii) with respect to any part of the Offering Memorandum or amendment to the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum or amendment to 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; or
  - (iv) with respect to any part of this Offering Memorandum or amendment to 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
    - A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
    - B. believed that there had been a Misrepresentation;
- (c) in an action for damages, a person is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (d) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered; and
- (e) no action may be commenced to enforce a right of action more than 120 days:
  - (i) after the date on which payment was made for the Units; or
  - (ii) after the date on which the initial payment was made for Units where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

In addition, a person is not liable in an action for a Misrepresentation in forward-looking information if:

- (a) this Offering Memorandum contains, proximate to that information,

- (i) 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;
  - (ii) 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
- (b) 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 in, or deemed incorporated into, this Offering Memorandum or an amendment to this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum or an amendment to this Offering Memorandum.

### **Nunavut**

Sections 112 and 121 of the *Securities Act* (Nunavut) provide that if the Offering Memorandum delivered to a purchaser of Units resident in Nunavut contains a Misrepresentation, a purchaser who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against a Fund, the selling security holder on whose behalf the distribution is made, against every person acting in a capacity with respect to a Trust which is similar to that of a director of a company, and every person who signed the Offering Memorandum. In addition, such a purchaser also has a right of rescission against a Trust or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) a person will not be liable if the person proves that the purchaser purchased the Units with the knowledge of the Misrepresentation;
- (b) a person (other than a Trust or selling security holder on whose behalf the distribution is made) will not be liable if:
  - (i) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to a Trust that it was sent without the knowledge and consent of that person;
  - (ii) the person, on becoming aware of the Misrepresentation in the Offering Memorandum, withdrew the person's consent to the Offering Memorandum and gave reasonable notice to a Trust of the withdrawal and the reason for it; or
  - (iii) 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, statement or opinion of an expert, the person 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 report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
  - (iv) except for a Trust and selling security holder, for any part of an Offering Memorandum that is 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, statement or opinion of an expert, unless the person:
    - A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
    - B. believed that there had been a Misrepresentation;

- (c) a Fund, and every person performing a function or occupying a position with respect to a Trust which is similar to that of a director of a company at the date of the Offering Memorandum who is not a selling security holder, is not liable if a Trust does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by a Fund, unless the Misrepresentation:
  - (i) was based on information previously publicly disclosed by a Fund;
  - (ii) was a Misrepresentation at the time of its previous public disclosure; and
  - (iii) was not subsequently publicly corrected or superseded by a Trust before completion of the distribution of the Units being distributed;
- (d) in an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the Misrepresentation;
- (e) the amount recoverable by the purchaser in an action for damages must not exceed the price at which the Units purchased by the purchaser were offered; and
- (f) no action may be commenced to enforce a right of action more than the earlier of:
  - (i) in the case of an action for rescission, 180 days after the date of the purchase; or
  - (ii) in the case of an action for damages, (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (B) three years after the date of the purchase.

In addition, no person will be liable with respect to a Misrepresentation in in forward-looking information (excluding those made in financial statements) if:

- (a) the Offering Memorandum containing the forward-looking information contained, proximate to the forward-looking information,
  - (i) 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
  - (ii) 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
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the Misrepresentation is deemed to be contained in the Offering Memorandum.

## **Ontario**

A purchaser of Units of the Trust who is resident in Ontario and to whom this Offering Memorandum was delivered and who is relying on the Minimum Amount Exemption may rescind the contract to purchase such Units by sending written notice to the Trust not later than midnight on the second day, exclusive of Saturdays and holidays, after the purchaser signs the agreement to purchase the Units.

Sections 130.1 and 132.1 of the *Securities Act* (Ontario) provide that if the Offering Memorandum or amendment delivered to a purchaser of Units resident in Ontario contains a Misrepresentation, a purchaser who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Trust and a selling security holder on whose behalf the distribution is made or while still the owner of Units purchased by that purchaser, for rescission (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that:

- (a) no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, the defendant is not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation relied upon;
- (c) the Trust shall not be liable where it is not receiving any proceeds from the distribution of the Units being distributed and the Misrepresentation was not based on information provided by the Trust, unless the Misrepresentation,
  - (i) was based on information that was previously publicly disclosed by the Trust;
  - (ii) was a Misrepresentation at the time of its previous public disclosure; and
  - (iii) was not subsequently publicly corrected or superseded by the Trust prior to the completion of the distribution of the Units being distributed;
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were offered; and
- (e) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
  - (i) in the case of an action for rescission, 180 days after the date of purchase; or
  - (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and (B) three years after the date of purchase.

A person or company is not liable for a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the Offering Memorandum containing the forward-looking information contained, proximate to that information,
  - (i) 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
  - (ii) 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
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights referred to above do not apply in respect of the Offering Memorandum delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by board of that subsidiary.

### **Prince Edward Island**

Sections 112 and 121 of the *Securities Act* (Prince Edward Island) provide that if the Offering Memorandum contains a Misrepresentation, a purchaser resident in Prince Edward Island who purchased a security under this

Offering Memorandum will be deemed to have relied upon the Misrepresentation and will have a right of action against a Fund, the selling security holder on whose behalf the distribution is made, against every person acting in a capacity with respect to a Trust which is similar to that of a director of a company, and every person who signed the Offering Memorandum. In addition, such a purchaser also has a right of rescission against a Trust or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) no person will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) except a Trust or selling security holder, no person will be liable if it proves that
  - (i) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to a Trust that it had been sent without the knowledge and consent of the person;
  - (ii) the person, on becoming aware of the Misrepresentation in the Offering Memorandum, had withdrawn the person's consent to the Offering Memorandum and had given reasonable notice to a Trust of the withdrawal and the reason for it; or
  - (iii) 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, statement or opinion of an expert, the person 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 (1) did not fairly represent the report, statement or opinion of the expert, or (2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
- (c) except a Trust or selling security holder, no person or company will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person,
  - (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;
- (d) in an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the security resulting from the Misrepresentation;
- (e) an Partnership, and every person performing a function or occupying a position with respect to the Partnership which is similar to that of a director of a company at the date of the Offering Memorandum who is not a selling security holder, shall not be liable if a Trust does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by a Fund, unless the Misrepresentation
  - (i) was based on information that was previously publicly disclosed by a Fund;
  - (ii) was a Misrepresentation at the time of its previous public disclosure; and
  - (iii) was not subsequently publicly corrected or superseded by a Trust before completion of the distribution of the Units being distributed;
- (f) in no case shall the amount recoverable by a plaintiff exceed the price at which the Units purchased by the plaintiff were offered; and
- (g) no action shall be commenced to enforce a right of action more than:

- (i) for rescission, 180 days after the date of the purchase; or
- (ii) for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

A person is not liable for a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the Offering Memorandum containing the forward-looking information contained, proximate to that information,
  - (i) 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
  - (ii) 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
- (b) 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 in, or deemed to be incorporated into, an Offering Memorandum, the Misrepresentation is deemed to be contained in the Offering Memorandum.

### **Québec**

Notwithstanding that the *Securities Act* (Québec) does not provide, or require the Trust to provide, to purchasers resident in these jurisdictions any rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a Misrepresentation, the Trust hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

The contractual rights of action for rescission or damages granted to subscribers in Québec are in addition to and do not derogate from any other right that the subscriber may have at law.

### **Saskatchewan**

Sections 138 and 147 of the *Securities Act* (Saskatchewan) provide that where an Offering Memorandum, together with any amendment to the Offering Memorandum, sent or delivered to a purchaser resident in Saskatchewan contains a Misrepresentation, a purchaser who purchases a security covered by the Offering Memorandum or an amendment to the Offering Memorandum has, without regard to whether the purchaser relied on the Misrepresentation, 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 every person performing a function or occupying a position with respect to the Trust which is similar to that of a director of a company or the selling security holder, as the case may be, at the time the Offering Memorandum or the amendment to the Offering Memorandum 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 clauses (a) to (c), signed the Offering Memorandum or the amendment to the Offering Memorandum; and (e) every person who or company that sells Units on behalf of the Trust or selling security holder under the Offering Memorandum or amendment to the Offering Memorandum. In addition, such a purchaser also has a right of rescission against the Trust or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission and damages are subject to certain limitations including the following:

- (a) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;

- (b) except the Trust or selling security holder, no person or company is liable if the person or company proves that:
- (i) the Offering Memorandum or the amendment to the Offering Memorandum was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of its being sent or delivered, the person or company immediately gave reasonable general notice that it was so sent or delivered;
  - (ii) after the filing of the Offering Memorandum or the amendment to the Offering Memorandum and before the purchase of the Units 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;
  - (iii) with respect to any part of the Offering Memorandum or of the amendment to 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 had no reasonable grounds to believe and did not believe that:
    - A. there had been a Misrepresentation;
    - B. the part of the offering or of the amendment to the Offering Memorandum did not fairly represent the report, opinion or statement of the expert; or
    - C. the part of the Offering Memorandum or of the amendment to the Offering Memorandum was not a fair copy of or extract from the report, opinion or statement of the expert;
  - (iv) with respect to any part of the Offering Memorandum or of the amendment to the Offering Memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a Misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:
    - A. the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the Offering Memorandum or of the amendment to the Offering Memorandum fairly represented the person's or company's report, opinion or statement; or
    - B. on becoming aware that the part of the Offering Memorandum or of the amendment to the Offering Memorandum did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Commission and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the Offering Memorandum or of the amendment to the Offering Memorandum; or
  - (v) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true;
- (c) except for the Trust and selling security holder, no person or company will be liable for any part of the Offering Memorandum or the amendment to the Offering Memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert, unless the person or company:

- (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
  - (ii) believed there had been a Misrepresentation;
- (d) except for the Trust and selling security holder, no person or company will be liable for any part of the Offering Memorandum or the amendment to 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) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
  - (ii) believed there had been a Misrepresentation;
- (e) every person who or company that sells Units on behalf of the Trust or selling security holder under the Offering Memorandum or amendment to the Offering Memorandum is not liable if that person or company 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 to the offering memorandum;
- (f) 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 Units resulting from the Misrepresentation relied on;
- (g) in no case shall the amount recoverable exceed the price at which the Units were offered; and
- (h) no action shall be commenced to enforce a right of action more than:
- (i) for rescission, 180 days after the date of purchase; or
  - (ii) for damages, the earlier of: (A) one year after the purchaser first had knowledge of the Misrepresentation, or (B) six years after the date of the purchase.

A person or company is not liable for a Misrepresentation in forward-looking information in the Offering Memorandum or amendment if the person or company proves that:

- (a) with respect to the document containing the forward-looking information, proximate to that information there is contained:
  - (i) 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
  - (ii) 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
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

## **Yukon**

Sections 112 and 121 of the *Securities Act* (Yukon) provides that where the Offering Memorandum is delivered to a purchaser resident in the Yukon and it contains a Misrepresentation, a purchaser who purchases a security offered by the Offering Memorandum during the period of distribution is deemed to have relied on the Misrepresentation, and has a right of action for damages against a Fund, the selling security holder on whose behalf the distribution is made, every person performing a function or occupying a position with respect to a Trust which is similar to that of a director of a company at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. In addition, such a purchaser also has a right of rescission against a Trust or the selling security holder on whose behalf the distribution is made (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages). Such rights of rescission

and damages are subject to certain limitations including the following:

- (a) a person or company will not be liable if the person or company proves that the purchaser purchased the Units with the knowledge of the Misrepresentation;
- (b) except a Trust and selling security holder, a person or company will not be liable if:
  - (i) the Offering Memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to a Trust that it was sent without the knowledge and consent of that person or company;
  - (ii) the person or company, on becoming aware of the Misrepresentation in the Offering Memorandum, withdrew the person or company's consent to the Offering Memorandum and gave reasonable notice to a Trust of the withdrawal and the reason for it; or
  - (iii) 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, statement or opinion of an expert, the person 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 (1) did not fairly represent the report, statement or opinion of the expert (2) or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
- (c) for any part of an Offering Memorandum that is 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, statement or opinion 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;
- (d) a Fund, and every person performing a function or occupying a position with respect to the Trust which is similar to that of a director of a company at the date of the Offering Memorandum who is not a selling security holder, is not liable if the Trust does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Trust, unless the Misrepresentation
  - (i) was based on information that was previously publicly disclosed by the Trust;
  - (ii) was a Misrepresentation at the time of its previous public disclosure; and
  - (iii) was not subsequently publicly corrected or superseded by the Trust before completion of the distribution of the Units being distributed;
- (e) the amount recoverable by the purchaser in an action for damages must not exceed the price at which the Units purchased by the purchaser were offered;
- (f) in an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the Misrepresentation; and
- (g) no action shall be commenced to enforce a right of action more than:
  - (i) for rescission, 180 days after the date of purchase; or
  - (ii) for damages, the earlier of: (A) 180 days after the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of the purchase.

In addition, no person or company will be liable with respect to a Misrepresentation in forward-looking information (excluding those made in financial statements) if:

- (a) the Offering Memorandum containing the forward-looking information contained, proximate to the forward-looking information,
  - (i) 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
  - (ii) 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
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the Misrepresentation is deemed to be contained in the Offering Memorandum.

### **13.1.3 Contractual Rights of Action in the Event of a Misrepresentation**

If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Trust (a) to cancel your agreement to buy these securities, or (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Trust proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Trust has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

### **13.2 Cautionary Statement Regarding Report, Statements or Opinion by Expert**

No report, statement or opinion by a solicitor, auditor, accountant, engineer, appraiser, notary in Québec or other person or company whose profession or business could, to a reasonable person, be viewed as giving authority to a statement made by that person or company, is included or referenced in this Offering Memorandum.

**ITEM 14 - FINANCIAL STATEMENTS**

Consolidated Financial Statements  
(Expressed in U.S. dollars)

**GREEN THUMB REAL ESTATE INVESTMENT TRUST**

And Independent Auditor's Report thereon

Year ended December 31, 2023



**KPMG LLP**  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5 Canada  
Telephone 416 777 8500  
Fax 416 777 8818

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Green Thumb Real Estate Investment Trust

### ***Opinion***

We have audited the consolidated financial statements of Green Thumb Real Estate Investment Trust (the Entity), which comprise:

- the consolidated statement of net assets as at December 31, 2023
- the consolidated statement of loss and comprehensive loss for the year then ended
- the consolidated statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### ***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 Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 the 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 financial statements, 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants Toronto,

Canada

June 20, 2024

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

## Consolidated Statement of Net Assets

December 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 6,257,884	\$ 7,568,776
Subscriptions receivable	–	3,792
Prepaid and other assets (note 6)	810,728	–
Acquisition deposits (note 7)	1,045,388	–
	<b>\$ 8,114,000</b>	<b>\$ 7,572,568</b>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,813	\$ 84,574
Management fees payable	37,973	13,413
Due to related party (note 6)	79,990	30,220
Distributions payable	16,819	57,286
Due to the U.S. Manager (note 6)	–	559
	<b>153,595</b>	<b>186,052</b>
Net assets attributable to holders of redeemable units: Series A-1		
	2,652,669	2,962,798
Series R-1	3,577,361	3,225,428
Non-controlling interests (note 5)	1,730,375	1,198,290
	<b>7,960,405</b>	<b>7,386,516</b>
	<b>\$ 8,114,000</b>	<b>\$ 7,572,568</b>

Subsequent events (note 11)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Trust by the Canadian Manager:



Director

Director

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

## Consolidated Statement of Loss and Comprehensive Loss

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Other income:		
Foreign exchange gain	\$ —	\$ 3,129
Interest income	173,841	—
Redemption fees	151	—
	173,992	3,129
Corporate general and administration expenses: Administration fees	313,704	703,714
Management fees (note 6)	219,924	166,101
Legal fees	89,356	33,264
	622,984	903,079
Net loss and comprehensive loss	\$ (448,992)	\$ (899,950)
Net loss attributable:		
Holders of redeemable units of the Trust	\$ (428,625)	\$ (822,369)
Non-controlling interests (note 5)	(20,367)	(77,581)
	\$ (448,992)	\$ (899,950)

See accompanying notes to consolidated financial statements.

**GREEN THUMB REAL ESTATE INVESTMENT TRUST**

(Expressed in U.S. dollars)

Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Units Year

ended December 31, 2023, with comparative information for 2022

	Series A-1		Series R-1		Non-controlling interests		Total	
	Units	Amount	Units	Amount	Units	Amount	Unit	Amount
Balance, January 1, 2022	330,160	\$ 2,890,192	330,733	\$ 2,853,386	125,157	\$ 1,200,871	786,050	\$ 6,944,449
Issuance of redeemable units	89,079	890,792	92,579	925,780	7,500	75,000	189,158	1,891,572
Redemptions of redeemable units	(29,500)	(295,000)	(6,855)	(68,550)	–	–	(36,355)	(363,550)
Net loss and comprehensive loss	–	(405,152)	–	(417,217)	–	(77,581)	–	(899,950)
Distributions to holders of redeemable units (note 4)	–	(255,687)	–	(235,985)	–	(91,533)	–	(583,205)
Reinvestment of distributions to holders of redeemable units	13,765	137,653	16,801	168,014	9,154	91,533	39,720	397,200
<b>Balance, December 31, 2022</b>	<b>403,504</b>	<b>2,962,798</b>	<b>433,258</b>	<b>3,225,428</b>	<b>141,811</b>	<b>1,198,290</b>	<b>978,573</b>	<b>7,386,516</b>
Issuance of redeemable units	8,637	86,366	62,755	627,548	55,245	552,452	126,637	1,266,366
Redemptions of redeemable units	(10,000)	(100,000)	–	–	–	–	(10,000)	(100,000)
Net loss and comprehensive loss	–	(188,976)	–	(239,649)	–	(20,367)	–	(448,992)
Distributions to holders of redeemable units (note 4)	–	(290,695)	–	(350,376)	–	(125,325)	–	(766,396)
Reinvestment of distributions to holders of redeemable units	18,317	183,176	31,441	314,410	12,533	125,325	62,291	622,911
<b>Balance, December 31, 2023</b>	<b>420,458</b>	<b>\$ 2,652,669</b>	<b>527,454</b>	<b>\$ 3,577,361</b>	<b>209,589</b>	<b>\$ 1,730,375</b>	<b>1,157,501</b>	<b>\$ 7,960,405</b>

See accompanying notes to consolidated financial statements.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

## Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Net loss	\$ (448,992)	\$ (899,950)
Adjustments for non-cash items:		
Foreign exchange gain	–	(3,129)
Change in non-cash balances:		
Increase in due to related party	49,211	30,220
Increase in prepaid and other assets	(810,728)	45,842
Decrease (increase) in acquisition deposits	(1,045,388)	200,000
Increase (decrease) in accounts payable and accrued liabilities	(65,761)	12,064
Increase in management fees payable	24,560	13,413
Cash used in operating activities	(2,297,098)	(601,540)
Financing activities:		
Proceeds from issuance of redeemable units	1,270,158	1,887,780
Redemption of redeemable units	(100,000)	(363,550)
Distributions, net of reinvestments	(183,952)	(128,719)
Cash provided by financing activities	986,206	1,395,511
Increase (decrease) in cash	(1,310,892)	793,971
Foreign exchange gain on cash	–	3,129
Cash, beginning of year	7,568,776	6,771,676
Cash, end of year	\$ 6,257,884	\$ 7,568,776

See accompanying notes to consolidated financial statements.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements

Year ended December 31, 2023, with comparative information for 2022

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## 1. Nature of the Business:

Green Thumb Real Estate Investment Trust (the "Trust") is an open-ended unincorporated investment trust, established under the laws of the Province of Ontario and governed by the terms and conditions of the trust agreement declaration dated January 4, 2021, and as may be amended from time to time (the "Trust Agreement"). The head office of the Trust is located at 6-425 Hespeler Rd., Suite 210, Cambridge, Ontario N1R 8J6.

The Purpose of the Trust is to indirectly acquire, own and lease a portfolio of interests in diversified income producing real estate properties in the U.S. (the "Properties") with a focus on multi-family residential properties. The Trust aims to provide its investors with a target annual distribution of 7% on their initial net asset value and the opportunity to participate in a target of approximately 50% of the capital growth of the Properties.

The Trust invests all or substantially all of its net assets in the limited partnership units and notes issued by the Green Thumb Limited Partnership ("Investment LP"), a limited partnership established in the Province of Ontario by a limited partnership agreement of the Trust. Green Thumb General Partner Inc. is the general partner (the "General Partner") of the Trust.

The Investment LP invests all or substantially all of its net assets in the limited partner units issued by Green Thumb Holding L.P. ("Holding LP"), a Delaware limited partnership established by the Investment LP and 2548006 US GP LLC ("Holding GP") pursuant to the laws of Delaware. The Holding LP has been established for the purposes of owning and leasing a diversified portfolio of revenue-producing residential real estate properties in the U.S. with a focus on multi-family residential properties. Holding LP establishes and owns separate underlying limited partnerships (the "Property LPs") which will acquire Properties to achieve the investment objective. Holding GP acts as the general partner of each Property LP. As of the date of these financial statements, the Trust is pursuing its first revenue producing real estate property.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 1. Nature of the Business (continued):

TSX Trust Company is the trustee ("Trustee") and Green Thumb Management Inc. has been appointed as the manager (the "Canadian Manager") of the Trust and the Investment LP pursuant to a management agreement and is responsible for the day-to-day operations of the Trust and the Investment LP.

Green Thumb PM Corp. (the "U.S. Manager") provides property management and asset management services in connection with the management of the Properties and intends to manage and reposition the Properties with the view of preserving capital and providing quarterly cash returns.

The Canadian Manager and the U.S. Manager are Rae Ostrander Group entities. The Canadian Manager performs its duties as an independent contractor in accordance with the management agreement.

The General Partner and Holding GP are Rae Ostrander Group entities and are related to each other. The success of the entities depends on the continued services of the Canada Manager and U.S. Manager and will be influenced by several risk factors associated with investments by the Holding LP and Property LPs.

## 2. Basis of presentation:

### (a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

These consolidated financial statements were authorized for issue by the Canadian Manager on June 20, 2024.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 2. Basis of presentation (continued):

### (b) Basis of preparation:

These consolidated financial statements have been prepared on a historical cost basis except for investment properties and financial instruments that have been measured at fair value, if any. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective as at January 1, 2023. The Trust's annual reporting date is December 31.

These consolidated financial statements are presented in the functional currency of the Trust, United States dollars.

### (c) Presentation of consolidated financial statements:

The Trust uses a classified consolidated statement of net assets. The consolidated statement of net assets distinguishes between current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within twelve months from the reporting date and non-current assets and liabilities are those where the recovery or settlement is expected to occur more than twelve months from the reporting date. The Trust classifies the consolidated statement of loss and comprehensive loss using the function of expense method, which classifies expenses according to its function, such as costs of operations or corporate general and administration expenses. As of December 31, 2023 and 2022, there were no assets or liabilities classified as non-current assets or liabilities.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 2. Basis of presentation (continued):

### (d) Use of estimates and judgements:

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. These consolidated financial statements include assumptions and estimates which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods that are affected.

### (i) Assessment as investment entity:

The Trustee applies judgment in assessing whether the Trust should account for its investments in accordance with IFRS 10, Consolidated Financial Statements ("IFRS 10"), or as a financial asset in accordance with IFRS 9, Financial Instruments. The Trustee has concluded that the Trust's related entities do not meet the definition of an investment entity in accordance with IFRS 10. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

Based on the above assessment, the Trustee decided the Trust should present the financial statements on a consolidation basis.

### (ii) Classification of units of the Trust:

IAS 32, Financial Instruments: Presentation requires that units of the Trust, which are considered puttable instruments, be classified as either financial liabilities or equity instruments and presented at the redemption amount. The puttable instruments of the Trust do not meet the criteria to be classified as equity due to its obligation to distribute cash on a quarterly basis and respective different management fees and therefore must be classified as financial liabilities.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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### 3. Significant accounting policies:

#### (a) Basis of consolidation:

These consolidated financial statements include the assets, liabilities and result of operations of the Trust and its entities in which the Trust holds a controlling interest, after elimination of inter-company transactions and balances. As at December 31, 2023, the Trust has an interest in Investment LP of 99.99% (2022 - 99.99%) and an interest in Holding LP of approximately 79% (2022 - 85%). Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Trust obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved when the Trust is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are prepared for the same reporting period as the Trust using consistent accounting policies.

When the Trust does not own all of the equity in a subsidiary, the non-controlling interest is disclosed in the consolidated statement of net assets as a separate component of total net assets (note 5).

#### (b) Financial instruments:

IFRS 9, Financial Instruments requires financial assets to be classified as amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of these assets. Assessment of the business model approach in use is an accounting judgment. Fair value changes for financial liabilities at FVTPL, which are attributable to changes in the entity's own credit risk, are to be presented in other comprehensive loss unless they affect amounts recorded in income. Financial assets and liabilities are recognized in the consolidated financial statements when the Trust becomes a party to the contractual provisions of the instruments.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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### 3. Significant accounting policies (continued):

(i) Financial instruments - Initial measurement:

A financial asset or financial liability is initially measured at fair value plus for items not at FVTPL or FVOCI, transaction costs directly attributable to its acquisition on issue.

(ii) Financial instruments - Classification and subsequent measurement:

Financial assets and liabilities are measured at amortized cost if it meets both the following conditions (and is not designated as at FVTPL):

(a) It is held with the objective to hold the asset and to collect contractual cash flows.

(b) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

Financial assets and liabilities at FVTPL are measured at fair value with net gains and losses, including any interest or dividend income, recognized in profit or loss, if any. These include the portfolio investments held by the Trust, as presented in the consolidated statement of net assets. As of December 31, 2023 and 2022, the Trust did not hold any financial assets or liabilities at FVTPL or FVOCI.

(c) Cash:

Cash is comprised of deposits with financial institutions.

(d) Other assets and liabilities:

Cash, subscriptions receivable and other assets are measured at amortized cost and are recorded at cost or amortized cost. Accounts payable and accrued liabilities, management fees payable, distributions payable, due to related party and due to the U.S. Manager are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature and are carried at amortized cost which approximates fair value.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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### 3. Significant accounting policies (continued):

#### (e) Impairment of financial assets:

The Trust recognizes a loss allowance for ECL at each reporting date for all financial assets that are measured at amortized cost.

The Trust measures ECL on each financial statement date according to a three-stage expected credit loss impairment model:

- Stage 1: From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date.
- Stage 2: Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset.
- Stage 3: When a financial asset is considered credit-impaired and in default it will be classified in Stage 3, and a loss allowance equal to credit losses expected over the remaining lifetime of the asset will be recorded.

The determination of a significant increase in credit risk takes into account different factors and will vary by nature of investment. The U.S. Manager actively monitors all investments and applies judgement in determining whether there has been significant increase in credit risk.

The assessment of significant increase in credit risk requires significant credit judgment. In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, the Trust relies on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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### 3. Significant accounting policies (continued):

In cases where a borrower experiences financial difficulty, the Trust may grant certain concessionary modifications to the terms and conditions of a loan. Modifications may include payment deferrals, extension of amortization periods, debt consolidation, forbearance and other modifications intended to minimize the economic loss and to avoid foreclosure or repossession of collateral. The Trust determines the appropriate remediation strategy based on the individual borrower. If the Holding LP determines that a modification results in derecognition, the original asset is derecognized while a new asset is recognized based on the new contractual terms.

Significant increase in credit risk is assessed relative to the risk of default on the date of modification. If the Trust determines that a modification does not result in derecognition, significant increase in credit risk is assessed based on the risk of default at initial recognition of the original asset. Expected cash flows arising from the modified contractual terms are considered when calculating the ECL for the modified asset. Loss allowances for financial assets measured at amortized cost are deducted from gross carrying amount of the asset, if any.

The Trust did not recognize any impairment losses for the year ended December 31, 2023 and December 31, 2022.

#### (f) Income taxes:

The Trust intends to qualify as a mutual fund trust under the Income Tax Act (Canada). All of the Trust's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Trust.

#### (g) Redeemable units of the Trust:

The units of the Trust are measured at the current value of the Trust's net assets, calculated on the last business day of each calendar quarter or such other date as determined by the Trust, (each a "Valuation Date"), are considered a residual amount of the net assets attributable to holders of redeemable units. The redeemable units are classified as financial liabilities.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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#### 4. Units of the Trust:

The beneficial interest in the Trust is represented by a single class of units described and designated as "Class 1 Units". Class 1 Units shall be divided into interests of three series, described and designated as "Class 1 Units (Series A-1)", "Class 1 Units (Series H-1)", and "Class 1 Units (Series R-1)". The Trust is authorized to issue an unlimited number of units of each series. Each unit entitles the holder to the same rights and obligations as a unitholder and no unitholder is entitled to any privilege, priority or preference in relation to any other unitholder, subject to the proportionate entitlement of the holders of Series A-1, Series H-1 and Series R-1 to participate in distributions made by the Trust including distributions of net realized capital gains or income as defined in the Trust Agreement, and to receive proceeds on a redemption of units and/or upon termination of the Trust. Each series will be entitled to a targeted distribution yield of 7% calculated based on the initial net asset value of \$10.00 but will be subject to different management fees (note 6).

The Canadian Manager may allot and issue units at such time or times and in such manner (including, without limitation, as consideration for the acquisition of new properties or assets, at a price or for such consideration as determined by the Canadian Manager) and for such consideration as the Canadian Manager in its sole discretion shall determine.

Holders of units are entitled to distributions, when declared by the Canadian Manager in its sole discretion. Each unitholder will be entitled to require the Trust to redeem on a quarterly redemption date all or any part of the units at net asset value of the Trust based on the proportionate interest of the net subscription proceeds attributable to each series, determined as follows:

- (a) the redemption price per Series A-1 is equal to the redemption value of the Trust multiplied by the proportionate Series A-1 interest divided by the total number of outstanding Series A-1;
- (b) the redemption price per Series H-1 is equal to the redemption value of the Trust multiplied by the proportionate Series H-1 interest divided by the total number of outstanding Series H-1; and
- (c) the redemption price per Series R-1 is equal to the redemption value of the Trust multiplied by the proportionate Series R-1 interest divided by the total number of outstanding Series R-1.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 4. Units of the Trust (continued):

The units may also be subject to an early redemption fee for units that are redeemed within a specified period of time or other costs on redemption relating to costs incurred by the Trust in connection with liquidation and fees payable to service providers. If redemptions in excess of the cash limit set out in the Trust Agreement occur, the Trust may satisfy the redemption of units in excess of such cash limit by way of an in-specie distribution. For any period not exceeding one year during which the Canadian Manager determines that conditions exist which render impractical the sale of assets directly or indirectly held by the Trust or which impair the ability of the Canadian Manager to determine the value of the assets of the Trust, the Trust may suspend redemptions of its units.

On January 4, 2021, for purposes of settling the Trust, the settlor contributed \$10 concurrently with the execution of the Trust Agreement.

The Trust declares distributions on a quarterly basis. Cash distributions equal to approximately 90% of distributable cash, with the balance being retained as the Trust's cash reserves, will be paid on the 30th of the month following the Valuation Date, with the first of these distributions payable upon the distribution commencement date. However, Holding GP has the discretion to cause Holding LP to retain any part of the distributable cash at Holding LP for Holding LP to reinvest in an existing or prospective Property.

## 5. Non-controlling interests:

The non-controlling interests represent holding of limited partner units in the Holding LP.

As of December 31, 2023 and December 31, 2022, the U.S investors contributed to the Holding LP were the only non-controlling party.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 6. Related party transactions:

Related parties consist of the Trustees of the Trust, the general partners of Investment LP and Holding LP, Canadian Manager, U.S. Manager and parties related to them and entities under their control. Except as disclosed elsewhere in these financial statements, related party balances and transactions include the following:

When related parties enter unitholder transactions with the Trust, the exchange amount of consideration is the transactional net asset value available to all other unitholders on that trade date. As at December 31, 2023, related parties held 23,385 units (2022 - 21,809) of Series A-1.

The related party unit holders received a distribution of \$15,766 (2022 - \$6,134) for the year ended December 31, 2023.

### (a) Management fees:

Pursuant to the terms of the management agreement, the Canadian Manager has been appointed as the sole and exclusive manager of the affairs of the Trust and Investment LP. The Canadian Manager will provide the Trust with the financial services and general services necessary to manage the day-to-day operations of the Trust. The term of the management agreement will continue until the winding-up or dissolution of the Trust.

In consideration for providing management services, the Trust pays the Canadian Manager a management fee (the "Management Fee"), in an annual amount, equal to, in respect of Series A-1 and Series R-1, 2.0% of the net asset value of the Trust and, in respect of Series H-1, 1.0% of the net asset value of the Trust. The Management Fee is payable on the last day of each calendar month in an amount equal to 1/12th of the annual Management Fee.

The Canadian Manager may, from time to time, waive the obligation of the Trust to pay all or any portion of the Management Fee for any year or any one or more months within any such year, provided that in such case the Management Fee shall continue to accrue and be payable and the waiver of the obligation of the Trust to pay all or any portion of the Management Fee in any year or month shall not act as a waiver of such obligation in subsequent years. The amount of any Management Fee waived in a given year shall be added to the Management Fee payable in the following year.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 6. Related party transactions (continued):

100% of the Management Fee will be payable to the Canadian Manager in the form of units or cash.

The US investors will pay their share of the Management Fee based on their share of holdings in the Holding LP, with the Canadian Manager billing the proportionate Management Fee back to the Holding LP.

For the year ended December 31, 2023, the Trust accrued \$183,908 (2022 - \$144,878) and Holding LP \$36,016 (2022 - \$21,223) as Management Fees of which \$37,973 (2022 - \$13,413) is payable as at the year end.

### (b) Fees paid by the Property LPs:

Pursuant to each Property Management and Leasing Agreement between the U.S. Manager and each Property LP, in consideration for providing property management and asset management services in connection with the management of the Properties, each Property LP will pay the U.S. Manager a property management fee (the "Property Management Fee") in the amount of 4.0% of the rents collected in respect of any Property, and an asset management fee (the "Asset Management Fee") in the amount of 6.0% of the rents collected in respect of any Property, which fees will be payable to the U.S. Manager upon collection of such rents by, or on behalf of, each Property LP.

Each Property LP pays the U.S. Manager a project management fee (the "Project Improvement Management Fee"), in the amount of 5.0% of the amount spent on the property improvement project as per the relevant agreements.

Each Holding GP is entitled for an acquisition fee (the "Acquisition Fee"), in an amount equal to 2.0% of the total purchase price of the Property. Further Holding GP is paid an acquisition bonus (the "Acquisition Bonus"), in an amount of, at the discretion of the Holding GP, of up to 10.0% of the total purchase price of the Property.

For the year December 31, 2023 and 2022, the Holding LP did not incur such Property Management Fees, Project Improvement Fees, Acquisition Fees or Acquisition Bonuses.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 6. Related party transactions (continued):

### (c) Due to related party:

As of December 31, 2023, \$79,990 (2022 - \$30,220) is payable to an affiliate of the President for the expenses to be reimbursed during the year ended December 31, 2023.

### (d) Due to the U.S. Manager:

As of December 31, 2023, nil (2022 - \$559) is payable to the U.S. Manager for expenses incurred on behalf of the Trust.

### (e) Due from related party:

As of December 31, 2023, \$794,927 (2022 - nil) relates to transactions with related parties. \$20,572 is receivable from the U.S. Manager and \$774,355 is relating to prepaid acquisition fees paid to the Canadian Manager. The prepaid acquisition fees are intended to be net settled with a future acquisition (note 11) are receivable from the Canadian Manager. The amount due from the U.S. Manager is non-interest bearing with no fixed terms of repayment.

## 7. Acquisition deposits:

Acquisition deposits is inclusive of the following balances:

	2023	2022
Deposits for future acquisitions	\$ 1,045,055	\$ —
Advances from investors	333	—
	<u>\$ 1,045,388</u>	<u>\$ —</u>

The deposit for acquisition is made for Clinton Township property. The acquisition was completed subsequent to year end as disclosed in note 11.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 8. Fair value:

IFRS 7, Financial Instruments: Disclosures requires that the Trust disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the consolidated statement of net assets date based on relevant market information and information about the financial instrument.

Financial assets and liabilities recorded at fair value in the Trust's consolidated statement of net assets are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Hierarchical levels, defined by IFRS 7, Financial Instruments: Disclosures and directly related to the amount of subjectivity associated with inputs to fair valuation of these financial assets and liabilities, are as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Trust did not have any investments measured at fair value as of December 31, 2023 and December 31, 2022.

The valuation techniques and the inputs used for the Trust's financial instruments are set out in note 3.

## 9. Risk management:

Risks associated with financial instruments:

The Trust indirectly invests in Property LPs, which are exposed to a variety of financial risks: credit risk, liquidity risk, leverage risk, market risk (including interest rate risk, other price risk, currency risk and concentration risk). The value of investments within the Trust's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and the market.

# GREEN THUMB REAL ESTATE INVESTMENT TRUST

(Expressed in U.S. dollars)

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023, with comparative information for 2022

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## 9. Risk management (continued):

Significant risks that are relevant to the Trust are discussed below:

### (a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust is exposed to credit risk in respect of its cash accounts and amounts due from related party.

The Trust's cash is held with TD and Fifth Third Bank, which is rated A-1+ and BBB+ by S&P Global.

### (b) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than United States dollars, which represents the functional currency of the Trust. The Trust may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies.

As at December 31, 2023 and 2022, the Trust has \$10,640 (2022 - \$462) cash held in Canadian dollars exposed to currency risk.

### (c) Liquidity risk:

Liquidity risk is defined as the risk that the Trust may not be able to settle or meet its obligation on time or at a reasonable price.

The Trust's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Trust manages redemptions requests through budgeting of cash flows and usage redemption limits disclosed in the Trust Agreement.

**10. Capital management and commitment:**

The Canadian Manager considers the Trust's capital to consist of the issued units and the net assets attributable to holders of redeemable units.

The Canadian Manager manages the capital of the Trust in accordance with the Trust Agreement, objectives, policies and restrictions, while maintaining sufficient liquidity to meet participating unitholder redemptions.

The Trust does not have any externally imposed capital requirements.

**11. Subsequent events:**

On January 19, 2024, the Trust acquired a property located in Clinton Township, Michigan, at a purchase price of \$29,650,000, of which \$9,900,000 was financed through equity, cash and deposits and \$19,750,000 was financed through debt.

**ITEM 15 - DATE AND CERTIFICATE**

Dated the 30<sup>th</sup> day of April 2024.

This Offering Memorandum does not contain a misrepresentation.

**GREEN THUMB REAL ESTATE INVESTMENT TRUST**  
By its Manager and promoter, Contrast Asset Management Inc.



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Director, President and Chief Financial  
Officer



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Secretary

## ITEM 16 – SCHEDULE 1

### Additional Disclosure Requirements for an Issuer

#### Engaged in Real Estate Activities

##### 1. Application

(1) This schedule applies to the following:

(a) each interest in real property held by the issuer;

Disclosure:

*The two properties disclosed in this Offering Memorandum, Country Squire, and Weathervane, have been acquired fully by the REIT through an aggregated payment of USD \$29,650,000 on January 19, 2024. The properties are civic addresses 24126 Country Squire St. and Weathervane Blvd, Clinton Township, MI 48035, United States (“collectively referred to as “Clinton Properties”).*

(b) each interest in real property proposed to be acquired by the issuer, if the proposed acquisition has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high.

Disclosure:

*None*

##### 2. Description of Real Property

(1) Describe the following with respect to each interest in real property:

(a) the real property’s location, by address or other description;

Disclosure:

*The properties are civic addresses 24126 Country Squire St. and Weathervane Blvd, Clinton Township, MI 48035, United States (collectively referred to as “Clinton Properties”).*

(b) the nature of the interest;

Disclosure:

*Fee simple*

(c) any encumbrances that would be material to a reasonable investor;

Disclosure:

*The Bancorp Bank issued a 3-year initial term, with two, one year extensions, mortgage in the amount of \$19,750,000 including future funding of \$\$2,284,000 for renovations. Interest rate 8.75%, interest only payments.*

- (d) any restriction on sale or disposition;

Disclosure:

None

- (e) any environmental liabilities, hazards or contamination;

Disclosure:

None

- (f) any tax arrears;

Disclosure:

None

- (g) if utilities and other services are not currently being provided, describe how they will be provided and who will provide them;

Disclosure:

*Assumed current service providers.*

- (h) the current use;

Disclosure:

*Multi-family rental properties. Weathervane 118 units, Country Squire 208 units*

- (i) the proposed use and why the issuer considers the real property to be suitable for its plans;

Disclosure:

*Continue use as a multi-family rental property.*

- (j) with respect to any buildings affixed to the real property, the type of construction, age and condition, and a description of any units for sale or rental;

Disclosure:

*Weathervane: Built in 1985, wood frame. Good condition with 48, 1-bed units average square feet of 850, 70, 2-bed units average square feet of 1000.*

*Country Squire: Built in 1972, wood frame. Good condition with 104, 1-bed units average square feet of 850, 104, 2-bed units average square feet of 1050.*

- (k) for real property that the issuer leases to others, the occupancy level as at a date not more than 60 days before the date of the offering memorandum.

Disclosure:

*Weathervane: Occupancy rate 73%*

*Country Squire: Occupancy rate 97%*

2) Describe any current legal proceedings, or legal proceedings that the issuer knows to be contemplated, relating to each interest in real property, that would be material to a reasonable investor, including, for each proceeding, the name of the court, the date instituted, the parties to the proceeding, the nature of the claim, amount claimed, whether the proceeding is being contested, and the present status of the proceeding.

Disclosure:

*There are no legal proceedings regarding the Issuer or the Property, actual or contemplated, to the Issuer's knowledge.*

### **3. Appraisal**

(1) If subsection 2.9 (19.6) of the Instrument applies, disclose the following for any appraisal:

(a) the appraised fair market value of the interest in real property that is the subject of the appraisal;

Disclosure:

*Fair market value of the property per Colliers International Appraisal Report: \$29,700,000*

(b) the effective date of the appraisal;

Disclosure:

*Date of the Report: January 18, 2024*

(c) that the appraisal is required to be delivered to the purchaser at the same time or before the offering memorandum is delivered to the purchaser.

Disclosure:

*See Item 18 – Appraisal Report*

(2) For each interest in real property to which subsection (1) applies, provide the most recent assessment by any assessing authority.

Disclosure:

*True Cash Value: \$16,085,200*

*Source: Clinton Charter Township Assessment & Taxation*

### **4. Purchaser's Interest in Real Property**

If the purchaser will acquire an interest in real property, disclose the following:

(a) a description of the interest;

Disclosure:

*Clinton Properties are 100% owned (fee simple) by Green Thumb Partnership 2 LP, with indirect investments from related entities, by Canadian Investors holding units in Green Thumb REIT and/or units in Green Thumb US Holding LP. See Offering Memorandum Item 2.1.2, Intercorporate Relationship, page 27.*

- (b) how the interest will be evidenced in a public registry;

Disclosure:

*The interests are filed in the Clinton Township, Michigan land registry.*

- (c) any existing or anticipated encumbrances on the interest.

Disclosure:

*Registered mortgage from Bancorp Bank.*

**5. Developer, or Manager under a Rental Management Agreement or Rental Pool Agreement, Organization, Occupation and Experience, and Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters**

Disclosure:

*The Issuer is not planning any further development for the Clinton Properties nor planning any Rental Management or Rental Pool agreements.*

- (1) Subsection (2) applies for the following persons:
  - (a) a person other than the issuer that is or will be acting in the role of developer in respect of an interest in real property;
  - (b) in respect of real property in which the purchaser will acquire an interest, a person other than the issuer that will be acting in the role of manager under a rental management agreement, or manager under a rental pool agreement.
- (2) For each person described in subsection (1)
  - (a) state the legal name of the person, describe the business of the person and any experience that the person has in similar projects or a similar business, and, if the person is not an individual, the laws under which the person is organized or incorporated and the date that the person was organized or incorporated,
  - (b) if the person is not an individual, in the form of the following table, provide the specified information for any directors and executive officers of the person for the 5 years preceding the date of the offering memorandum,
  - (c) if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, a director, executive officer or control person of the person, or an issuer of which any of those persons was a director, executive officer or control person at the time, describe the details of the penalty, sanction or order, including the reason for it and whether it is currently

in effect:

- (i) a penalty or other sanction imposed by a court relating to a contravention of securities legislation;
  - (ii) a penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation;
  - (iii) an order restricting trading in securities, not including an order that was in effect for less than 30 consecutive days,
- (d) if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, a director, executive officer or control person of the person, or an issuer of which any of those persons was a director, executive officer or control person at the time, state that it has occurred:
- (i) a declaration of bankruptcy;
  - (ii) a voluntary assignment in bankruptcy;
  - (iii) a proposal under bankruptcy or insolvency legislation;
  - (iv) a proceeding, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, and
- (e) disclose and describe the details of the offence, if the person, or a director, executive officer or control person of the person has ever pled guilty to or been found guilty of any of the following:
- (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;
  - (iv) an offence under the criminal legislation of any other foreign jurisdiction.

## 6. Transfers

### Disclosure:

*Clinton Properties were purchased from an unrelated party.*

- (1) For each interest in real property, for any transaction that a related party was party to,

using the following table, starting with the most recent transaction and specifying which party was the related party, disclose the following:

Date of transfer	Legal name of seller	Legal name of buyer	Amount and form of consideration

- (2) Explain the reason for any material difference between the amount of consideration paid by the issuer and the amount of consideration paid by a related party for the interest in real property.

## 7. Approvals

Disclosure:

*Clinton Properties were purchased from an unrelated party.*

For each interest in real property, if that real property is being developed, disclose the following:

- (a) any approval required from a regulatory body or any level of government that would be material to a reasonable investor;
- (b) the anticipated cost and timing of the approval;
- (c) any reports required as part of the approval process, including the anticipated cost and timing of producing or procuring those reports;
- (d) what will happen if the approval is not obtained, including the effect on the following:
  - (i) the project;
  - (ii) the purchaser's investment;
  - (iii) if applicable, the purchaser's interest in the real property.

## 8. Costs and Objectives

Disclosure:

*The Issuer is not planning any further development for the Clinton Properties.*

For each interest in real property, if that real property is being developed, disclose the following:

- (a) estimated costs to complete the development;
- (b) any significant assumptions that underlie the cost estimates;
- (c) when significant costs will be incurred;
- (d) the objectives of the project that are expected to be met within the 24 months following the date of the offering memorandum, including the following:
  - (i) the expected timeline for meeting each objective;
  - (ii) how the issuer will meet each objective;
  - (iii) the estimated cost of meeting each objective;
  - (iv) how the issuer will fund the cost of meeting each objective;
- (e) the objectives for the project that are expected to be met after the 24- month period following the date of the offering memorandum, including the following:
  - (i) the expected timeline for meeting each objective;
  - (ii) how the issuer will meet each objective;
  - (iii) if the objectives are to be completed in phases, details about each phase;
  - (iv) the estimated cost of meeting each objective;
  - (v) how the issuer will fund the cost of meeting each objective;
- (f) what reasonably might happen if any of the stated objectives are not met, including the effect of not meeting the objective on the following:
  - (i) the project;
  - (ii) the purchaser's investment;
  - (iii) if applicable, the purchaser's interest in the real property.

## 9. Future Cash Calls

Disclosure:

*There are no future cash calls.*

If the purchaser is required to contribute additional funds in the future, disclose the following:

- (a) the amount the purchaser is required to contribute;
- (b) when the purchaser will be required to contribute;
- (c) the effect on the purchaser's investment and, if applicable, the purchaser's interest in the real property, if the purchaser fails to contribute;
- (d) the effect on the purchaser's investment and, if applicable, the purchaser's interest in the real property, if the purchaser contributes, but other purchasers fail to contribute.

## **10. Rental Pool Agreement or Rental Management Agreement**

Disclosure:

*The Issuer is not planning any Rental Management or Rental Pool agreements.*

If the purchaser will acquire an interest in real property, and that interest will be or could be subject to a rental pool agreement or a rental management agreement, disclose the following:

- (a) the key terms of the agreement, including, for certainty, those provisions dealing with whether the agreement is mandatory or optional, the duration of the agreement, opting out of the agreement, termination of the agreement, the sharing of revenues and losses, the payment of expenses, and any fees payable under the agreement;
- (b) whether financial or other information about the rental pool or the results arising from the rental management agreement will be made available to purchasers, and if so, include the following:
  - (i) a description of the information;
  - (ii) if the information will include financial information, whether that financial information will be audited or subject to an independent review;
  - (iii) the frequency with which the information will be made available;
  - (iv) whether the information will be delivered to purchasers or whether access will be provided to it;
  - (v) if purchasers are to be provided access to the information, a description of the means of gaining access to it;

- (c) the following statement, with the bracketed information completed as applicable:  
  
“The success or failure of the [rental pool][arrangement resulting from the rental management agreement] will depend in part on the abilities of the manager.”;
- (d) if the purchaser will be responsible for paying any loss arising pursuant to the rental pool agreement or rental management agreement, the following statement, with the bracketed information completed as applicable:  
  
“If the [rental pool][rental management agreement] generates a loss, the purchaser must contribute further funds in addition to the purchaser’s initial investment.”.

## 11. Information Statements

If the purchaser will acquire an interest in real property, state the following in bold type:

Disclosure:

**“Your rights relating to your interest in real property will be those provided under the laws of the jurisdiction in which the real property is located. Therefore, it is prudent to consult a lawyer who is familiar with the laws of that jurisdiction before making an investment. You will not acquire a direct interest in real property, rather your interest is indirect through ownership of LP and Trust Units. All real estate investments are subject to significant risk arising from changing market conditions.”.**

## 12. Risk Factors Relating to Real Property

Disclosure:

*Please see description of risk factors described below and additional risk factors in Item 10, page 74 of the Offer Memorandum.*

With respect to the issuer’s interests in real property, and any interest in real property to be acquired by the purchaser, describe the risk factors that would influence a reasonable investor’s decision whether to invest, including, if applicable:

- (a) risks associated with the following:
  - (i) the development of undivided real property into subdivisions;
  - (ii) the leasing of real property;
  - (iii) the holding of real property for sale or development;
- (b) risks associated with encumbrances, conditions or covenants on the real property that

could affect the following:

- (i) the purchaser's interest in the real property, if applicable;
  - (ii) the completion of the development of real property;
- (c) risks pertaining to the development of real property, including the following:
- (i) a right or lack of right of the purchaser with respect to the management and control of the real property;
  - (ii) a right or lack of right of the purchaser to change the developer of the property;
- (d) risks pertaining to potential liability for the following:
- (i) environmental damage;
  - (ii) unpaid obligations to builders, contractors and tradespersons;
- (e) risks associated with litigation that relates to the real property.

**ITEM 17 – PROPERTY APPRAISAL**

The following is an excerpt of the Property Appraisal Concerning: Country Squire and Weathervane Apartments, 24126 Country Squire Boulevard and 24500 Weathervane Boulevard, Clinton Township, Michigan 48035.

A copy of the complete property appraisal is available from the Issuer upon request.



## **COUNTRY SQUIRE & WEATHERVANE APARTMENTS**

24126 Country Squire Boulevard and 24500 Weathervane Boulevard  
Clinton Township, Michigan 48035

### **APPRAISAL REPORT**

Date of Report: January 18, 2024  
Colliers File #: DTW230958



PREPARED FOR  
Lauren Burroughs  
Summer Street Advisors, LLC  
15 Ketchum Street  
Westport, CT 06880

PREPARED BY  
**COLLIERS INTERNATIONAL**  
VALUATION & ADVISORY SERVICES

# LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES



400 W 4th Street, Suite 350  
Royal Oak, MI 48067  
MAIN 248 540 1000  
FAX 248 226 1835  
web www.colliers.com/valuationadvisory

January 18, 2024

Lauren Burroughs  
**Summer Street Advisors, LLC**  
15 Ketchum Street  
Westport, CT 06880

**RE: Country Squire & Weathervane Apartments**  
24126 Country Squire Boulevard and 24500  
Weathervane Boulevard  
Clinton Township, Michigan 48035

Colliers File #: DTW230958

Dear Client:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Summer Street Advisors, LLC and Colliers International Valuation & Advisory Services.

The date of this report is January 18, 2024. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate. The following table conveys the final opinions of market value of the subject property that are developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Market Value As-Is	Fee Simple	December 6, 2023	\$29,700,000
Prospective Value Upon Stabilization	Fee Simple	December 6, 2026	\$45,200,000
<b>OTHER CONCLUSIONS</b>			<b>AS OF DECEMBER 6, 2023</b>
Insurable Replacement Cost			\$27,960,000

Colliers International Valuation & Advisory Services, and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 500+ offices throughout more than 68 countries worldwide.

The subject is a Multifamily (Garden/Low Rise) property totaling 326 units located on a 25.16-acre site at 24126 Country Squire Boulevard and 24500 Weathervane Boulevard in Clinton Township, Michigan. The improvements were built in 1972, are in good condition and have a remaining economic life of 30 years based on our estimate. Upon the sale of the subject, the prospective buyer will be renovating all unit interiors and common areas in the amount of \$2,500,000.

The subject is comprised of two separate apartment developments located on two individual, contiguous parcels. The developments are referred to as Country Squire Apartments and Weathervane Apartments. The addresses of the subject developments are as follows:

- 24126 Country Squire Dr, Clinton Township MI 48035 (Country Squire)
- 24500 Weathervane Boulevard, Clinton Township MI 48035 (Weathervane)

The subject locations are adjacent to the north and south. At the client's request, we have valued the subject as one economic unit, as the prospective purchaser intends to operate the subject as one economic unit. Although the subject is comprised of two unique properties, it is reasonable to analyze the subject as one economic unit due to their similar income and expense characteristics.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of Summer Street Advisors, LLC and The Bancorp Bank National Association.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

### **EXTRAORDINARY ASSUMPTIONS**

We apply the Extraordinary Assumption that subject will be sold as one economic unit and will continue to be operated as such. Anything to the contrary will have an impact on value.

The subject is a multifamily apartment building with significant renovations planned. The as-stabilized value presented in this report is based on the extraordinary assumption that the subject will be built in a professional and workmanlike manner using professional grade materials, consistent with the cost budget provided that will lead to the projected rent increases provided in this report, and in a timeframe as estimated within this report. Anything to the contrary will have an impact on value.

This report contains a prospective value. Any cash flows indicated in the appraisal are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the appraisal. Any projections of income, expenses, and/or economic conditions utilized in the appraisal are not predictions of the future. Rather, they are estimates of current market expectations of future income, expenses, and/or economic conditions. The achievement of these financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. The appraiser

## LETTER OF TRANSMITTAL

CONTINUED

DTW230958

cannot be held responsible for unforeseeable events that alter market conditions that occur subsequent to the date of the preparation of the report, but prior to the effective date of the appraisal. Anything to the contrary will have an impact on value.

### HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

### RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

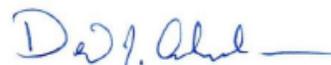
The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

### COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES



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Rent Roll

Valuation Glossary

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**GENERAL INFORMATION**

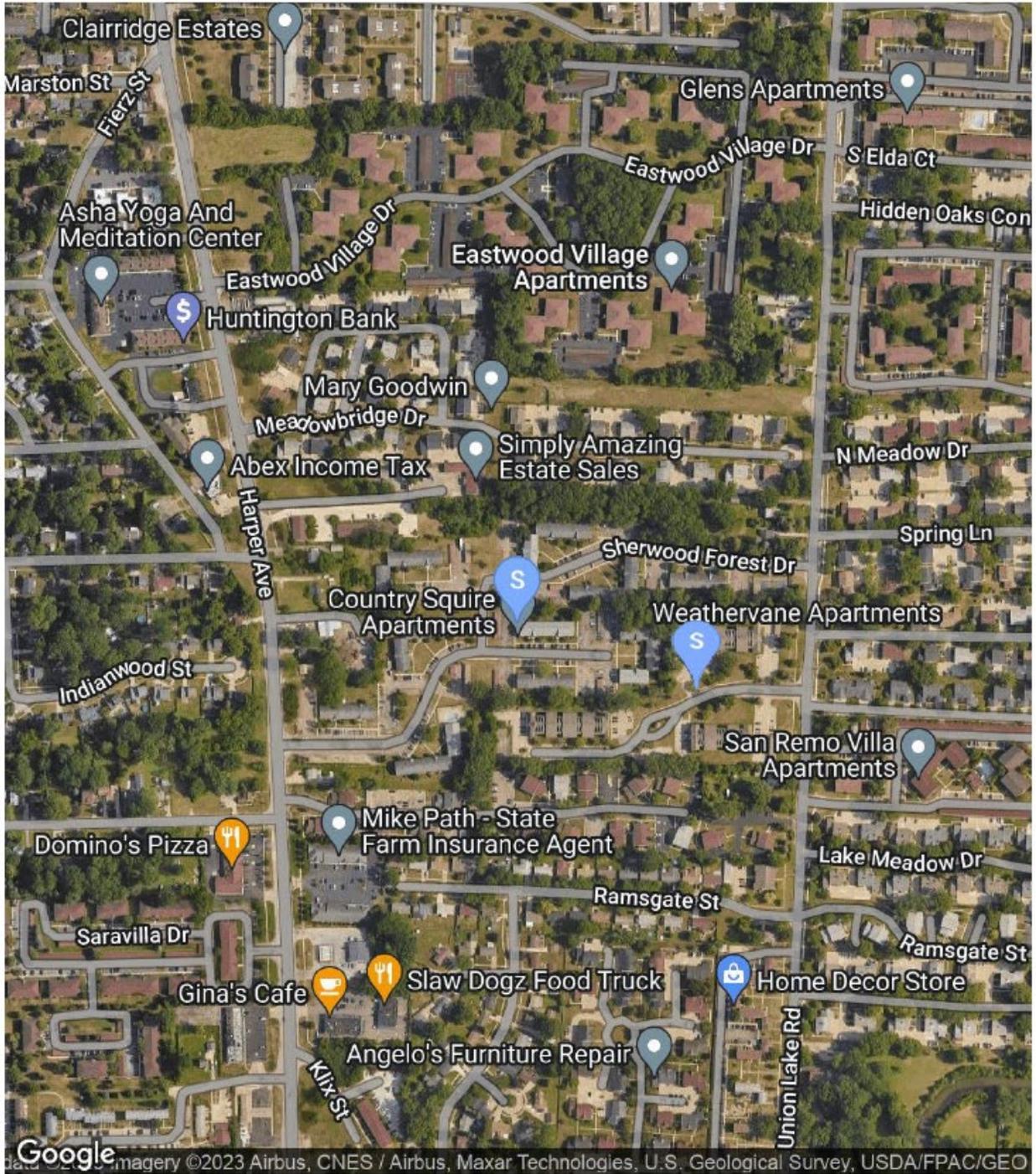
Property Name	Country Squire & Weathervane Apartments
Property Type	Multifamily - Garden/Low Rise
Address	24126 Country Squire Boulevard and 24500 Weathervane Boulevard
City	Clinton Township
State	Michigan
Zip Code	48035
County	Macomb
Market	Detroit-Warren-Dearborn
Longitude	-82.867491
Latitude	42.562472
Number Of Parcels	2
Assessor Parcels	See Tax Table for APN's
Total State Equalized Value	\$8,042,600
Census Tract Number	2421.00

**SITE INFORMATION**

Land Area	Acres	Square Feet
Usable	25.16	1,095,806
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	0.00	0
<b>Total</b>	<b>25.16</b>	<b>1,095,806</b>
Topography	Level at street grade	
Shape	Irregular	
Access	Average	
Exposure	Average	
Appeal	Average/Good	
Current Zoning	Multiple-Family Residential Low-Rise District (RML)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Low Risk	

**IMPROVEMENT INFORMATION**

Number Of Units	326
Average Unit Size	958 SF
Net Rentable Area SF (NRA)	312,288 SF
Gross Building Area SF (GBA)	314,236 SF
Development Density	13.0 Units/Acre (326 Units / 25.16 Acres)
Number Of Apartment Buildings	13
Number Of Non-Residential Buildings	<u>1</u>
Total Number Of Buildings	14
Number Of Stories	1 - 2.5
Year Built	1972
Year Renovated	2024
Quality	Average/Good
Condition	Good
Marketability	Average/Good
Type Of Construction	Wood frame
Parking Type	Carports & Surface
Number Of Parking Spaces	481
Parking Spaces/Unit	1.5
Property Amenities	The subject's common amenities include: open parking, parking covered, fitness center, common laundry, swimming pool.





EXTERIOR VIEW – COUNTRY SQUIRE



EXTERIOR VIEW – COUNTRY SQUIRE



EXTERIOR VIEW – COUNTRY SQUIRE



EXTERIOR VIEW – COUNTRY SQUIRE



SUBJECT SIGNAGE



EXTERIOR VIEW - WEATHERVANE

# SUBJECT PROPERTY PHOTOGRAPHS

CONTINUED

DTW230958



**EXTERIOR VIEW - WEATHERVANE**



**EXTERIOR VIEW - WEATHERVANE**



**EXTERIOR VIEW - WEATHERVANE**



**SUBJECT SIGNAGE**



**VIEW OF TYPICAL UNIT – COUNTRY SQUIRE**



**VIEW OF TYPICAL UNIT – COUNTRY SQUIRE**

# SUBJECT PROPERTY PHOTOGRAPHS

CONTINUED

DTW230958



VIEW OF TYPICAL UNIT – COUNTRY SQUIRE



VIEW OF TYPICAL UNIT – COUNTRY SQUIRE



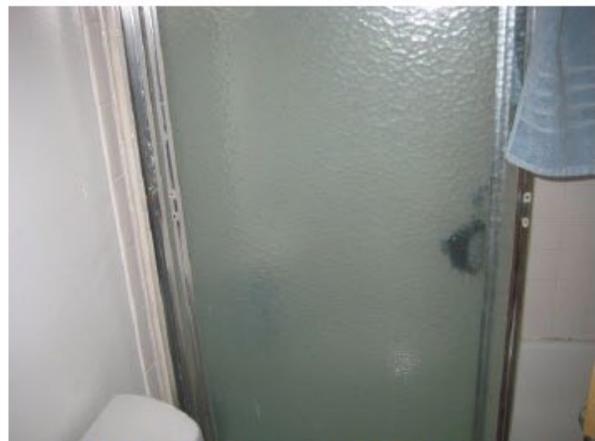
VIEW OF TYPICAL UNIT – WEATHERVANE



VIEW OF TYPICAL UNIT – WEATHERVANE



VIEW OF TYPICAL UNIT – WEATHERVANE



VIEW OF TYPICAL UNIT – WEATHERVANE

## INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process.

In the open market, the subject property type would command most interest from national and regional buyers that are actively pursuing similar standard investment properties. Refining the buyer profile a bit further, specific buyers known to be active for this property type primarily include family offices, partnerships, LLCs, and individual investors. There is currently steady buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is a national and regional investor.

Based on the overall quality of the data and analyses, and decision-making process of the typical buyer profile of the subject asset, the income approach warranted primary emphasis and the sales comparison approach warranted secondary emphasis in developing our final opinions of market.

## PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The following table summarizes our final opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
<b>INTEREST APPRAISED</b>	FEE SIMPLE	FEE SIMPLE
<b>DATE OF VALUE</b>	DECEMBER 6, 2023	DECEMBER 6, 2026
Sales Comparison Approach	-	\$44,000,000
Income Approach	\$29,700,000	\$45,200,000
<b>FINAL VALUE CONCLUSION</b>	<b>\$29,700,000</b>	<b>\$45,200,000</b>
\$/Unit	\$91,104/Unit	\$138,650/Unit
\$/SF (NRA)	\$95.10/SF	\$144.74/SF
Exposure Time	Six Months or Less	
Marketing Period	Six Months or Less	
<b>OTHER CONCLUSIONS</b>	<b>AS OF DECEMBER 6, 2023</b>	
Insurable Replacement Cost	\$27,960,000	

property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- › The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- › An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- › A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- › This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.



## **COUNTRY SQUIRE & WEATHERVANE APARTMENTS**

24126 Country Squire Boulevard and 24500 Weathervane  
Boulevard  
Clinton Township, Michigan 48035

### **APPRAISAL REPORT**

Date of Report: January 18, 2024

Colliers File #: DTW230958



PREPARED FOR  
Lauren Burroughs  
Summer Street Advisors, LLC  
15 Ketchum Street  
Westport, CT 06880

PREPARED BY  
**COLLIERS INTERNATIONAL**  
VALUATION & ADVISORY SERVICES

**ITEM 18 - ADDITIONAL DATE AND CERTIFICATE**

**Dated the 30<sup>th</sup> day of July 2024.**

- (1) This Offering Memorandum does not contain a misrepresentation when read as of the date of this additional certificate;**
- (2) There has been no material change in relation to the Green Thumb Real Estate Investment Trust that is not disclosed in this Offering Memorandum; and**
- (3) This Offering Memorandum, when read as of the date of this additional certificate, provides a reasonable purchaser with sufficient information to make an informed investment decision.**

**GREEN THUMB REAL ESTATE INVESTMENT TRUST**

**By its Manager and promoter, Contrast Asset Management Inc.**



**Director, President and Chief Financial  
Officer**



**Secretary**