

OFFERING MEMORANDUM

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 8 - "Risk Factors".

June 27, 2018

TRIUMPH

REAL ESTATE INVESTMENT FUND II

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Calgary, AB T2P 1E5

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\$50,000,000 (Maximum Offering)

\$1,000,000 (Minimum Offering)

Reporting Issuer: Triumph Real Estate Investment Fund II (the "Trust") is not a reporting issuer in any jurisdiction and these securities do not and will not trade on any exchange or market.

SEDAR Filer: Yes, but only as required pursuant to section 2.9 of National Instrument 45-106 – *Prospectus Exemptions*. The Trust is not a reporting issuer and does not file continuous disclosure documents on SEDAR that are required to be filed by reporting issuers.

THE OFFERING

Refer to "Glossary of Terms" for the meanings of capitalized words and phrases that are used but not defined in this summary.

The Trust:	The Trust is a private open-ended trust established under the laws of Alberta.
Purpose:	The Trust's primary purpose and sole business is to use funds raised by it to acquire, indirectly through the Partnership, Properties in the Target Markets, with the objective of generating returns to Unitholders. All of the Available Funds of the Offering will be used by the Trust to acquire Class A LP Units in the Partnership. See Item 1.2 - "Use of Available Funds" and Item 2.2.1 - "Current Business of the Trust".
Securities Offered:	Units of the Trust issued in Series ("Units").
Price per Security:	\$1 per Unit
Minimum Offering:	\$1,000,000 (1,000,000 Units)
Maximum Offering:	\$50,000,000 (50,000,000 Units)
Available Funds:	Funds available from this Offering may not be sufficient to accomplish the Trust's proposed investment objectives.
Minimum Subscription Amount:	The minimum subscription for Units is \$10,000 (10,000 Units) which may be paid by cheque, bank draft, electronic funds transfer or such other manner as AdminCo in its sole discretion may determine. AdminCo may, in its sole Discretion, reduce the minimum investment amount per Subscriber in limited circumstances in order to allow the Trust to satisfy the minimum investor requirements of a "mutual fund trust" under the Tax Act. See Item 5.2 - "Subscription Procedure".
Proposed Closing Date(s):	The initial Closing of the Offering is expected to occur on or about October 30, 2018 and subsequent Closings may occur from time to time and at any time on such other dates as AdminCo determines. If certain conditions have not been satisfied or waived, on or before the date selected by AdminCo (in its sole Discretion), in respect of a Closing, Subscription Agreements and subscription funds will be returned to Subscribers without interest or deduction.

<i>Income Tax Consequences and Deferred Plan Eligibility:</i>	The Units are intended to be able to be held by taxable and tax exempt investors, such as trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and tax-free savings accounts. There are important tax consequences to investors holding Units. The Trust must have a minimum of 150 investors having a minimum investment of \$500 each by March 30, 2019 in order for the Trust to qualify as “ <i>mutual fund trust</i> ” under the Tax Act (the “ Minimum Investor/Investment Requirement ”). If the Trust does not satisfy the Minimum Investor/Investment Requirement on or before March 30, 2019, the Trust will not qualify as mutual fund trust. If the Trust fails to qualify as a mutual fund trust there will be adverse tax consequences to investors that hold Units in Deferred Plans. See Item 6.5 - “Qualified Investments for Deferred Plans” and Item 8 - “Risk Factors - Maintaining “Mutual Fund Trust” Status Requires Meeting Ongoing Requirements”.
<i>Selling Agent:</i>	The Trust reserves the right to retain agents to, and/or pay persons who, effect sales of the Units, in which case, subject to applicable securities legislation, such agents and persons may receive a fee, inclusive of an Exempt Market Dealer administration fee of up to one percent (1%), of up to six and nine one hundredths percent (6.9%) of the Gross Proceeds realized from the sale of Units sold directly by such parties together with a trailer fee equal to 0.5% of such proceeds. . See Item 7 - “Compensation Paid to Sellers and Finders”.
<i>Conflict of Interest Matters:</i>	AdminCo and the General Partner have adopted a Conflict of Interest Policy pursuant to which all matters that involve a Conflict of Interest Matter must be unanimously approved by the Independent Directors of the General Partner or AdminCo, as the case may be, in order to proceed. See Item 2.1.1 – “The Trust – Conflict of Interest Policies”.
<i>Term of the Trust:</i>	The Trust is intended to carry on until December 31, 2024. AdminCo may, in its sole Discretion, extend the term of the Trust to December 31, 2025. An investment in the Trust should be considered long-term in nature.
<i>Distributions:</i>	The Trust will distribute Income of the Trust and Net Realized Capital Gains of the Trust for each taxation year, so that Trust Income and Trust Capital Gains will be taxable to Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions is intended to be made in cash, but the Trust may, in certain circumstances, make distributions by distributing additional Units. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Distributions”.
<i>Redemptions:</i>	Unitholders may redeem their Units, subject to certain restrictions, by providing a duly executed Redemption Notice to AdminCo. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust - Redemption of Units.” The Redemption Price: (i) within 12 months from the date of the Unit Certificate (the “ Issuance Anniversary ”), shall be 90% of the Unit Subscription Price of each Unit to be redeemed; and (ii) at any time after the Issuance Anniversary of a Unit Certificate, shall be 95% of the of the Unit Subscription Price of each Unit to be redeemed. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Redemption of Units”.
<i>Redemption Restrictions:</i>	The Redemption Price for Units may not be paid in cash in certain circumstances but instead may be paid through the issue of Redemption Notes by the Trust. For example, the Redemption Price for Units redeemed with the first 24 months their Issuance Anniversary will be paid through the issue of Redemption Notes. <u>Redemption Notes will not be a qualified investment for tax-exempt Subscribers. See Item 6 - “Income Tax Considerations”.</u> Where the Redemption Price is payable in cash, the maximum aggregate cash redemption proceeds shall not exceed \$75,000 during any Fiscal Quarter; (the “ Quarterly Limit ”), provided that, AdminCo may, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any Fiscal Quarter. Units tendered for redemption in any Fiscal Quarter in which the total amount payable by the Trust exceeds the Quarterly Limit will be redeemed for cash on a pro-rata basis up to the Quarterly Limit and, unless any applicable regulatory approvals are required, by a distribution of Redemption Notes, for the balance. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Redemption of Units”.
<i>Trustee:</i>	Computershare Trust Company of Canada
<i>Administrator:</i>	Triumph Real Estate Investment Fund I Adminco Ltd.
<i>Resale Restrictions:</i>	You will be restricted from selling your securities for an indefinite period. See Item 10 - “Resale Restrictions and Redemption Rights”.

Purchaser's Rights:	You have 2 business days to cancel your agreement to purchase these Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 - "Purchasers' Rights".
OM Marketing Materials:	All OM Marketing Materials related to this Offering and delivered or made reasonably available to a prospective Subscriber are hereby incorporated by reference into this Offering Memorandum.

This Offering is being made to, and subscriptions will only be accepted from, persons resident in the Provinces and Territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Yukon and Nunavut. This Offering is being made pursuant to certain exemptions contained in National Instrument 45-106 – Prospectus Exemptions ("NI 45-106"). This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities in any jurisdiction.

No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

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ELIGIBILITY FOR INVESTMENT

Subject to the satisfaction of the Minimum Investor/Investment Requirement, the Units will be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, or a tax-free savings account (each, a “Deferred Plan”) provided that the Trust meets certain requirements as outlined in Item 6 – “Income Tax Considerations”. Notwithstanding the foregoing, if the Units are found to be “prohibited investments”, some holders will be subject to a penalty tax as set out in the Tax Act. If the Trust ceases to qualify as a mutual fund trust, the Units will cease to be qualified investments for Deferred Plans which would have adverse tax consequences to Deferred Plans and their annuitants or beneficiaries. See Item 6 – “Income Tax Considerations” and Item 8 – “Risk Factors”.

INVESTMENT NOT LIQUID

The Units offered hereunder will be subject to indefinite resale restrictions and a number of redemption restrictions. Until the indefinite restriction on trading expires, if ever, a Unitholder will not be able to trade the Units, unless it complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Trust has no intention of becoming a reporting issuer in any jurisdiction in Canada, these trading restrictions will not expire. Consequently, Unitholders may not be able to liquidate their Units in a timely manner, if at all, or pledge their Units as collateral for loans. Further, the Declaration of Trust contains certain redemption restrictions. Subject to certain restrictions, a Unitholder may redeem the Units for the Redemption Price. See Item 10 – “Resale Restrictions and Redemption Rights”.

FORWARD-LOOKING STATEMENTS

Certain information regarding the Trust and the Partnership set forth in this Offering Memorandum, including the Trust’s future plans and business, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “plan”, “potential”, “predict”, “project”, “seek” or other similar words, or statements that certain events or conditions “may”, “might”, “could”, “should” or “will” occur are intended to identify forward-looking statements. Such statements represent the General Partner’s internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, business opportunities, future expenditures, plans for and results of business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the expectations reflected in the forward-looking statements are reasonable, future results, levels of activity, performance or achievement cannot be guaranteed since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Trust and the Partnership’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Trust and the Partnership.

Forward-looking statements included in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Trust and the Partnership; the ability to make and the timing and payment of distributions; statements with respect to the current state of the North American economy and real estate markets and the expectation that continued improvement in the economy will lead to increases in the demand for and values of real estate properties in the targeted markets; the Trust’s and the Partnership’s business objectives; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; timing of dissolution of the Trust and the Partnership; results of operations, the timing thereof and the methods of funding.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the risks discussed under Item 8 - “Risk Factors” and other factors, many of which are beyond the control of the Trust and the Partnership. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements contained in this Offering Memorandum are based on a number of assumptions, including those relating to:

- the Trust and Partnership's business strategy and operations;
- the ability of the Trust and Partnership to achieve or continue to achieve its business objectives;
- the Trust's and Partnership's expected financial performance, condition and ability to generate distributions;
- the Partnership, including its business strategy, operations, financial performance, condition and ability to generate distributions;
- factors and outcomes associated with the real estate sector in Target Markets, including competition and competitive conditions;
- concentration of investments of the Trust in a single business (being the Class A LP Units of the Partnership) operating in a single industry (being the real estate business in the Target Markets) which result in the Trust's investments being less diversified than other investment funds;
- possibility of substantial redemptions of Units;
- taxation of the Trust and the Partnership;
- the impact on the Trust and the Partnership of future changes in applicable legislation;
- application of legislation and regulations applicable to the Trust and the Partnership; and
- availability of and dependence of the Partnership upon David Wallach.

Although the forward-looking statements contained in this Offering Memorandum are based upon assumptions believed to be reasonable, the Trust cannot assure investors that actual results will be consistent with these forward-looking statements.

The Trust has included the above summary of risks related to forward-looking information provided in this Offering Memorandum in order to provide Unitholders with a more complete perspective on the Trust and the Partnership's current and future operations and such information may not be appropriate for other purposes. The Trust's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Trust will derive therefrom. These forward-looking statements are made as of the date of this Offering Memorandum and the Trust disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Investors are cautioned against placing undue reliance on forward-looking statements.

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GLOSSARY OF TERMS

The following terms and abbreviations used throughout this Offering Memorandum have the following meanings:

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

“**Acquisition Fee**” shall have the meaning ascribed to it in Item 2.2.1 – “The Partnership”;

“**Acquisition GP’s**” means the general partners of limited partnerships formed by the Partnership to acquire Properties and “**Acquisition GP**” means any one such general partner;

“**Acquisition LP’s**” means the limited partnerships formed by the Partnership to acquire Properties and “**Acquisition LP**” means any one such limited partnership;

“**AdminCo**” or “**Administrator**” means Triumph Real Estate Investment Fund 1 AdminCo Ltd., as administrator of the Trust under the Administration Agreement, or such other person properly appointed as administrator of the Trust pursuant to the Declaration of Trust;

“**Administration Agreement**” means the agreement, dated May 28, 2018, between AdminCo, the Trustee and the Trust, as amended, supplemented or amended and restated from time to time;

“**Administration Fee**” means the sum of \$500 a year to be paid by the Trust to AdminCo during the term of the Administration Agreement;

“**Affiliate**” shall have the meaning ascribed thereto in the Securities Act;

“**Applicable Laws**” means all applicable provisions of law, domestic or foreign, including the Securities Act;

“**Approvals**” means any directive, order, consent, exemption, waiver, consent order or consent decree of or from, or notice to, action by or filing with, any Governmental Authority;

“**associate**” shall have the meaning ascribed thereto in the Securities Act;

“**Auditors**” means such firm of chartered accountants as may be appointed as auditor or auditors of the Trust;

“**Barclay Parties**” means Barclay Street, any affiliates and subcontractors of Barclay Street, and any directors, officers, employees and individual shareholders of the foregoing, and the officers and directors of the General Partner and “**Barclay Party**” means any one of them;

“**Barclay Street**” means Barclay Street Real Estate Ltd., a private Alberta corporation which is controlled by David Wallach;

“**Bentham**” means Craig Bentham, an individual residing in the City of the Calgary, in the Province of Alberta;

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

“**Capital Contribution**”, with respect to any Limited Partner, means the amount of capital contributed by such Limited Partner to the Partnership in accordance with the Partnership Agreement;

“**Cash Flow of the Trust**” shall have the meaning provided for in Item 2.5 – “Material Agreements - Summary of the Declaration of Trust - Cash Flow of the Trust”;

“**Class A LP Units**” means the Class A limited partnership units in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement;

“**Class B LP Units**” means the Class B limited partnership units in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement;

“**Class A Proportionate Share**” of any amount at any time, means a fraction equal to the number of Class A LP Units of which a Limited Partner is the registered holder at that time divided by the total number of issued and outstanding Class A LP Units at that time;

“**Class B Proportionate Share**” of any amount at any time, means a fraction equal to the number of Class B LP Units of which a Limited Partner is the registered holder at that time divided by the total number of issued and outstanding Class B LP Units at that time;

“**commercial real estate**” and “**commercial real estate properties**” means collectively office, retail and industrial real estate properties;

“Conflict of Interest Matter” shall have the meaning ascribed to it in Item 2.1.1 – “The Trust – Conflict of Interest Policies” herein;

“Conflict of Interest Policy” means each of the Conflict of Interest Policies adopted by AdminCo, Holding GP and the General Partner as summarized in Item 2.1.1 – “The Trust – Conflict of Interest Policies” herein;

“Counsel” means a law firm (who may be counsel to AdminCo) acceptable to the Trustee;

“CRA” means the Canada Revenue Agency;

“Cumulative Preferred Return” means, with respect to a Limited Partner holding Class A LP Units, and at any time of determination, the sum of the Preferred Return earned by such Limited Partner under the terms of the Partnership Agreement prior to the date of such determination;

“Cumulative Preferred Return Deficiency” means, with respect to a Limited Partner holding Class A LP Units, and at any time of determination, an amount which equals the excess, if any, of (i) the Cumulative Preferred Return earned by such Limited Partner as of such date over (ii) the cumulative amount of cash distributed to such Limited Partners by the Partnership in respect of the payment of the Cumulative Preferred Return to a Limited Partner;

“Declaration of Trust” means the Declaration of Trust dated May 28, 2018 by and between Computershare Trust Company of Canada, as Trustee, Triumph Real Estate Investment Fund 1 AdminCo Ltd. as Administrator, and Don O’Dwyer as the initial unitholder, governing the business and affairs of the Trust as may be amended, supplemented and restated from time to time;

“Deferred Plan” means a trust governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan (“**RESP**”) or tax-free savings account (“**TFSA**”);

“Discretion” means sole, absolute and unfettered discretion;

“Disposition Fee” shall have the meaning ascribed to it in Item 2.2.1 – “The Partnership”;

“Distributable Cash” means with respect to a particular period, the amount by which the Partnership’s cash on hand or to be received in respect of that period (excluding any proceeds from any Financing) exceeds:

- (i) unpaid administration expenses of the Partnership;
- (ii) any amounts due and owing to the General Partner with respect to the General Partner Fees;
- (iii) amounts required for the business and operations of the Partnership, including operating expenses and capital expenditures;
- (iv) amounts required in order to meet all debts, liabilities and obligations in respect of any Financing, including reserves to ensure compliance with agreements to which the Partnership is subject; and
- (v) any amounts which the General Partner in its Discretion determines is necessary to satisfy the Partnership’s current and anticipated debts, liabilities and obligations and to comply with applicable laws;

“Distribution Payment Date” means the date on which AdminCo makes a distribution of Cash Flow of the Trust to the Unitholders;

“Distribution Period” means each quarterly period ending on March 31, June 30, September 30 and December 31, or such other periods as may be hereafter determined from time to time by AdminCo from and including the first day thereof and to and including the last day thereof;

“Distribution Record Date” means on or about the last Business Day of each Distribution Period, or, if that day is not a Business Day, the next following Business Day, or such other date determined from time to time by the AdminCo;

“DRIP Unit Price” means a price per Unit equal to the most recent subscription price per Unit that the Units were offered to investors for purchase;

“Exchangeable Security” or **“Exchangeable Securities”** means a unit or units, a share or shares or other security or securities which are convertible into or exchangeable for Unit(s) (directly or indirectly) without the payment by the holder of additional consideration therefor, whether or not issued by the Trust;

“Exempt Market Dealer” and **“EMD”** means an exempt market dealer, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”);

“Financing” means any credit facility granted or extended to or for the benefit of, or investment by way of debt in, the Partnership whereby or pursuant to which money, credit or other financial accommodation has been or may be provided, made available or extended to the Partnership by way of borrowed money, the purchase of debt instruments or securities, bankers acceptances, letters of credit, overdraft or other forms of credit and financial accommodation, and includes any and all trust deeds, indentures, mortgages, bonds or debentures (whether issued and delivered as security or sold to a purchaser), security agreements and other deeds, instruments or documents in respect thereof;

“Fiscal Year” means a fiscal year of the Trust (or portion thereof), which ends on December 31 in each calendar year, except in the case of a deemed year end on the dissolution of the Trust;

“Funding Agreement” means the agreement entered into between the Trust and the Partnership which provides that the Partnership will pay all costs, fees, Selling Commissions, Wholesaling Fee and expenses incurred by the Trust in connection with this Offering;

“GAAP” means, at any time, accounting principles generally accepted in Canada, including those set out in the Handbook of the Chartered Professional Accountants of Canada;

“General Partner” means Triumph Real Estate Investment Fund II GP Ltd., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“General Partner Fees” means collectively the Acquisition Fee, the Disposition Fee, the Management Fee and the NOI Fee and individually means any one of the above Fees as the context requires;

“Governmental Authority” means: (i) any nation, province, territory, state, county, city or other jurisdiction; (ii) any federal, provincial, territorial, state, local, municipal, foreign or other government; (iii) any governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental power); (iv) anybody exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power; or (v) any official of the foregoing;

“Gross Proceeds” means, at any time, the aggregate gross proceeds of this Offering;

“GST” means any applicable Canadian federal or provincial goods and services tax or harmonized sales tax;

“Holding GP” means TREIF US Holding GP II LLC, a Delaware limited liability company to be established as further described in Item 2.2 herein. Holding GP will be the general partner of the Holding LP. Holding GP will be controlled by the General Partner;

“Holding LP” means TREIF US Holding LP II, a Delaware limited partnership to be established and controlled by the Partnership as further described in Item 2.2 herein. Holding LP will hold all of the interests of the Partnership in any Acquisition LP registered in the United States;

“include”, “including” and “includes” mean “include, without limitation”, “including, without limitation” and “includes without limitation”, respectively;

“Income of the Trust” means for any taxation year of the Trust the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and paragraph 82(1)(b)) having regard to the provisions thereof which relate to the calculation of income of a trust, and taking into account such adjustments thereto as are determined by AdminCo in respect of dividends received from taxable Canadian corporations, amounts paid or payable by the Trust to Unitholders and such other amounts as may be determined in the Discretion of AdminCo; provided, however, that capital gains and capital losses shall be excluded from the computation of net income;

“Independent” has the definition ascribed to such term as defined by NI 81-107;

“Independent Director” means a director of the General Partner, AdminCo or Holding GP who is Independent;

“Issuance Anniversary” means the date on which a Unit Certificate is issued by the Trust;

“Limited Partner” means any person who is admitted to the Partnership as a limited partner for as long as they are registered holder(s) of at least one LP Unit;

“LP Units” means collectively the Class A LP Units and Class B LP Units;

“Management” means collectively the officers and directors of the General Partner;

“Management Fee” shall have the meaning ascribed to it in Item 2.2.1 – “The Partnership”;

“Market Value” means the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion;

“Maximum Offering” means the maximum offering hereunder of gross proceeds of \$50,000,000;

“Minimum Investor/Investment Requirement” means the requirement under the Tax Act for the Trust to have a minimum of 150 investors having a minimum investment of \$500 each by March 30, 2019 in order for the Trust to qualify as “mutual fund trust” under the Tax Act;

“Minimum Offering” means the minimum offering hereunder of gross proceeds of \$1,000,000;

“Net Realized Capital Gains” of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds:

- (i) the aggregate of the capital losses of the Trust for the year;
- (ii) any capital gains which are realized by the Trust as a result of a redemption of Units pursuant to the Declaration of Trust; and
- (iii) the amount determined by AdminCo in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year;

“NI 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

“NOI” means the net operating income of the Partnership, if any, for each Fiscal Year of the Partnership determined in accordance with GAAP, applied to the extent possible on a consistent basis from year to year;

“NOI Allocation” shall have the meaning ascribed to it in Item 2.2.1 – “The Partnership”;

“Non-Resident” means a Person who is not a resident of Canada and a partnership that is not a Canadian partnership, for purposes of the Tax Act;

“Offering” means the private placement of the Units by the Trust under this Offering Memorandum;

“Offering Memorandum” means this private placement offering memorandum of the Trust as the same may be amended, supplemented or replaced from time to time;

“OM Marketing Materials” means a written communication, other than an OM standard term sheet (as that term is defined in NI 45-106 *Prospectus Exemptions*), intended for prospective purchasers regarding the distribution of Units under this Offering Memorandum that contains material facts relating to the Trust, the Units or this Offering;

“Partnership” means Triumph Real Estate Investment Fund II LP, a limited partnership established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“Partnership Act” means the *Partnership Act* (Alberta) as amended and in force from time to time;

“Partnership Agreement” means the limited partnership agreement dated May 28, 2018 respecting the Partnership, between Triumph Real Estate Investment Fund II GP Ltd. as general partner and David Wallach as the initial limited partner;

“Permitted Investments” means all property, assets and rights which may be held from time to time by a “mutual fund trust” under the provisions of subsection 132(6) of the Tax Act, including without limitation:

- (i) the initial contribution made to the Trust by the initial unitholder;
- (ii) all funds realized from the sale of Units;
- (iii) securities in the capital of corporations and interests in limited partnerships or trusts, including without limitation the Partnership;
- (iv) debt or debt instruments issued by any issuer;
- (v) rights in and to any real property, provided it is capital property;
- (vi) any proceeds of disposition of any of the foregoing property; and
- (vii) all income, interest, profit, gains and accretions and additional rights arising from or accruing to such foregoing property or such proceeds of disposition;

“Person” means any individual, company, corporation, limited partnership, general partnership, firm, joint venture, syndicate, trust, joint stock company, limited liability company, association, bank, pension fund, business trust or other organization, whether or not a legal entity, and any government agency or political subdivision thereof or any other form of entity or organization;

“Portfolio” means, collectively, the Properties acquired by the Partnership;

“Preferred Return” shall mean with respect to a Limited Partner holding Class A LP Units and with respect to those periods during the term of the Partnership that the Limited Partner’s Capital Contribution is outstanding, an amount equal to seven percent (7%) per annum, of such Limited Partner’s Capital Contribution, calculated from the first day of the month immediately following the month in which such Capital Contribution is made until the date such Limited Partner’s Capital Contribution has been returned through distributions of Distributable Cash made by the Partnership to the Limited Partner. The Preferred Return shall be calculated on the basis of a year of 365 days and the actual number of days (including the first day, but excluding the last day) occurring in the period for which the Preferred Return is being calculated;

“Properties” means real estate assets comprised of multi-tenant office, industrial or retail properties located in the Provinces of Alberta, Saskatchewan and Ontario and in the States of Arizona, Colorado, Nevada, Oregon, Texas and Washington;

“Proportionate Share” means with respect to LP Units either the Class A Proportionate Share or the Class B Proportionate Share as applicable in the circumstances;

“pro rata share” means, of any particular amount in respect of a Unitholder at any time shall be the product obtained by multiplying the number of Units that are outstanding and owned by that Unitholder at such time by the amount obtained when the particular amount is divided by the total number of all Units that are issued and outstanding at that time;

“Redemption Notes” means, in the case where a cash redemption is not applicable to Units tendered for redemption, the promissory notes of the Trust that may be distributed by the Trust to satisfy the Redemption Price, with such notes having an interest rate that is equal to five percent (5%) simple interest per annum, calculated from the day the Note is issued and such other commercially reasonable terms as AdminCo may prescribe, subject to a maximum term of three (3) years from the date of issue, as determined in the sole Discretion of AdminCo, provided that the applicable interest shall be paid on the anniversary date of the issue of the Note while a Note is outstanding;

“Redemption Price” means the price per Unit that the Trust shall pay to a redeeming Unitholder, which shall be determined as follows: (i) within 12 months from the date of the Unit Certificate (the **“Issuance Anniversary”**) representing Units to be redeemed shall be 90% of the Unit Subscription Price with respect to each Unit being redeemed; and (ii) at any time after the Issuance Anniversary of a Unit Certificate, the Redemption Price shall be 95% of the Unit Subscription Price of each Unit to be redeemed;

“Securities” means bonds, debentures, notes or other evidence or instruments of indebtedness, shares, stocks, options, warrants, special warrants, installment receipts, subscription receipts, rights, subscriptions, partnership interests, units or other evidence of title to or interest in the capital, assets, property, profits, earnings or royalties, of any Person;

“Securities Act” means the *Securities Act* (Alberta), as amended from time to time, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder;

“Selling Agents” means parties, including Exempt Market Dealers and their dealing representatives, who sell the Units under this Offering upon behalf of the Trust and who are entitled to receive commissions from the Trust for such sales under applicable securities laws;

“Selling Commissions” means the commissions of up to 6.9% of the Gross Proceeds from the sale of the Units pursuant to this Offering together with a trailer fee equal to 0.5% of such proceeds payable to parties who sell the Units and who are entitled to receive such commissions under applicable securities laws. See Item 7 - “Compensation Paid to Sellers and Finders”;

“Series” means the numerical designation made by AdminCo with respect to each of the Units issued by the Trust or the numerical designation made by the General Partner with respect to each of the Class A LP Units issued by the Partnership, as the context requires;

“Subscribers” means Persons who subscribe for Units pursuant to this Offering and **“Subscriber”** means any one such Person;

“Subscription Agreement” means the Subscription Agreement entered into between a Subscriber and the Trust with respect the purchase of Units by a Subscriber under this Offering;

“subsidiary” shall have the meaning ascribed thereto in the Securities Act;

“Target Markets” means collectively the Provinces of Alberta, Saskatchewan and Ontario and the States of Arizona, Colorado, Nevada, Oregon, and Texas and Washington and **“Target Market”** means any one of the above provinces or states;

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

“Trust” means Triumph Real Estate Investment Fund II, a trust constituted by the Declaration of Trust, as the same may be amended, supplemented or restated from time to time;

“Trust Assets”, at any time, shall mean the Permitted Investments that are at such time held by the Trustee for the benefit of the Unitholders and for the purposes of the Trust under the Declaration of Trust;

“Trustee” means any such Person who is a trustee of the Trust, being Computershare Trust Company of Canada as at the date hereof;

“Unit” or **“Trust Unit”** means a trust unit of the Trust which represents an interest in the Trust as provided for in the Declaration of Trust and has the rights, privileges, restrictions and conditions set forth in the Declaration of Trust and shall not include fractional Units;

“Unit Certificate” means a certificate, in the form approved by AdminCo, evidencing one or more Units, issued and certified in accordance with the provisions of the Declaration of Trust;

“Unit Subscription Price” means the subscription price for a Unit paid for by a Subscriber to this Offering. See Item 5.2 - “Subscription Procedure”;

“Unitholders” means at any time the Persons who are the holders of record at that time of one or more Units, as shown on the registers of such holders maintained by or on behalf of the Trust;

“USD” means United States Dollars;

“Wallach” means David Wallach, an individual residing in the City of Calgary, in the Province of Alberta; and

“Wholesaling Fee” means the fees paid by the Partnership on behalf of the Trust to parties who provide wholesaling services to the Trust with respect to the sale of Units under this Offering, in an amount of up to one percent (1%) of the Gross Proceeds of this Offering.

In this Offering Memorandum, references to “dollars” and \$ are to the currency of Canada, unless otherwise indicated.

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ITEM 1 - USE OF AVAILABLE FUNDS

1.1 FUNDS

The following table discloses the estimated available funds (the “**Available Funds**”) of the Offering:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by issuance of this Offering	\$1,000,000	\$50,000,000
B	Selling Commissions	(1)	(1)
C	Estimated Offering costs	(1)	(1)
D	Available Funds: $D = A - (B + C)$	\$1,000,000	\$50,000,000
E	Additional sources of funding required	Nil	Nil
F	Working Capital Deficiency	Nil	Nil
G	Total: $G = D + E - F$	\$1,000,000	\$50,000,000

(1) All expenses, fees and commissions related to the Offering will be borne by the Partnership rather than the Trust pursuant to the terms of the Funding Agreement. See Item 2.5 – “Material Agreements – Summary of the Funding Agreement”.

1.2 USE OF AVAILABLE FUNDS

The proceeds from the issue of the Units will be paid to the Trust, deposited in its bank account and administered on behalf of the Trust by AdminCo.

All of the Gross Proceeds from this Offering will be used to acquire Class A LP Units in the Partnership and to loan funds to the Holding LP in the event that the Trust chooses to acquire Properties in the United States. The Trust will acquire Class A LP Units for the subscription price of one dollar (\$1) per Class A LP Unit. The number of Class A LP Units to be acquired by the Trust and the amount of funds loaned to the Holding LP (if any) will be contingent on the amount of funds raised pursuant to this Offering. See Item 2.2 - “Our Business”.

The Trust

The following table sets out the proposed use of Available Funds by the Trust:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Acquire Class A LP Units from the Partnership and/or loan funds to the Holding LP	\$1,000,000	\$50,000,000
All other costs and expenses relating to the Trust’s activities and business	Nil ⁽¹⁾	Nil ⁽¹⁾
Total	\$1,000,000	\$50,000,000

(1) Pursuant to the Funding Agreement, all fees, costs and expenses relating to the Trust’s activities and business will be borne by the Partnership rather than the Trust, including fees payable to the Trustee and AdminCo. See Item 2.5 – “Material Agreements – Summary of the Funding Agreement”.

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The Partnership

The Partnership will use the proceeds of this Offering received from the Trust in exchange for the purchase of Class A LP Units over the ensuing 12 months from the date of this Offering Memorandum to:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering \$1,000,000	Assuming Maximum Offering \$50,000,000
(i) Pay the estimated legal ⁽¹⁾ , accounting, marketing costs, corporate finance costs and exempt market dealer due diligence fees and costs associated with this Offering	\$80,000	\$150,000
(ii) Pay for Selling Commissions and Exempt Market Dealer administration fees associated with this Offering ⁽²⁾	\$69,000	\$3,450,000
(iii) Pay the Wholesaling Fee ⁽³⁾	\$10,000	\$500,000
(iv) Pay the operating and administration expense of the Trust and the Partnership ⁽⁴⁾	\$100,000	\$200,000
(v) Pay the Management Fee to the General Partner ⁽⁵⁾	\$20,000	\$1,000,000
(vi) Pay the Administration Fee to AdminCo ⁽⁶⁾	\$500	\$500
(vii) Pay an annual Trustee Fee to Computershare Trust Company of Canada ⁽⁷⁾	\$12,500	\$12,500
(viii) As working capital for the acquisition of Properties ⁽⁸⁾	\$708,000	\$44,687,000
Total	\$1,000,000	\$50,000,000

- (1) Craig Bentham (“**Bentham**”), an officer and director of the General Partner, has acted as legal counsel to the Trust and the Partnership with respect to this Offering. His fees in this respect, of \$60,000, will be paid from the proceeds of this Offering.
- (2) Assuming the Trust pays an aggregate of 6.9% in Selling Commissions of the Gross Proceeds realized from the Units. The Partnership will pay all Selling Commissions and Exempt Market Dealer administration fees on behalf of the Trust pursuant to the Funding Agreement. See Item 2.5 – “Material Agreements – Summary of the Funding Agreement” and Item 7 – “Compensation Paid to Sellers and Finders”.
- (3) The Trust will pay up to one percent (1%) of the Gross Proceeds of this Offering to parties who provide wholesaling services to the Trust with respect to the sale of Units under this Offering.
- (4) In the conduct of its business, the Partnership estimates that it will incur expenses relating to investors relations, marketing, director’s compensation, accounting, audit, Exempt Market Dealer due diligence and administration fees, office rental, insurance, legal and travel expenses and salary of the Partnership’s property administrator (collectively “**operating and administration expenses**”), all of which will be paid from funds raised from this Offering until such time as these costs can be paid from the operating income of Properties acquired by the Trust. See the heading “Operating Expenses of the Trust and Partnership” in Item 2.2 – “Our Business”. The Partnership estimates that if the Maximum Offering is raised and the Partnership fully deploys the maximum amount of working capital in the acquisition of Properties, that these expenses will total approximately \$175,000 in the ensuing 12 months from the date of this Offering Memorandum. The total amount of operating and administration expenses that will be incurred by the Partnership and the Trust are dependent upon: (i) the funds raised under this Offering; (ii) the number and nature of Properties acquired by the Trust; and (iii) external factors which cannot be anticipated or controlled by the Partnership or the Trust.
- (5) Pursuant to the terms of the Partnership Agreement, the Partnership shall pay the General Partner a Management Fee from the proceeds of this Offering equal to two percent (2%) of funds raised by the Partnership from the distribution of Class A LP Units to the Trust. See Item 2.1.3 - “The General Partner”.
- (6) Pursuant to the terms of the Administration Agreement, the Trust shall pay AdminCo an annual fee of \$500 during the term of the Administration Agreement.
- (7) The Trust shall pay Computershare Trust Company of Canada an annual fee of \$12,500 for acting as Trustee of the Trust. Pursuant to the terms of the Declaration of Trust, Computershare Trust Company of Canada will also act as registrar and transfer agent of the Trust and will administrate the preparation and distribution of Unit Certificates. It will be paid a fee for providing such services to the Trust equal to \$15 per Unit Certificate prepared together with all such other fees and expenses associated with Computershare Trust Company of Canada acting in this capacity.
- (8) See Item 2.2 - “Our Business” and Item 2.3.1 - “Short and Long Term Objectives”.

1.3 REALLOCATION

(a) THE TRUST

The Trust intends to spend the Available Funds as stated above.

(b) THE PARTNERSHIP

The Partnership intends to spend the Available Funds as stated above.

1.4 WORKING CAPITAL DEFICIENCY

The Partnership

As at the date of this Offering Memorandum, the Partnership does not have a working capital deficiency.

ITEM 2 - OUR BUSINESS

2.1 STRUCTURE

2.1.1 THE TRUST

The Trust intends to qualify as an unincorporated, open-ended, limited purpose mutual fund trust under the Tax Act on or before March 30, 2019, subject to satisfaction of the Minimum Investor/Investment Requirement. See also Item 8 - "Risk Factors - Mutual Fund Trust".

The Trust was formed under the laws of the Province of Alberta on May 28, 2018 pursuant to the Declaration of Trust. The principal place of business of the Trust is Suite 200, 407 - 8 Avenue SW, Calgary, Alberta, Canada.

The initial Unitholder of the Trust (the "**Settlor**") is Don O'Dwyer of the City of Calgary, Alberta.

The rights and obligations of the Unitholders and Trustee are governed by the Declaration of Trust and the laws of the Province of Alberta and Canada applicable thereto.

A Subscriber will become a Unitholder of the Trust upon the acceptance by AdminCo of such Subscriber's Subscription Agreement.

The Trustee

Computershare Trust Company of Canada is the Trustee of the Trust. The principal place of business of the Trustee in Alberta is located at 600, 530 - 8 Avenue SW, Calgary, Alberta. See www.computershare.com for information regarding Computershare Trust Company of Canada.

The Trustee is responsible for the management and control of business and affairs of the Trust on a day-to-day basis in accordance with the terms of the Declaration of Trust. Pursuant to the terms of the Declaration of Trust and the Administration Agreement, the Trustee has assigned the management and control of the business and affairs of the Trust to AdminCo.

AdminCo

AdminCo is a corporation established under the laws of the Province of Alberta on July 31, 2013. AdminCo is controlled by Wallach and Bentham. The officers and directors of AdminCo are Wallach and Bentham. The Independent Directors of AdminCo are Neil Bane, Leslie Conway and Richard Boyer.

The Administration Agreement

Pursuant to the Declaration of Trust and the Administration Agreement, the Trustee has granted to AdminCo the authority to effect the actual administration of the duties of the Trustee under the Declaration of Trust. The Trustee has granted AdminCo the authority to provide general administrative services and support to the Trust and the Trustee, to act as agent for the Trust, to execute documents on behalf of the Trust and to administer decisions of the Trustee which conform to general policies and general principles set forth in the Declaration of Trust and/or the Administration Agreement or established by the Trustee. AdminCo shall have the powers and duties expressly provided for in the Declaration of Trust and in the Administration Agreement, including the power to further delegate administration of the Trust, provided that no further delegation shall be effective until AdminCo has notified the Trustee of the name of the person or persons to whom such further delegation is made and the terms and conditions thereof.

In the event that AdminCo is unable or unwilling to perform its obligations under the Administration Agreement, the Trustee shall either perform all obligations of AdminCo thereunder or shall be entitled to engage another Person that is duly qualified to perform such obligations. See Item 2.5 - "Material Agreements - Summary of the Administration Agreement".

Conflict of Interest Policies

AdminCo and the General Partner each have adopted a Conflict of Interest Policy pursuant to which all matters that involve a Conflict of Interest Matter must be unanimously approved by the Independent Directors in order to proceed. As of the date of this Offering Memorandum, Neil Bane, Leslie Conway and Richard Boyer, directors of the General Partner and AdminCo, are considered to be Independent Directors.

For the purposes of this heading, a “Conflict of Interest Matter” shall have the following meaning:

- (I) With respect to the Partnership and General Partner, a situation where a reasonable person would consider any Principal Party to have an interest that may conflict with their ability to act in good faith and in the best interests of the General Partner or the Partnership and shall include without limitation and shall include without limitation the following matters:
 - (i) any “related party transaction”, as that term is defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”), involving any Principal Party;
 - (ii) the acquisition of a Property by the Partnership from a Principal Party or a from an entity in any way related to a Principal Party;
 - (iii) the acquisition of a Property by the Partnership that is listed for sale by Barclay Street;
 - (iv) the engagement of Barclay Street by the Partnership to act as selling agent of any Property owned by the Partnership;
 - (v) the engagement of Barclay Street by the Partnership to act as property manager of any Properties owned by the Partnership in Alberta;
 - (vi) the payment of any fees to Neil Bane for services provided to the Partnership by Bane in securing acquisition financing for the Partnership with respect to Properties acquired in the United States;
 - (vii) the payment by the Partnership of legal fees to Craig Bentham where such payment is in excess of \$5,000 in a single account; and
 - (viii) the reimbursement by the Partnership of costs incurred on behalf of the Partnership by Barclay Street or any Principal Party where such reimbursement is in excess of \$5,000 for any one payment.
- (II) With respect to AdminCo and the Trust, a situation where a reasonable person would consider any Principal Party of AdminCo to have an interest that may conflict with their ability to act in good faith and in the best interests of the Administrator or the Trust and shall include without limitation any “related party transaction” involving any Principal Party, as that term is defined in MI 61-101, with the exception of the following: the acquisition of Class A LP Units in the Partnership by the Trust shall not be considered to be a Conflict of Interest Matter.

“**Principal Party**” means any of the officers, directors or shareholders of the General Partner or AdminCo, as applicable.

The Independent Directors are to review and provide their decision to AdminCo or the directors of the General Partner (as applicable) with respect to any Conflict of Interest Matter referred to the Independent Directors for review pursuant to the applicable Conflict of Interest Policy. The Independent Directors may provide standing instructions (being written approvals or recommendations) to AdminCo or to the directors of the General Partner that permit the Trust, the Partnership or the General Partner, to proceed with a proposed action relating to a Conflict of Interest on an ongoing basis.

The Independent Directors may seek the advice of legal counsel (other than Mr. Bentham), accountants, financial advisors, investment bankers or other advisors and are entitled to rely on such advice for the purposes of providing their decision to the directors of AdminCo or the General Partner.

Any Conflict of Interest Matter that is not approved by the Independent Directors, in accordance with its Conflict of Interest Policy, may not be acted upon by the Trust, AdminCo, the Partnership or the General Partner as applicable.

If there are no Independent Directors of the General Partner or AdminCo, then neither the Trust, AdminCo, the Partnership nor the General Partner shall be authorized to proceed with a matter that would be a Conflict of Interest Matter.

Annually, the Partnership and the Trust will provide to Unitholders, along with its audited annual financial statements, a report of the Independent Directors regarding their review and approval of any Conflict of Interest Matters during the year.

Upon inception, the Holding GP will adopt a Conflict of Interest Policy on the same terms and conditions as described above with respect to the General Partner and the Partnership and the directors of the Holding GP will be bound in all respects under that Policy with respect to Conflict of Interest Matters involving the Holding GP, the Holding LP and all Acquisition LP's controlled by the Holding LP.

2.1.2 THE PARTNERSHIP

The Partnership is a limited partnership established under the laws of the Province of Alberta on May 28, 2018.

The Partnership's head office is located at Suite 200, 407 - 8 Avenue SW, Calgary, Alberta. The Partnership was established to acquire Properties in the Target Markets, as described in more detail under Item 2.2 – "Our Business - The Partnership".

Initial Limited Partner

The initial limited partner of the Partnership is David Wallach, an individual residing in the City of Calgary in the Province of Alberta.

The General Partner

The General Partner of the Partnership is Triumph Real Estate Investment Fund II GP Ltd., a corporation established under the laws of the Province of Alberta on May 2, 2018. The General Partner is controlled equally by Bentham and Wallach (through his holding company) who are each directors of the General Partner. See Item 3.1.2 - "The General Partner".

The terms of the Partnership Agreement provide that the General Partner has, to the exclusion of the Limited Partners, the sole power and exclusive authority to manage the business and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. The General Partner is to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partners and the Partnership and shall, in discharging its duties, exercise the degree of care, the diligence and the skill that a reasonably prudent manager of a partnership would exercise in similar circumstances. Certain restrictions are imposed on the General Partner and certain actions may not be taken by it without the approval of the Limited Partners by special resolution. The General Partner cannot dissolve the Partnership or wind up its affairs except in accordance with the provisions of the Partnership Agreement.

The General Partner has:

- (i) unlimited liability for the debts, liabilities and obligations of the Partnership;
- (ii) subject to the terms of the Partnership Agreement, and to any applicable limitations set forth in the Partnership Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Partnership; and
- (iii) the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Partnership.

An action taken by the General Partner on behalf of the Partnership is deemed to be the act of the Partnership and binds the Partnership.

Notwithstanding any other agreement the Partnership or the General Partner may enter into, all material transactions or agreements entered into by the Partnership must be approved by the board of directors of the General Partner.

The Partnership Agreement provides that the following fees are payable by the Partnership to the General Partner:

- (a) A fee (the "**Management Fee**") of two percent (2%) of the aggregate of all funds raised by the Partnership through the issue of Class A Units by the Partnership to the Trust, together with applicable GST thereon;
- (b) Commencing on January 1, 2020, and for the remainder of the term of the Partnership, five percent (5%) of the aggregate NOI of the Partnership (the "**NOI Allocation**") on an annual basis;
- (c) A fee (the "**Acquisition Fee**") of one percent (1%) of the purchase price of a Property paid by the Partnership together with GST thereon as applicable; and
- (d) A fee (the "**Disposition Fee**") of one percent (1%) of the sale price of a Property received from the disposition of a Property by the Partnership, together with GST thereon as applicable.

The Partnership shall pay the General Partner the Management Fee within five (5) business days of each distribution of Class A LP Units. The Management Fee will be paid by the Partnership to the General Partner from funds received by the Partnership from the distribution of Class A LP Units to the Trust.

The Partnership shall pay the NOI Allocation to the General Partner from the operating income of the Properties monthly in 1/12 increments.

The Partnership shall pay the Acquisition Fee and the Disposition Fee associated with a Property from the proceeds of any sale or refinancing of the Property to which the Fees relate.

Acquisition of Class A LP Units by the Trust

Upon the initial closing of this Offering, the Trust will become a limited partner in the Partnership through acquiring Class A LP Units with the available funds of the Minimum Offering. Thereafter, the Trust will continue to acquire Class A LP Units in the Partnership, issued in Series, for a purchase price of \$1 per Class A LP Unit with all proceeds from future closings under this Offering.

The Trust will acquire a corresponding Series of Class A LP Units (each a "Series LP Unit") from the Partnership with the proceeds raised from an issuance of Series of Units by the Trust. Each Series LP Unit acquired by the Trust shall have the same numerical designation as the Series of Trust Units to which the Series LP Unit relates. For illustrative purposes, if the Trust issues five (5) Series I Units, it will purchase five (5) Series I LP Units in the Partnership. If the Trust issues five (5) Series II Trust Units, it will purchase five (5) Series II LP Units in the Partnership and so on.

The Unitholders of each Series of Trust Units shall only be entitled to distributions of Cash Flow of the Trust, Income of the Trust and Net Realized Capital Gains of the Trust, if any, arising from the Series LP Units in the Partnership to which their Series of Trust Units relates. For illustrative purposes, if the Trust issues five (5) Series I Trust Units, the holders of those Units will only be entitled to the Cash Flow of the Trust resulting from the acquisition by the Trust of five (5) Series I LP Units in the Partnership.

Distributable Cash of the Partnership

The ability of the Trust to make distributions of cash and to make cash redemptions of Units will be wholly dependent upon distributions of Distributable Cash the Trust receives from the Partnership pursuant to the terms of the Partnership Agreement.

The following are the terms of the Partnership Agreement relating to the distributions of Distributable Cash:

- (a) The General Partner may in its Discretion make distributions of Distributable Cash as follows:
 - (i) firstly, \$100 to the General Partner annually;
 - (ii) secondly to the Limited Partners holding Class A Units in their Class A Proportionate Shares, to the extent of their unreturned Capital Contributions, whereupon distributions shall thereafter be made;
 - (iii) thirdly, to the Limited Partners holding Class A Units, in accordance with their Class A Proportionate Shares, until there has been distributed to the Limited Partners holding Class A Units pursuant to this Section an amount of cash equal to such Limited Partners then Cumulative Preferred Return Deficiency, if any, whereupon distributions shall thereafter be made;
 - (iv) fourthly, (a) 70% to the Limited Partners holding Class A Units, and (b) 30% to the Limited Partners holding Class B Units in accordance with their respective Class A Proportionate Shares and Class B Proportionate Shares until such time as the Limited Partners holding Class A Units have received distributions equal to a 12% annualized return on their Capital Contribution, calculated during the period commencing the date on which a Capital Contribution was received by the Partnership until the date on which such Capital Contribution has been returned to a Limited Partner, whereupon distributions shall thereafter be made; and
 - (v) fifthly, (a) 50% to the Limited Partners holding Class A Units in their Class A Proportionate Shares, and (b) 50% to the Limited Partners holding Class B Units in their Class B Proportionate Shares.
- (b) If the General Partner determines to make a distribution of Distributable Cash, the General Partner will distribute Distributable Cash to the Limited Partners whose names appear on the register on the date on which such distribution is being made. Distributions made will be net of any tax required by law to be withheld by the General Partner on behalf of the Partnership.

The General Partner may not make a return of Capital Contributions to a Limited Partner if and to the extent:

- (a) any Partner's share thereof would exceed the Capital Contribution of such Partner (less the amount of cash or the agreed value of property which has been previously paid or distributed in respect of such Unit on account of capital); or
- (b) such distribution would be contrary to any provision of any agreement to which the Partnership is a party or by which the Partnership is bound (including any financing) or to any applicable law.

Subject to advice to the contrary received from its accounting advisors, distributions of Distributable Cash made by the Partnership to the Trust with respect to Class A LP Units acquired by the Trust shall be paid firstly as a return of Capital Contributions by the Partnership until the Trust has received return of all its Capital Contributions in respect of such LP Units acquired by it.

The Trust will be the only holder of Class A LP Units in the Partnership.

The Class B LP Units in the Partnership are held by Bentham and Wallach (through his family trust). See Item 3.1.2 – "The General Partner".

Other Advances or Distributions

Subject to and in the same priority as set forth above, the General Partner may, in addition to the advances or distributions described above, advance or distribute Distributable Cash at any other time and establish a record date for making of such advance or distribution. Notwithstanding the foregoing, the General Partner will not make any such advance or distribution if and to the extent such advance or distribution would be contrary to any provision of any other agreement to which the Partnership is a party, or by which the Partnership is bound (including any loan agreement) or to any applicable law.

2.2 OUR BUSINESS

2.2.1 BUSINESS OF THE TRUST

The Trust is in the start-up phase of development and has carried on limited business prior to this Offering and has limited financial and development history. Since inception, the Trust has been engaged in the preparation of this Offering, which has included, amongst other things, establishing the Partnership, retaining the Trustee and retaining legal counsel.

The Trust was established for the primary purpose of acquiring, indirectly through the Partnership, real estate assets that are located in the Provinces in Alberta, Saskatchewan and Ontario, and in the States of Arizona, Colorado, Nevada, Oregon, Texas and Washington.

Throughout this Offering Memorandum reference will be made to the Trust acquiring Properties. Notwithstanding that reference, investors should note that Properties will not be acquired directly by the Trust. Legal title to a Property will be held by the Acquisition LP or the Acquisition GP created by the Partnership with respect to each Property acquired.

The Trust intends to make quarterly distributions of operating income from a Property to Unitholders, commencing at the end of the first full fiscal quarter occurring after the acquisition of a Property by the Trust, with the goal of ultimately disposing of Properties acquired by it through the Partnership to generate positive returns on investment.

All of the Gross Proceeds of the Offering will be used to: (i) acquire Class A LP Units in the Partnership; and (ii) if additional Properties are acquired in the United States, loan funds to Holding LP. The number of Class A LP Units acquired by the Trust will be contingent on the amount of funds raised pursuant to this Offering. See Item 1.2 - "Use of Available Funds".

2.2.2 BUSINESS OF THE PARTNERSHIP

- (a) The Partnership was formed to:
 - (i) acquire a portfolio of real estate assets comprised of multi-tenant office, industrial or retail properties (the "**Properties**") located in the Provinces of Alberta, Saskatchewan and Ontario, and in the States of Arizona, Colorado, Nevada, Oregon, Texas and Washington;
 - (ii) acquire securities in entities that own or operate Properties;
 - (iii) acquire, own, hold (whether, individually, jointly with others or via an Acquisition LP), maintain, manage, market, sell, transfer or otherwise dispose of Properties; and
 - (iv) conduct any other business or activity incidental, ancillary or related thereto.
- (b) In carrying on its business, the Partnership may enter into joint ventures or partnerships with unrelated partnerships or parties in the acquisition of a Property;

- (c) If the General Partner determines in good faith that for legal, tax, regulatory or other reasons it is in the best interests of the Partnership for the Partnership to own or hold Property in a separate structure, the General Partner is authorized to cause the Partnership to form an Acquisition LP and to contribute and/or make available, funds necessary for such Acquisition LP to acquire, own, maintain, improve, operate or dispose of such Property. See the heading “*Acquisition of Properties*” below for a detailed discussion of the relationship between the Partnership and any Acquisition LP established by it to acquire Properties;
- (d) The Partnership shall have the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of its business and purposes;
- (e) The purposes of the Partnership are to be construed as both purposes and powers of the Partnership.

Acquisition of Properties

Each Property acquired by the Trust will be held in a separate Acquisition LP, each of which will be a registered limited partnership that will be controlled by the Partnership.

Where a Property acquired by the Trust is located in the United States, the Acquisition LP relating to that Property will be a United States registered limited partnership. The Partnership’s interest in each United States registered Acquisition LP will be held by Holding LP.

Where a Property acquired by the Trust is located in Canada, the Acquisition LP relating to that Property will be a Canadian registered limited partnership. The Partnership’s interest in each Canadian registered Acquisition LP will be held by the Partnership directly. See the heading below “*Description of Activities of the Trust*”.

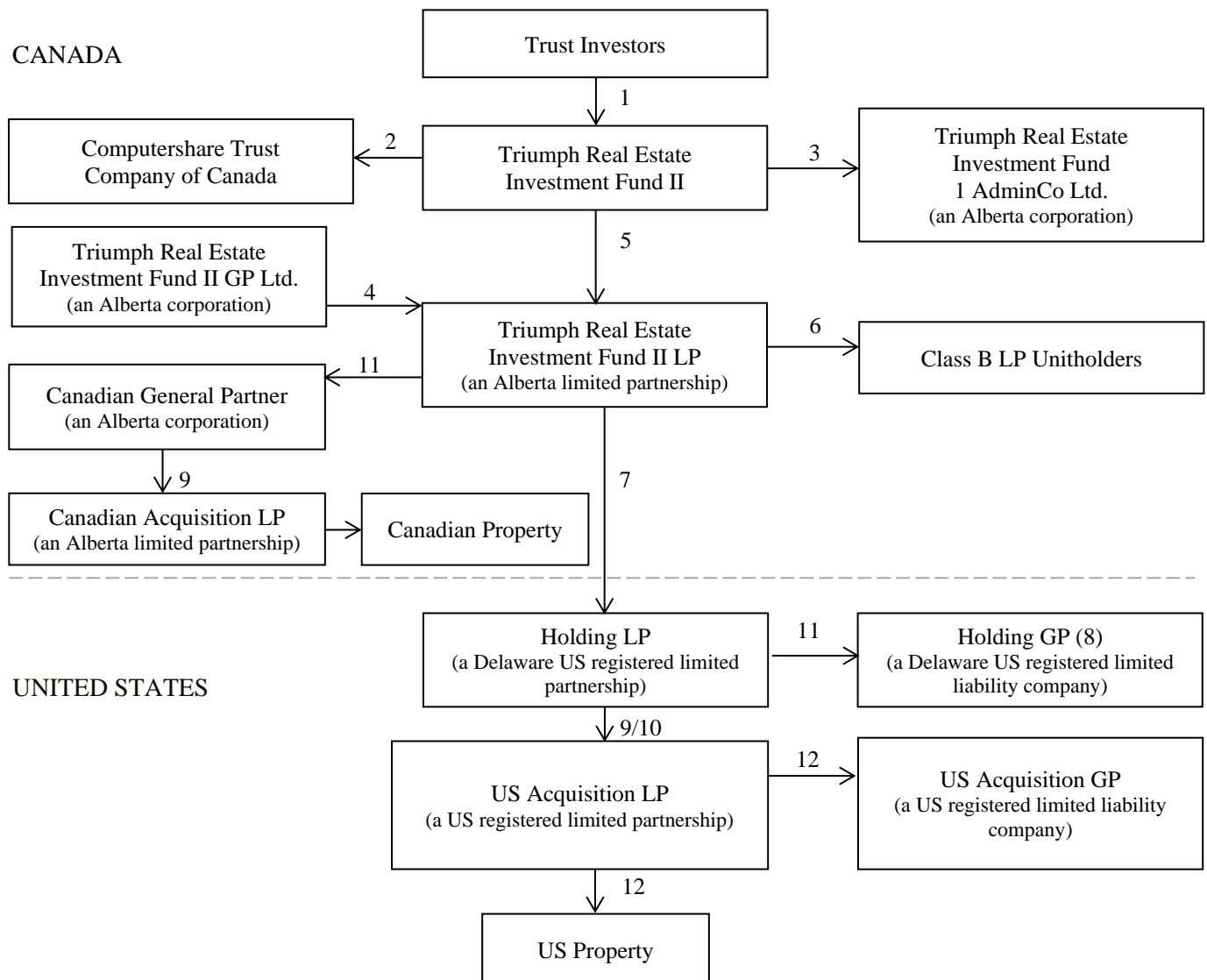
Each Acquisition LP will have a general partner (each an “**Acquisition GP**”) that will be private corporation incorporated in the Target Market in which the Property is located. Each Acquisition GP will be controlled by the General Partner. The officers and directors each Acquisition GP will be some or all of the officers and directors of the General Partner.

The Trust may acquire Properties in conjunction with unrelated third parties through joint ventures or partnerships with such parties. With respect to acquisitions that occur on this basis, the Trust will hold a minimum 51% interest in the Property acquired and will control the Acquisition GP relating to any such Property.

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DESCRIPTION OF THE ACTIVITIES OF THE TRUST

The following is an illustration of the relationship between the Trust, the Partnership and the various parties related to the Partnership and the Trust.



1. Investors under this Offering will be Unitholders of the Trust.
2. Computershare Trust Company of Canada is the Trustee of the Trust.
3. AdminCo is the Administrator of the Trust.
4. The General Partner is the general partner of the Partnership.
5. The Trust will be the only Limited Partner holding Class A LP Units of the Partnership.
6. The Class B LP Unitholders of the Partnership include the officers and directors of the General Partner.
7. The Partnership will be the only limited partner of Holding LP.
8. The some or all of the officers and directors of the General Partner will be the officers and directors of the Holding GP.
9. The General Partner will create a new Acquisition LP for every Property to be acquired by the Partnership.
10. The Holding LP will be the only limited partner of any Acquisition LP created in the United States.
11. A new general partner will be created for each Acquisition LP that is formed. The officers and directors of these entities will be two (2) or more of the officers and directors of the General Partner.
12. Each Property acquired in the United States by the Partnership will be held by a separate United States registered Acquisition LP.

The Partnership owns 99.9% of the limited partnership interest in the Holding LP and in each of the Canadian registered Acquisition LP's. The remaining one percent (0.1%) interest in the above Partnerships will be held by each partnership's respective Acquisition GP.

The Holding LP will hold holds a 99% interest in each US Acquisition LP. The remaining one percent (1%) interest in a United States registered Acquisition LP will be held by its Acquisition GP.

The Partnership will advance funds required for the acquisition of Properties to Canadian registered Acquisition LP's thorough partnership contributions. The Partnership and the Trust will advance funds required for the acquisition of Properties in the United States through a combination of loans and partnership contributions to the Holding LP, which will then further advance funds provided to it by the Partnership and the Trust to each United States registered Acquisition LP created to acquire a Property. The above will be the only loan transactions that the Partnership and Trust are involved in where they are the lender.

Investment Objectives of the Trust

The Trust's investment objectives are to: (a) indirectly acquire, own and lease a portfolio of diversified revenue-producing Properties located in the Target Markets; (b) make distributions of Cash Flow of the Trust to Unitholders comprised of the revenue produced by the Properties acquired by the Partnership; and (c) enhance the potential for long-term growth of capital through value-added enhancements to the Properties owned by the Trust and organic growth in rental rates, combined with an overall reduction in capitalization rates.

To a great degree the Trust will rely on Wallach and his control of Barclay Street to achieve the investment objectives of the Trust.

Barclay Street

Wallach is the sole officer and director and is the majority shareholder of Barclay Street Real Estate Ltd. ("**Barclay Street**").

Barclay Street is an established Western Canadian-based real estate company specializing in providing a wide range of commercial real estate services with offices in Calgary and Edmonton employing 47 full time staff.

Barclay Street is considered one of the largest privately owned commercial real estate brokerage firms in Alberta. The senior management staff of its property management division brings to their clients over 70 years of combined experience in the management of all types of commercial properties. Areas of specialization include office and industrial leasing and sales, investment sales, retail leasing and development, and strategic planning.

Barclay Street is a member of the TCN Worldwide ("**TCN**") network, which is a consortium of independent commercial real estate firms comprising 1,200 commercial real estate professionals servicing more than 200 markets that generate approximately \$21.6 billion in annual transactions. Visit www.tcnworldwide.com for more information with respect to TCN.

Property Management Services

As of the date of this Offering Memorandum, Barclay Street has 18 full time staff dedicated to this business unit and manages approximately 4.7 million square feet of commercial property in Calgary and Edmonton.

David Wallach

In 2000, Wallach began his career in Canadian commercial real estate and was later invited to join a group of senior negotiators who bought an established real estate brokerage firm in 2001. Wallach's extensive experience in real estate and his diverse knowledge in the business and financial sector, made transitioning his position within the firm a natural leap forward. In 2003, Wallach assumed the leadership role of President with a strong team of almost 30 employees. In 2004, the brokerage firm was rebranded under the name "Barclay Street Real Estate".

In 2007, Wallach added Property Management to Barclay Street's portfolio of services and the division has grown dramatically in the last few years with properties throughout Alberta.

In 2012, Wallach brought his commercial real estate knowledge to the international stage as a board member in an advisory role on the TCN board and as the Regional Vice President of the Canadian Region. Wallach is presently a full board member of TCN.

In April of 2016, Wallach was appointed to Co-Chairing the Calgary Economic Development and Real Estate Advisory Committee.

Wallach earned the designation of Certified Commercial Investment Member ("**CCIM**") Delegate in 2013. With his strong knowledge of the real estate industry and his desire for Barclay Street to continue to grow, he earned the delegation successfully. The CCIM designation is earned after successfully completing a designation process that ensures CCIMs are proficient not only in theory, but also in practice.

Wallach's extensive knowledge and forward thinking ideas have taken Barclay Street to new peaks in the commercial real estate industry. Wallach was responsible for and supervised over \$500,000,000 in transactions and pushed Barclay Street's team to successfully close leasing and sales transactions valued over \$2 billion in the past five (5) years.

Triumph Real Estate Investment Fund (“Fund I”)

In 2014, Wallach together with Bentham organized Fund I, an unincorporated, open-ended, limited purpose mutual fund trust under the Tax Act, which is the predecessor fund to the Trust. AdminCo is the administrator of Fund I. Fund I has raised in excess of \$20,000,000 since inception and has acquired the properties referenced in the table below. Fund I is no longer raising capital. Fund I intends to acquire one additional property within the next 2-3 months from 3 properties it currently has under contract. Bentham and Wallach, through AdminCo, will continue to be involved in the administration of Fund I and the management and disposition of its properties.

Triumph Real Estate Investment Fund Property Portfolio – June 27, 2018

#	Ownership Entity	Property Name	Property Address	Date Acquired	Purchase Price	Outstanding Debt	Loan to value
1	Triumph South Airways Acquisition LP	Triumph South Airways	1715 27 Avenue N.E. Calgary Alberta Canada	Dec-14	\$6,475,000 CAD	\$4,084,363	63.1%
2	Triumph Roland Plaza Acquisition LP	Triumph Roland Place	4804 50th Avenue Red Deer Alberta Canada	Sep-15	\$3,174,000 CAD	\$2,067,155	56.6%
3	Triumph King Street Acquisition LP	Triumph King Street Plaza	420 King Street Spruce Grove Alberta Canada	Aug-16	\$6,200,000 CAD	\$4,274,342	66.5%
4	Triumph Bell West Acquisition LP	Triumph Bell West Ranch	16846 W. Bell Road Surprise AZ USA	Aug-16	\$3,985,000 USD	\$2,950,829	55.7%
5	Triumph Glendale Crossing Acquisition LP	Triumph Glendale Crossing	5929 W. Peoria Ave Glendale AZ USA	Jan-17	\$3,025,000 USD	\$1,918,636	59.0%
6	Triumph Bell Park Plaza Acquisition LP	Triumph Bell Park Plaza	4240 W. Bell Road Glendale AZ USA	Mar-18	\$7,230,000 USD	\$5,045,315	69.8%
7	Triumph Panorama Place Acquisition LP	Triumph Panorama Plaza	9137 E Mineral Circle Centennial CO USA	May-17	\$5,000,000 USD	\$3,437,082	68.7%
8	Triumph Glendale Northwest Center Acquisition LP	Triumph Glendale Northwest Center	18255 N 83rd Avenue Glendale AZ USA	June-18	\$3,625,000 USD	\$5,400,000	67.0%

Investment Strategy:

Acquire Real Estate Properties in the Target Markets at Attractive Valuations

The Trust intends to identify undervalued Properties by leveraging the relationships of Wallach and Barclay Street with a network of real estate brokers, property owners, property managers and financial institutions located in the Target Markets to identify Properties for potential acquisition by the Trust. Many of these opportunities may be “off-market” and not widely marketed for sale.

The following are the tactics which the Trust will employ in identifying Properties for acquisition:

- Target Properties that are:
 - (i) Located in secondary markets demonstrating sustainable population and employment statistics; and
 - (ii) Located in well-developed sub-markets with limited risk of new development.
- Negotiate with sellers to place Properties under contract and conduct a thorough due diligence process including review and analysis of leases, cash flow models, market studies, environmental reports, and structural reports (typically over a 60 to 90 day period).
- Source debt Financing terms from various lenders, finalize diligence and debt Financing with the selected lenders (if applicable), and acquire the Property.

The Trust will base its approach to Property selection on the following criteria:

Class A- and B Properties - The Trust believes an opportunity exists in the Class ‘A-’ and ‘B’ Class quality markets where the pool of buyers is smaller and not as well capitalized. Class ‘A’ Properties are newer buildings, typically having been built in the last 15 years and will be located in newer centers, whereas Class ‘B’ Properties will typically be 15 years or older and be located in older developed areas. The Trust believes that this investment strategy will yield the greatest opportunity to acquire quality, revenue-producing Properties at attractive valuations.

Transaction Size – The Trust believes that an opportunity exists to acquire high-quality Properties priced between \$4 million and \$20 million (including the impact of leverage). Each such transaction would be expected to require approximately \$1.2 million to \$6 million of equity investment by the Partnership using proceeds received from the Trust. The Trust has opted to focus on Properties of this size since assets in this price range are generally too small to attract large institutional investors yet too large for private investors. The Trust believes that this will result in fewer competitive bidders, thereby increasing the ability of the Trust to acquire Properties at attractive prices.

Post-Acquisition Strategy:

Apply Hands-On Asset Management Philosophy to Increase the Value of Properties

With respect to each Property acquired, the Trust will:

- Prepare a business plan for each Property addressing the Property's needs and areas of improvement and apply an entrepreneurial philosophy of maintaining distributions and increasing value over the medium to long term.
- Assess each Property to determine how to optimally refurbish, reposition and re-tenant if required. In a number of situations, it is the existing owner who is distressed and not the asset. This creates an opportunity to reposition the Property through modest and targeted capital projects and/or operational improvements. Wallach will work closely with contractors to reduce operating costs and will oversee capital expenditure projects to ensure they are on budget and completed on time.
- Focus on rebuilding and strengthening tenant relationships with a view to gaining incremental business and extending stable tenant leases. The health of these relationships is not only core to generating cash flow stability but also creates incremental origination opportunities for other Properties owned by the Trust.

Property Management of the Properties

Subject to compliance with the Partnership's Conflict of Interest Policy, Barclay Street may manage Properties acquired by the Trust which are located in the Province of Alberta. In consideration for management services to be provided by it, Barclay Street will be entitled to a management fee, payable monthly, equal to 3-5% of the monthly gross collected rent with respect to a Property calculated and paid on the last Business Day of each month with respect to the prior monthly period. This fee is expected to be recoverable from the tenants of a Property under the lease terms. Barclay Street will also be entitled to recover its reasonable costs and expenses, including legal and audit costs relating to the Properties but excluding personnel costs of Barclay Street. Barclay Street will pay the General Partner an advisory services fee (the "**Advisory Services Fee**") of up to two percent (2%) annually, from any property management fee charged by Barclay Street to the Partnership and paid by the tenants of a Property acquired by the Trust.

Where Properties acquired by the Trust are located outside of the Province of Alberta, or where it is in the best interest of the Trust that Properties be managed by a party other than Barclay Street, the Trust, through the Partnership, will engage unrelated professional property managers who will be compensated on terms similar to those described above. The General Partner expects that it will also be paid an Advisory Services Fee by these property managers.

Realize Value Through Sales of Properties

The Trust will continually monitor the commercial real estate investment and capital markets with a view towards maximizing disposition proceeds.

Once an individual Property has been stabilized through the application of the Trust's asset management strategy, it will be evaluated for sale to realize on value creation. Gains are created by an increase in net operating income and capitalization rate compression.

Target Markets

The sources for the portions of the disclosure provided below are from publications prepared by Barclay Street and may also include information prepared by the following parties:

Barclay Street Real Estate Ltd. Q1 2018 Calgary CRE Investment Update. Pgs. 1-8

http://barclaystreet.com/sites/default/files/resources/2018_Q1_Commercial_Investment_Update.pdf

Barclay Street Real Estate Ltd. Q1 2018 Edmonton CRE Investment Update. Pgs. 1-8

http://barclaystreet.com/sites/default/files/resources/2018_Q1_Commercial_Investment_update.pdf

CBRE (Q1, 2018). Denver Office MarketView. Pg. 1

<https://www.cbre.us/research-and-reports/Denver-Downtown-Office-MarketView-Q1-2018>

CBRE (Q1, 2018). Global Real Estate Market Outlook. Pgs. 9, 26
<http://www.cbre.ca/EN/marketoutlookcanada/Pages/default.aspx>

CBRE (Q1, 2018). Las Vegas Office MarketView. Pgs. 1, 2
<https://www.cbre.us/research-and-reports/Las-Vegas-Office-MarketView-Q1-2018>

CBRE (Q1, 2018). Phoenix Office MarketView. Pgs. 1-3
<https://www.cbre.us/research-and-reports/Phoenix-Office-MarketView-Q1-2018>

CBRE (Q1, 2018). Puget Sound MarketView. Pgs. 1, 3
<https://www.cbre.us/research-and-reports/Puget-Sound-Office-MarketView-Q1-2018>

CBRE (Q1, 2018) San Antonio Office MarketView. Pages 1-2
<https://www.cbre.us/research-and-reports/San-Antonio-Office-MarketView-Q1-2018>

CBRE (Q4, 2017). 2018 Real Estate Market Outlook – United States. Pg. 6
CBRE North America (Q4, 2017). Second Half 2017. Cap Rate Survey. Pgs. 1, 2
Colliers International (Q1, 2018). Canada Cap Rate Report. Pgs. 1, 3, 4, 5, 6
Colliers International (Q1, 2018). Austin Office. Pgs. 1, 2, 4
<https://www2.colliers.com/en/research/austin/2018-Q1-Office-Austin-Report>

Colliers International (Q1, 2018). Dallas-Fort Worth Office Pgs. 1, 2
<https://www2.colliers.com/en/research/dallas/Q1-2018-Dallas-Office-Market-Report>

Colliers International (Q1, 2018). Houston Office. Pgs. 1, 2, 3
<https://www2.colliers.com/en/research/houston/2018-Q1-Office-Houston-Report>

Colliers International (Q1, 2018). Saskatoon Office Market Report. Pgs. 1, 2

Canadian Overview

Capital from domestic and foreign investors continues to be focussed primarily on Vancouver and Toronto. While Canada's other major markets are also seeing their share of activity, surplus capital that cannot be placed domestically continues to move primarily into U.S. markets. Among commercial real estate sellers, capital recycling continues in order to reduce debt, upgrade asset quality and diversify investments geographically. Although product is largely listed on the open market, off-market transactions have become increasingly prominent.

Specific Canadian City Target Market Commentary

Calgary

During the first quarter of 2018, approximately \$560 million transacted across the office, retail, industrial, multi-residential and ICI/residential land asset classes which is approximately 1.7% less than the dollar volume invested during the same period in 2017. This quarter has seen very strong overall investment, supported by transaction among retail and multi-residential properties as well as undeveloped land.

Edmonton

Driven by substantial interest in industrial properties and residential land, Edmonton's commercial real estate investment market had approximately \$375 million invested during the first quarter of 2018.

The Industrial asset class was the top-performer during this quarter, comprising \$93 million or 25% investment. Dollar volume in industrial properties nearly doubled on a year-over-year basis but the more notable resurgence in investment during this quarter was in residential land which was up 273%.

Regina

At the end of 2017 Regina's office market is largely unchanged from 2016. Though the vacancy rate has again fallen slightly to 11.79%, the downtown remains a tenant's market. The pressure for landlords to attract new tenants is high and perhaps even higher to retain tenants through rate reductions and other incentives. With little activity in the market, vacancy rates are likely to remain higher for years to come.

Downtown asking rates held steady with Class 'A' average asking rates posting a slight drop from mid-year while average Suburban asking rates for Class 'A' properties were unchanged for 2017. Downtown vacancy fell further to just over 480,000 square feet, resulting in an 11.79% vacancy while the suburban market witnessed the vacancy rate rise to 13.53% which is an increase from mid-year 2017.

Saskatoon

Saskatoon had a year of slight recovery. Vacancy fell from a peak of 15.8 percent in 2016, to 14.3 percent by the end of 2017. The East Tower at River Landing is well underway and the first tenants to join the project were announced - MLT Aikins and RBC Dominion Securities. Saskatoon will likely observe a flight to quality over the coming years, applying additional pressure to older Class 'B' and Class 'C' properties to reinvest or reduce rates to remain competitive.

Ottawa

Ottawa's commercial real estate market experienced an overall transaction volume increase in the first quarter of 2018 on a year-over-year basis, a trend that is anticipated to continue through the remainder of the year. The multi-residential market has remained healthy due to strong rental demand. This high demand has translated into several new purpose-built properties currently under development throughout the city.

The office market faced some headwinds however, with Class A properties doing well while Class B and Class C properties experiencing elevated vacancy levels. The industrial market, similar to the multi-residential market, demonstrated stability in demand. Note should be made however, few new developments are slated due to a lack of available industrial land.

Greater Toronto Area ("GTA")

The beginning of 2018 picked up where 2017 left off, beginning with Blackstone's acquisition of PIRET – the largest industrial REIT in Canada by market cap. Approximately 40% of the PIRET portfolio is located in Ontario and has an estimated value of \$1.28 billion.

This early succession of large transactions suggests the GTA is positioned for another record setting year in terms of total dollar volume. With rising interest rates however, it is anticipated that investors will display more caution pertaining to non-core assets in tertiary markets.

United States Overview

Capitalization rates for U.S. commercial real estate assets were broadly stable in during the second half of 2017, albeit with some variation by sector. Industrial cap rates tightened the most and multifamily rates also edged down. Office and hotel cap rates had some modest changes in both directions. Retail cap rates increased, largely for power center assets. The general expectation is that cap rates will remain generally stable for the duration of 2018.

Specific United States City Target Market Commentary

Dallas-Fort Worth

The vacancy rate dropped 64 basis points (bps) in the first quarter of 2018 to sit at 5.8% by the end of March. The supply pipeline remained flat, with 19.3 million square feet of active projects in development at the end of the quarter.

Consumer goods and logistics drove demand for industrial space.

Denver

Total investment sales reached \$2.1 billion in 2017, an 11.1% increase over 2016. A total of 28 properties changed hands in Q4 2017 with an overall total sales volume of \$886.7 million, up 29.7% year-over-year. ***Houston***

Despite positive economic momentum going into 2018, Houston saw a return to negative demand in the first quarter of 2018 as 418,000 square feet was vacated citywide. While Class B space suffered the lion's share of move-outs, Houston's Class A component also contributed 100,000 square feet of negative net absorption to the overall market.

The central business district was the largest source of negative absorption in the office market, due to move-outs by way of expiring full-floor sublease and ongoing occupier consolidation. Energy tenants in particular, continued to downsize their space requirements.

Vacancy rose to 17.8% on the heels of new deliveries while sublease availability remained flat. While vacancy as a result of expiring sublease and consolidations continued to weigh on the urban core and suburban submarkets, total sublease space declined modestly for the third consecutive quarter. The leasing and expiration of full-floor sublease offerings has effectively kept a lid on significant growth in sublease volumes.

Greater Phoenix

Following excellent years in 2015, 2016 and 2017, the Phoenix office market continued to perform well in the first quarter of 2018. Substantial activity in the financial services and tech industries coupled with improving economic fundamentals drove demand for office space. This was reflected in a significant amount of net absorption. Healthy tenant demand combined with a limited amount of completed construction supported positive activity,

Despite a modest amount of net absorption during the first quarter of 2018, the office market displayed strong leasing fundamentals. Leasing activity was bolstered by demand for large blocks of space. Demand however, was concentrated in four submarkets (Tempe, Downtown, South Airport and Chandler) that all accounted for more of the bulk of net absorption during the quarter.

San Antonio

The San Antonio area is experiencing record amounts of new office construction, with over 1.2 million square feet having broken ground for construction as of mid-year 2017. Upon delivery it is expected that these buildings will set new high water marks for lease rates. In addition to projects underway, there is well over one million square feet of proposed projects.

Despite the record high asking rates, new construction is generating steady interest from tenants willing to pay the greater rates.

Seattle/Puget Sound

The Puget Sound office market began 2018 with strong leasing activity, driven by movement in attractive submarkets including the Seattle CBD, Bellevue CBD, and Lake Union, Puget Sound. Recognizing the region as a premier office destination, just under 90% of the first quarter of 2018 absorption involved tenants taking down Class A space. Similar to the end of 2017, technology companies and co-working firms were responsible for a substantial portion of the leasing activity.

Riding the momentum of 2017, the first quarter of 2018 experienced a drop in vacancy and another increase in asking rates. The ongoing tightening of the Puget Sound office market comes as Class A asking rates rose to \$38.60 per per square foot. As the second quarter began, approximately 5.8 million square feet of Class A office product was under construction with another 4 million square feet of preleasing secured.

Portland

Portland's positive market growth has helped drive office fundamentals with an increase in users in the market by total number of requirements and a continued demand for quality product and space. The abundance of new developments in the Portland metro area, paired with increased demand, continued to push average asking lease rates up with an increase of 4% quarter-over-quarter and an increase of 7.1% year-over-year at the end of 2017. Tenants are embracing new and redeveloped spaces and are willing to pay higher rents for quality space and added amenities.

With increased attention from investors and major companies, the Portland market is expected to continue strengthening its fundamentals. The market currently has nearly 670,000 square feet of space in active development and over 3.3 million square feet in the pipeline. New space remains in demand for tenants currently in the market and is expected to draw outside tenants with added amenities in prime areas aiding in the growth and health of the Portland metro area.

Las Vegas

2018 is expected to be a very good year for Las Vegas commercial real estate. In the first quarter of 2018, the office market was already showing favourable signs such as positive net absorption, decreased vacancy rates and an increase in investment transactions. Factors contributing to increased demand include the perception that Las Vegas has become more than merely a tourist destination. As well southern Nevada has gained renewed interest from investors from outside the immediate market, due in large part to its business-friendly environment.

An emerging trend is a focus of using mixed-use developments for office space. Employees (predominantly millennials, empty nesters and those who work in the technology sector) are looking for ways to balance their work and home life with office locations, which places mixed-use spaces that are rich in amenities and provide easy accessibility to work, shopping, dining, transportation and entertainment in high demand.

Investment Rationale

The Trust believes there is currently an opportunity to acquire well-located, good quality commercial properties at significant discounts to their stabilized value and replacement cost within the Target Markets.

In the Trust's judgment, amidst volatile global capital market conditions and a chronically low-yield environment, an investment providing a return driven by revenue-producing commercial real estate properties with a medium to long-term investment horizon compares favorably to other publicly traded asset classes.

The economic growth in the United States coupled with the slow incline in property prices as well as a slow incline of interest rates, continues to allow management of the Trust to find attractive investment opportunities for revenue producing commercial real estate properties in the United States based Target Markets. In addition to providing stable cash flows, the Trust believes that quality commercial real estate offers an opportunity for significant capital appreciation due to the low interest rate environment that is expected to continue for the medium to long-term and the continued capitalization rate compression on commercial real estate that traditionally follows this cycle.

Wallach's extensive relationships with real estate brokers, property owners, property managers and financial institutions is expected to allow the Trust to acquire some of its Properties on an "off-market" basis. It is preferred to acquire Properties in this fashion as "off-market" opportunities are typically bought at a discount to the current market pricing due to the lack of a competitive bidding process.

In the Trust's judgment, over the last 12 to 30 months, real estate investment trusts ("REITs") and institutional investors have primarily focused their investments on large cities and trophy assets in an effort to reduce perceived risk. Trophy assets in prime cities are often associated with higher liquidity and improved lending characteristics. These factors have caused the pricing on this asset class to increase significantly. In future periods, the Trust believes increased pricing coupled with a high interest rate environment will force buyers to expand their investment criteria to include secondary markets with stable cash flows in search of new investment opportunities; a pattern observed in previous real estate cycles.

Investment Highlights:

General comments relating to commercial real estate properties:

Defensive Nature of Commercial Real Estate Property – The Trust believes that well-located Properties represent a defensive asset class with limited downside in volatile markets. The ability to provide consumer staples and services such as grocery stores, drugstores, banks, fast food restaurants, medical and office space provide investors with a diverse tenant base.

Specific comments with respect to Properties located in the United States:

United States commercial real estate capital markets capped off 2017 with fourth quarter transaction volume of \$129.7 billion, the highest quarterly level of 2017, although down 7.2% from Q4 2016. For 2017 overall, investment volume totaled \$471.7 billion, a decrease of 4.8% from the prior year, and a level 13.6% lower than the annual peak of \$546.2 billion set in 2015.

Economic policy uncertainty and eventual passage of tax reform legislation in late 2017 likely prompted many investors to delay closings until 2018. Preliminary data shows Q1 2018 transaction volume increased slightly from Q1 of 2017.

Alignment of Interests

The Trust believes that individual investors should have the same opportunities as institutions, pension funds and high net worth individuals with respect to real estate investing. With this in mind, an investment in Units has been structured to align the interests of Management with those of the Unitholders. Management, as holders of the Class B LP Units, will only be entitled to distributions from the Partnership after 100% of the equity invested in the Partnership by the Trust has been returned to the Trust and the Trust has received full payment of the Preferred Return.

Leverage

The current commercial real estate debt financing market offers debt financing at attractive interest rates which the Trust intends to fully utilize in order to increase return on equity. The Trust expects that Properties will be available for acquisition at prices which provide a capitalization rate of approximately 6.5% to 9%, with favorable long-term financing, providing positive financial leverage upon acquisition. The Trust will target an overall loan-to-value ratio of any mortgage financing at 60% to 70% of the value of the Properties, being the purchase price of the Properties as a whole, plus the amount of any property improvement reserve account approved by the lenders.

Distributions:

Distribution of Income from Properties

Subject to the terms disclosed in the heading “Factors Affecting Distributions” below, the Trust intends to make quarterly distributions of operating income from a Property to Unitholders, commencing at the end of the first full fiscal quarter occurring after the acquisition of a Property by the Trust.

The Partnership Agreement provides that the Trust, as a holder of Class A LP Units in the Partnership, is entitled to:

- (i) return of its Capital Contributions with respect to Class A LP Units acquired by the Trust;
- (ii) a seven percent (7%) Preferred Return on Capital Contributions made by the Partnership;
- (iii) thereafter a 70% share of any further distributions made by the Partnership until the Trust has received distributions equal to a 12% annualized return on its original Contributed Capital amount; and
- (iv) after which it will then be entitled to a 50% share of any further distributions made by the Partnership.

It is the intention of the Trust to distribute all cash distributions it receives from the Partnership to Unitholders and as such Unitholders are effectively entitled to distributions from the Trust on the same basis as described above.

Management, as holders of the Class B LP Units in the Partnership, are entitled to the remaining 30% distributions made by the Partnership in sub-paragraph (iii) above and the remaining 50% distributions made by the Partnership in sub-paragraph (iv) above.

Distributions from the Sale of Properties or Wind-Up or Dissolution of the Partnership

Cash Flow of the Trust resulting from the sale of Properties by the Partnership or upon wind-up or dissolution of the Partnership will be distributed in the same manner as described above, subject firstly to the payment to the General Partner of any unpaid Management Fees.

Factors Affecting Distributions

The Preferred Return of seven percent (7%) per annum payable by the Partnership to the Trust, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year of the Trust or at all. 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.

Although the Trust intends to distribute its available cash to the Unitholders, such cash distributions may be reduced or suspended in the sole Discretion of AdminCo. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to acquire the Properties and the ongoing positive operations of the Properties, and will be subject to various factors including those referenced in Item 8 - “Risk Factors” section of this Offering Memorandum.

It is important for Subscribers 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. See Item 8 - “Risk Factors” for a more complete discussion of these risks and their potential consequences.

DISTRIBUTION REINVESTMENT PLAN

The Trust has adopted a Distribution Reinvestment Plan that will allow eligible Unitholders to elect to have the distributions of Cash Flow of the Trust made with respect to the Units held by them reinvested in additional Units on the Distribution Payment Date at an exercise price equal to the most recent Unit Subscription Price that the Units were offered to investors for purchase. See Item 2.5 - “Summary of Material Agreements – Summary of the Distribution Reinvestment Plan”.

REDEMPTION OF UNITS BY THE TRUST

General Terms

Unitholders may redeem Units by providing a duly executed Redemption Notice to AdminCo. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust - Redemption of Units”. The Redemption Price shall be determined as follows: (i) if a Redemption Notice is received within 12 months from the date of the Unit Certificate (the “**Issuance Anniversary**”) representing Units to be redeemed shall be 90% of the Unit Subscription Price paid by a Subscriber to this Offering with respect to each Unit to be redeemed; and (ii) if a Redemption Notice is received at any time after the Issuance Anniversary of a Unit Certificate the Redemption Price shall be 95% of the of the Unit Subscription Price of each Unit to be redeemed.

Redemption Notes

The Redemption Price for Units may not be paid in cash in certain circumstances but instead may be paid through the issue of Redemption Notes by the Trust. For example, the Redemption Price for Units redeemed with the first 24 months their Issuance Anniversary will be paid through the issue of Redemption Notes. **Subscribers should note that Redemption Notes will not be a qualified investment for tax-exempt subscribers.** See Item 6 - “Income Tax Considerations” and Item 8 - “Risk Factors - Payment of Redemption Price “in kind” and through issuance of Redemption Notes”.

In the event that the Trust issues Redemption Notes to redeeming Unitholders, AdminCo shall comply with the following:

- (a) AdminCo, on behalf of the Trust, shall only issue Redemptions Notes in compliance with the terms and conditions of the Declaration of Trust;
- (b) the form of the Redemption Notes to be issued by the Trust shall be approved by the Independent Directors of AdminCo in accordance with the Conflict of Interest Policy of AdminCo;
- (c) AdminCo, on behalf of the Trust, shall advise redeeming Unitholders as soon as practicable in writing (the “**Redemption Note Issuance Notice**”) that the Redemption Price for the Units tendered for redemption will be paid in whole or in part by Redemption Notes, and such Unitholders have 15 Business Days from the date of the Redemption Note Issuance Notice to rescind their redemption request, if desired; and
- (d) the Redemption Note Issuance Notice shall include:
 - (i) the form of the Redemption Note;
 - (ii) reference to Item 6.5 of the Offering Memorandum in relation to the ineligibility of Redemption Notes as a qualified investment for Deferred Plans and the general tax consequences to a Unitholder holding a “prohibited investment”, such as a Redemption Note in a Deferred Plan;
 - (iii) discussion of options available to a Unitholder and a Deferred Plan Trustee of a Unitholder, as a result of receiving a prohibited investment in a Deferred Plan as issued by the Trust;
 - (iv) reference to the Risk Factor found in Item 8 of the Offering Memorandum under the heading “Priority of Redemption Notes over Units”;
 - (v) discussion of potential priority issues of between holders of Redemption Notes, whether held inside or outside a Deferred Plan, as applicable and Unitholders, upon the occurrence of the liquidation or potential liquidation of the Trust Assets; and
 - (vi) advice to the Unitholder to speak with their legal counsel and tax advisors regarding points (i)-(v) above.

Redemption Limits

Where the Redemption Price is paid in cash, the maximum aggregate redemption proceeds shall not exceed \$75,000 during any Fiscal Quarter (each respectively a “**Quarterly Limit**”); provided that AdminCo may, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any Fiscal Quarter. Units tendered for redemption in any Fiscal Quarter in which the total amount payable by the Trust exceeds the Quarterly Limit will be redeemed for cash on a pro-rata basis up to the Quarterly Limit and, unless any applicable regulatory approvals are required, by a distribution of a Redemption Notes, for the balance. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Redemption of Units”.

Retraction Rights of AdminCo

AdminCo shall have the discretion to redeem Units from Unitholders that AdminCo reasonably believes are in the best interest of the Trust, on the written demand (each a “**Retraction Notice**”) to such Unitholders, to redeem all or any part of the Units registered in the name of Unitholders for the Subscription Price (the “**Retraction Price**”) of the Units to be redeemed. Subject to the laws of general application, AdminCo shall be entitled in its discretion to determine and designate whether any payments in respect of any redemption are on account of income or capital.

Hardship Redemption

- (a) A Unitholder, or his or her personal representative, as the case may be, shall be entitled to request the Trust to redeem (a “**Hardship Redemption**”) up to the entire amount of a Unitholder’s Units, for the Subscription Price per Unit (the “**Hardship Redemption Amount**”), at any time during the term of the Trust upon written notice (a “**Hardship Redemption Notice**”) to the head office of the Trust: (i) in the event of the death or permanent disability of an individual Unitholder holding Units; (ii) in the event of the death or permanent disability of the spouse of an individual Unitholder holding Units; or (iii) upon any act whether voluntary or involuntary of bankruptcy by an individual Unitholder holding Units. The approval of any request for a Hardship Redemption shall only occur when permitted by law and shall be at the sole and unfettered discretion of the AdminCo. Where a Hardship Redemption is approved by AdminCo, AdminCo shall pay the aggregate of the Hardship Redemption Amount in cash to a Unitholder within 60 days of the receipt of a Hardship Redemption Notice.
- (b) From and after the date of a Hardship Redemption Notice, the Trust Units to which the Notice applies shall not be entitled to any further distributions of Cash Flow of the Trust under the Declaration of Trust.
- (c) Payments by the Trust of the Hardship Redemption Amount are conclusively deemed to have been made upon the mailing of the instruments representing the Hardship Redemption Amount issued by AdminCo by registered mail in a postage prepaid envelope addressed to the former Unitholder. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of Units so redeemed and shall be entitled to cancel the Unit Certificate(s), if any, representing the Units to which a Hardship Redemption Notice relates.
- (d) Any payments of Hardship Redemption Amounts made by the Trust with respect to Hardship Redemptions shall be included in the Quarterly Limit for the Fiscal Quarter in which such Hardship Redemption Notice was received.

Liquidity of Units

The redemption right is intended to be the primary mechanism for Unitholders to liquidate their investment in the Trust. There will be no public market for the Units and an application for listing of the Units on a stock exchange will not be made. Units in the Trust are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Units for an indefinite period of time. The Units will be subject to “hold periods” under applicable securities legislation and, as the Trust is currently not a “reporting issuer” in any province or territory in Canada, the “hold periods” may never expire. Additionally, Unitholders will not be permitted to transfer or sell their Units without the consent of the AdminCo. See Item 8 – “Risk Factors”. The Trust will make a demand of the Partnership for repayment of the above amount in order to allow the Trust to fund the above redemption. The Partnership expects to have sufficient funds from its cash flow to meet the above demand for payment by the Trust.

Investment Restrictions and Operating Policies

Investment Restrictions

The assets of the Trust will be invested only in accordance with the following restrictions (“**Investment Restrictions**”):

- (a) the Trust may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in commercial real estate properties located in the Provinces of Alberta, Saskatchewan and Ontario, and in the States of Arizona, Colorado, Nevada, Oregon, Texas and Washington;
- (b) the purchase price for any one Property shall not exceed \$20 million unless unanimously approved by the Independent Directors of the General Partner;
- (c) the Trust shall not invest 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 invest, directly or indirectly, in Properties whose primary business is that of a hotel, retirement home, senior care facility or self-storage facility;
- (e) the Trust shall not invest in raw land for development, except for the purpose of the renovation or expansion of existing Properties;

- (f) 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;
- (g) except for temporary investments held in cash, the Trust shall only invest in deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue; and
- (h) 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.

The restrictions provided for in sub-paragraphs (a)-(e) shall apply in all respects with respect to the assets of the Partnership and Holding LP.

Operating Policies

The operations and affairs of the Trust and the Partnership will be conducted in accordance with the following policies (“**Operating Policies**”):

- (a) the Partnership may engage in construction or development of real property to maintain its Properties in good repair or to improve the income producing potential of Properties in which the Partnership has an interest;
- (b) title to each Property shall be held by and registered in the name of the Acquisition GP of the Acquisition LP to which the Property relates with respect to Properties located in Canada. With respect to Properties located in the United States title will be held and registered in the name of the Acquisition LP to which the Property relates;
- (c) the Partnership shall not incur or assume any indebtedness in the acquisition of Properties if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Partnership would be more than 70% of the Maximum Offering amount provided that, if approved by the board of directors of the General Partner, the aggregate of the appraised value of the Properties may be used instead of the Maximum Offering amount for the purposes of this paragraph (c);
- (d) the Partnership 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 board of directors of the General Partner considers appropriate, taking into account all relevant factors including the practice of owners of comparable properties; and
- (e) the Partnership shall obtain a Phase I environmental site assessment of each 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 General Partner.

For the purpose of the foregoing Investment Restrictions and Operating Policies, the assets, liabilities and transactions of an Acquisition LP or other entity wholly or partially-owned by the Trust or the Partnership will be deemed to be those of the Trust and the Partnership. In addition, any references in the foregoing Investment Restrictions and Operating Policies to investments in Properties will be deemed to include an investment in a joint venture arrangement that invests Property.

Amendments to Investment Restrictions and Operating Policies

All of the investment restrictions set out under the heading “*Investment Restrictions*” and the operating policy contained in paragraph (c) set out under the heading “*Operating Policies*” may be amended only with the approval of 66⅔% of the votes cast by Unitholders of the Trust at a meeting of Unitholders called for such purpose. The remaining Investment Restrictions and 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 Authority having jurisdiction over the Trust and Partnership or any property of the Trust and the Partnership shall enact any law, regulation or requirement which is in conflict with any Investment Restrictions or Operating Policies of the Trust and the Partnership then in force (other than subparagraph (f) of the “*Investment Restrictions*”), such Investment Restrictions or Operating Policies in conflict shall, if AdminCo or the General Partner, as the case may be, on the advice of legal counsel to AdminCo or the General Partner 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 AdminCo or the General Partner shall not require the prior approval of Unitholders.

Financing

The Partnership intends to obtain mortgage financing for any Properties acquired on terms that are acceptable to the General Partner. See Item 4.3 – “Long Term Debt”.

Operating Expenses of the Trust and Partnership

The Partnership will pay for all ordinary expenses incurred in connection with the operation and administration of the Trust and the Partnership including all costs, expense, fees and commission associated with this Offering or any future offering or Units by the Trust. It is expected that these expenses will include, without limitation: director’s compensation, accounting fees, audit fees, Exempt Market Dealer due diligence and administration fees, office rental, insurance, legal and travel expenses and salary of the Partnership’s property administrator, mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; any reasonable out-of-pocket expenses incurred by any of the Barclay Street Parties or their 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; regulatory filing fees, administrative expenses and costs incurred in connection with the continuous 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. A portion of these expenses may be paid to Barclay Street in return of services it provides to the Trust and the Partnership. A portion of these expenses may also be paid to Bentham, an officer and director of the General Partner and AdminCo, for providing legal services to the Partnership and the Trust.

The Partnership will be responsible for the payment of ordinary course operating expenses relating to the acquisition and management of a commercial real estate portfolio. Certain operating expenses will be payable to Barclay Street in connection with its work on behalf of the Partnership and the Trust in acquiring and managing its Properties.

The aggregate amount of the fees and expenses referred to above is estimated to be approximately \$175,000 over the 12 months ensuing from the date of this Offering Memorandum if the Maximum Offering is raised and the Partnership fully deploys the maximum amount of working capital available to it in the acquisition of Properties.

Subscribers should note that the total amount of administration and operating expenses that will be incurred by the Partnership and the Trust are dependent upon: (i) the funds raised under this Offering; (ii) the number and nature of Properties acquired by the Trust; and (iii) external factors which cannot be anticipated or controlled by the Partnership or the Trust. As a result the Partnership and the Trust are unable to accurately estimate these costs at this time other than as stated above.

Re-allocation of Partnership Assets

The Partnership may reallocate the Partnership’s cash assets to the acquisition of new Properties or allocate cash flows from the Partnership’s assets to alternative near-cash short-term investment vehicles, having a term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by the Government of Canada or a provincial government, until new Properties for acquisition are identified.

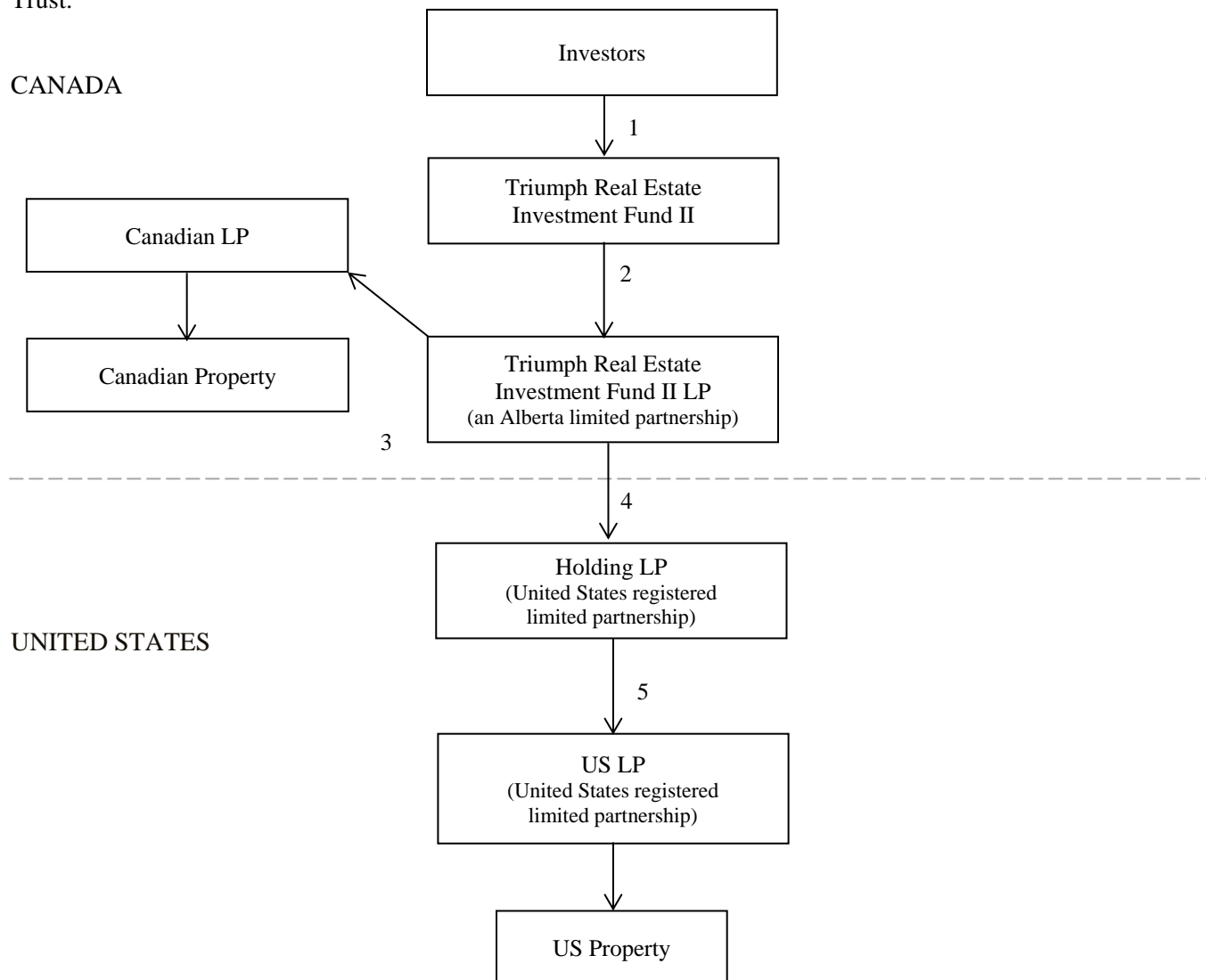
Real Estate Brokerage Fees

In connection with its sale of Properties, the Partnership may pay real estate brokerage fees to any licensed real estate broker an amount not in excess of 3-5% of the aggregate sales price of the Properties sold. All or any portion of such real estate brokerage fees may be paid to Barclay Street where Barclay Street has acted as the selling agent for the Partnership. Barclay Street may also receive a portion of real estate brokerage fees paid by the sellers of Properties in connection with the Partnership’s acquisition of Properties.

To insure that the Partnership continues to attract certain type of deal flow, the Partnership may pay real estate brokerage fees to any licensed real estate broker in connection with the purchase of a Property where the seller of such Property does not pay a real estate brokerage fee. These types of real estate brokerage fees will be paid at the closing of the acquisition of a Property by the Partnership or within 30 days thereafter. The Partnership may pay a real estate brokerage fee up to, but not in excess of, three percent (3%) of the purchase price of these types of transactions.

DISTRIBUTION OF FUNDS BY THE TRUST IN THE ACQUISITION OF PROPERTIES

The following illustrates how funds raised under this Offering will be used in the acquisition of Properties by the Trust.



1. Trust investors advance subscription proceeds to the Trust.
2. The Trust acquires Class A LP Units from the Partnership with a portion of the funds received under point 1 above.
3. The Partnership will advance funds received from the Trust in point 2 above to the Canadian registered Acquisition LP's by way of capital contribution in order to allow a Canadian registered Acquisition LP to acquire a property located in Canada.
4. Where the Trust acquires properties located in the United States, the Partnership and the Trust will advance funds to Holding LP by way of a combination of loan and capital contribution.
5. Holding LP will advance funds received in point 4 above to a United States Acquisition LP to allow a United States Acquisition US LP to purchase a Property located in the United States.

As a result, an investment in Units will be an indirect investment in the acquisition, ownership and leasing of the Properties. The distributions and other returns on and of capital payable to the Partnership by the Acquisition LP's will ultimately form part of the distribution made by the Trust to Unitholders.

Trust's Activity in the United States

If the Trust acquires Properties located in the United States, the Partnership will elect to be classified as a corporation for U.S. federal income tax purposes. Accordingly, the Partnership will be subject to applicable U.S. income and withholding taxes, as further described herein. The Partnership will satisfy its U.S. tax liability, or make sufficient reserves for its applicable U.S. taxes, prior to making distributions indirectly to the Trust. The Trust will distribute the after tax proceeds received from Partnership to the Unitholders. A taxable Canadian resident Unitholder generally will be entitled to a credit in computing its Canadian taxable income in respect of the U.S. taxes paid by the Partnership to the extent permitted by the detailed rules in the Tax Act.

Where the Trust chooses to acquire Properties in the United States, the Trust will convert the subscription amounts received from the issuance of Units into USD. The revenues and expenses of the Properties will be denominated in USD and distributions will be made to the Trust in USD. The Trust will convert such distribution amounts received into Canadian dollars prior to distribution to Unitholders. As a consequence, distributions of the Trust may be affected by fluctuations in the Canadian/USD exchange rate.

The Trust may not enter into any hedging arrangements to limit the impact of changes in the Canadian/USD exchange rate for holders of Units and therefore holders of Units may have full exposure to changes in the exchange rate between the Canadian and USD where the Trust acquires Properties in the United States. See Item 8 - “Risk Factors”.

Sale of Properties

(i) Located in the United States

Upon the sale of a Property located in the United States, the net funds from that sale, if such funds are not being reinvested by the Trust in the acquisition of new Properties, after repayment of mortgage financing, real estate commissions, closing costs and United States income tax payable by the Holding LP, would be distributed as follows:

- i. In payment of all unpaid principal and interest due and owing to the Partnership and the Trust with respect to any loan made by the Partnership and the Trust to the Holding LP;
- ii. Return of the Contributed Capital made by the Partnership to the Holding LP;
- iii. A distribution to the general partner of the Holding LP of one percent (1%) of the funds remaining after the above payments and distributions; and
- iv. The remainder to the Partnership.

The Partnership, if such funds are not being reinvested by the Trust in the acquisition of new Properties, will distribute the above funds to the Trust as the holder of Class A LP Units and to Management as the holder of Class B LP Units in accordance with the terms of the Partnership Agreement. See Item 2.1.2 – “The Partnership – Distributable Cash of the Partnership”.

(ii) Located in Canada

Net funds from the sale of a Property in Canada, if such funds are not being reinvested by the Trust in the acquisition of new Properties, will be distributed to the Trust as the holder of Class A LP Units and to Management as the holders of Class B LP Units in accordance with the terms of the Partnership Agreement. See Item 2.1.2 - “The Partnership - Distributable Cash of the Partnership”.

2.3 DEVELOPMENT OF THE BUSINESS

The following are the major events that have occurred with respect to the business of the Partnership and the Trust to the date of this Offering Memorandum:

- (i) The Trust has been established pursuant to the Declaration (see Item 2.5 – “Material Agreements - Summary of the Declaration of Trust”);
- (ii) The Trust has entered into the Administration Agreement with AdminCo (see Item 2.5 – “Material Agreements - Summary of the Administration Agreement”);
- (iii) The Partnership has been established pursuant to the Partnership Agreement (see Item 2.5 – “Material Agreements - Summary of the Partnership Agreement”); and
- (iv) The Trust and the Partnership have entered into the Funding Agreement (see Item 2.5 – “Material Agreements - Summary of the Funding Agreement”).

The Trust expects that it will enter into a number of distribution agreements with Exempt Market Dealers to affect the distribution of Units under this Offering.

There have been no unfavorable developments affecting the Trust or the Partnership’s business since inception.

2.3.1 SHORT AND LONG TERM OBJECTIVES

The Trust

The Trust's primary purpose and sole business, and thus its short term and long term objective, is to raise \$50,000,000 in the aggregate under this Offering, acquire Class A LP Units from the Partnership and to loan funds to the Holding LP where the Trust acquires Properties in the United States, all with the objective of generating returns to Unitholders. All of the Gross Proceeds of the Offering will be used to acquire Class A LP Units from the Partnership and to loan funds to the Holding LP if Properties are acquired in the United States, which funds will be used to acquire real estate assets. The number of Class A LP Units acquired by the Trust and the aggregate of loans made by the Trust to the Holding LP will be contingent on the amount of funds raised pursuant to this Offering and whether the Trust acquires any Properties in the United States. Investments in the Trust should be considered long-term in nature.

The legal and accounting costs and expenses associated with this Offering, assuming the Maximum Offering, are estimated to be \$80,000. All expenses of the Offering will be borne by the Partnership rather than the Trust pursuant to the terms of the Funding Agreement. See Item 1.2 - "Use of Available Funds".

The following are the estimated costs that the Trust expects to incur in pursuing its business objectives over the ensuing 12 months from the date of this Offering Memorandum:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our costs to complete
Raise \$50,000,000 under this Offering	June 30, 2019	\$5,313,000 ^{(1) (2)}
Deploy the available funds of this Offering in the acquisition of Properties ⁽³⁾	May 31, 2019	The line items below represent the estimated costs of the Partnership in achieving this objective.
Appraisals	By June 30, 2019	\$120,000
Environmental Studies	By June 30, 2019	\$120,000
Legal Fees – Properties	By June 30, 2019	\$120,000
Other Consulting and Due Diligence	By June 30, 2019	\$80,000
Financing commitment fees paid to lenders who provide acquisition financing to the Partnership	By June 30, 2019	\$80,000
Total		\$5,833,000

(1) Inclusive of all costs referenced in items (i)-(vii) of the table set forth in Item 1.2 - "Available Funds – The Partnership".

(2) All expenses of the Offering will be borne by the Partnership rather than the Trust pursuant to the terms of the Funding Agreement. See Item 1.2 - "Use of Available Funds".

(3) The above costs relate only to estimated expenses of the Trust relating to identifying and acquiring Properties.

2.4 INSUFFICIENT FUNDS

The Trust

The Trust intends that all or substantially all of the Gross Proceeds of the Offering will be used to acquire Class A LP Units in the Partnership and to loan funds to Holding LP. The Trust does not intend to hold any significant cash reserves. The proceeds of this Offering may not be sufficient to accomplish all of the Trust's proposed objectives and there is no assurance that alternative financing will be available.

The Partnership

The Partnership intends that all or substantially all of the Gross Proceeds of the Offering, after payment of all costs, expenses and Selling Commissions, the Wholesaling Fee associated with this Offering and payment of the Management Fee to the General Partner, will be used in the business of acquiring real estate assets in the Target Markets and to pay for the operating and administration expenses of the Trust and the Partnership. The Partnership does not intend to hold any significant cash reserves. The proceeds of this Offering may not be sufficient to accomplish all of the Partnership's proposed objectives and there is no assurance that alternative financing will be available.

2.5 MATERIAL AGREEMENTS

The Trust

The only material agreements which have been entered into by the Trust since its formation are:

- the Declaration of Trust (see Item 2.5 – “Material Agreements - Summary of the Declaration of Trust”);
- the Administration Agreement (see Item 2.5 – “Material Agreements - Summary of the Administration Agreement”);
- the Trust has adopted the Distribution Reinvestment Plan (see Item 2.5 – “Material Agreements - Summary of the Distribution Reinvestment Plan”); and
- the Funding Agreement (see Item 2.5 – “Material Agreements - Summary of the Funding Agreement”).

The Partnership

The only material agreements which have been entered into by the Partnership since its formation are:

- the Partnership Agreement (see Item 2.5 – “Material Agreements - Summary of the Partnership Agreement”);
- the Funding Agreement (see Item 2.5 – “Material Agreements - Summary of the Funding Agreement”); and
- an Indemnity Agreement (see Item 2.5 – “Material Agreements - Summary of the Indemnity Agreement”).

SUMMARY OF THE DECLARATION OF TRUST

The following is a summary of the Declaration of Trust dated May 28, 2018. This is a summary only and is subject to the complete terms and conditions of the Declaration of Trust. Capitalized terms below that are not otherwise defined in this Offering Memorandum shall have the same meanings as provided for in the Declaration of Trust. AdminCo shall provide a copy of the Declaration of Trust to prospective Subscribers upon request.

General

A Subscriber for Units will become a Unitholder of the Trust upon the acceptance by the Trustee of a subscription in the form approved from time to time by the Trustee.

Nature of Units

- (a) The beneficial interests in the Trust shall be represented by Units, described and designated collectively as “**Units**”, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein. AdminCo, in its sole discretion shall designate Units issued by the Trust into separate Series based on the date of issue of such Units, and the interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder in each Series; and
- (b) The Units of each Series shall represent an equal undivided beneficial interest in any distribution from the Trust (whether of Income of the Trust, Net Realized Capital Gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust. All Units in each Series shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof. Each Unit shall entitle the holder of record thereof to one vote at all meetings of Unitholders or in respect of any written resolution of Unitholders.

Authorized Number of Units

The aggregate number of Units in each Series which is authorized and may be issued is unlimited.

Issue of Units

- (a) Units shall be issued in Series pursuant to and in accordance with the Declaration of Trust;
- (b) AdminCo is authorized to review and accept subscriptions for Units received by the Trust and to cause the Trustee to issue Units pursuant thereto;
- (c) In addition, Units may be issued by the Trust at the times, to the persons, for the consideration and on the terms and conditions that AdminCo determines, and, without limiting the generality of the foregoing, AdminCo or may authorize the Trust to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase Units from the Trust or from any other person or procuring or agreeing to procure purchasers for Units; and

- (d) Units shall only be issued as and when fully paid in money, property, including indebtedness, or past services, and are not to be subject to future calls or assessments, except that Units to be issued under an offering may be issued for a consideration payable in instalments and the Trust may take a security interest over such Units for unpaid instalments.

Units Non-Assessable

No Units shall be issued other than as fully paid and non-assessable. No person shall be entitled, as a matter of right, to subscribe for or purchase any Unit, except in accordance with the provisions of the Declaration of Trust.

Legal Ownership of Assets of the Trust

The legal ownership of the assets of the Trust and the right to manage the investments of the Trust are vested exclusively in the Trustee and AdminCo, and the Unitholders shall have no interest therein other than the beneficial interest in the Trust Assets conferred by their Units issued hereunder and they shall have no right to compel any partition, division, dividend or distribution of the Trust Assets or any of the assets of the Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust.

No Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust, including without limitation the Trust Assets.

No Fractional Units

Fractions of Units shall not be issued, except pursuant to distributions of additional Units to all Unitholders. Fractions of Units will not be entitled to vote at meetings of Unitholders.

Consolidation of Units

Immediately after any pro-rata distribution of additional Units to all holders of Units, the number of the outstanding Units will automatically be consolidated such that each such holder will hold after the consolidation the same number of Units as such holder held before the distribution of additional Units and each Unit certificate representing a number of Units prior to the distribution of additional Units is deemed to represent the same number of Units after the distribution of additional Units and the consolidation. Such consolidation shall not constitute a redemption or cancellation of Units so consolidated and a Unitholder whose Units are consolidated shall not receive, and shall not be entitled to receive, any proceeds of disposition in respect thereof.

Notwithstanding the foregoing, where tax is required to be withheld in respect of a Unitholder's share of the distribution, the Trust shall withhold from the cash portion of such distribution, if any, or the Unitholder shall make a cash payment to the Trust, of an amount equal to the amount of tax required to be remitted to the appropriate taxation authority by the Trust, or, if such withholding cannot be made by the Trust or such payment is not made by the Unitholder:

- (a) the consolidation of the Units held by such Unitholder will result in such Unitholder holding that number of Units equal to the number of Units held by such Unitholder prior to the distribution minus the number of Units withheld by the Trust on account of withholding taxes payable by the Unitholder in respect of the distribution; and
- (b) the consolidation shall not apply to any Units so withheld.

Any Units so withheld shall either be delivered to the appropriate taxation authority or sold, in which case the net proceeds shall be remitted to the appropriate taxation authority. Such Unitholder will be required to surrender the Unit Certificates, if any, representing such Unitholder's original Units, in exchange for a Unit Certificate or evidence of direct registration representing such Unitholder's post-consolidation Units other than the withheld Units.

Re-Purchase of Initial Unit by Trust

Immediately after the issuance of one or more additional Units, the Trust shall purchase the Initial Unit from the Settlor, and the Settlor shall sell the Initial Unit to the Trust, for a purchase price of \$100.00 and, upon the completion of such purchase and sale, the Initial Unit shall be cancelled and shall no longer be outstanding.

No Conversion, Retraction, Redemption or Pre-Emptive Rights

Except as otherwise set forth herein, there are no conversion, retraction, redemption or pre-emptive rights attaching to the Units.

Power of Attorney

Each Trust Unitholder hereby grants to the Trustee, and its respective successors and assigns, a power of attorney constituting the Trustee, as the case may be, with full power of substitution, as such Trust Unitholder's true and lawful attorney to act on the Trust Unitholder's behalf, with full power and authority in the Trust Unitholder's name, place and stead, and to execute, under seal or otherwise, swear to, acknowledge, deliver, make or file or record when, as and where required:

- (a) the Declaration of Trust, any amendment, supplement or restatement of the Declaration of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust;
- (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in the Declaration of Trust including all conveyances, transfers and other documents required in connection with any disposition of Trust Units;
- (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of the Declaration of Trust;
- (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Trust Unitholder's interest in the Trust; and
- (e) any amendment to the Declaration of Trust which is authorized from time to time;

The Power of Attorney granted herein is, to the extent permitted by applicable law, irrevocable and will survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder.

Powers of the Trustee

- (a) Subject to the terms and conditions of the Declaration of Trust, the Trustee may exercise from time to time in respect of the Trust Assets and the investments and affairs of the Trust any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof;
- (b) subject to the specific limitations contained in the Declaration of Trust, the Trustee shall have, without further or other action or consent, and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Trust Assets and over, and management of, the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Assets in its own right, to do all such acts and things as in its sole judgment and Discretion are necessary or incidental to, or desirable for, carrying out the trust created hereunder. In construing the provisions of the Declaration of Trust, presumption shall be in favour of the granted powers and authority to the Trustee. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustee. To the maximum extent permitted by law the Trustee shall, in carrying out investment activities, not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by the Trustee;
- (c) Except as expressly prohibited by law, the Trustee may grant or delegate to any person (including AdminCo) the authority and the powers of the Trustee under the Declaration of Trust as the Trustee may in its Discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under the Declaration of Trust, without regard to whether the authority is normally granted or delegated by trustees; and

Specific Powers and Authorities

Subject to any other express limitations contained in the Declaration of Trust and in addition to any other powers and authorities conferred by the Declaration of Trust or which the Trustee may have by virtue of any present or future statute or rule of law, the Trustee without any action or consent by the Trust Unitholders shall have and may exercise at any time and from time to time the following powers and authorities which may or may not be exercised by the Trustee in such manner and upon such terms and conditions as it may from time to time determine proper, provided that the exercise of such powers and authorities does not adversely affect the status of the Trust as a "mutual fund trust" for purposes of the Tax Act or cause the Trust to become a "SIFT trust" for purposes of the Tax Act, or fail to comply with the provisions of 132(7) of the Tax Act:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to maintain records and provide reports to Trust Unitholders;
- (c) to open, operate and close accounts and other similar credit, deposit and banking arrangements and to negotiate and sign banking and financing contracts and agreements;
- (d) without limit as to amount, issue any type of debt securities or convertible debt securities and borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, hypothecate, pledge, assign or grant a security interest in any money owing to the Trust or in Trust Assets or engage in any other means of financing the Trust;
- (e) to obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of 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;
- (f) to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;
- (g) to establish places of business of the Trust;
- (h) to manage the Trust Assets and to, sell, transfer and assign the Trust Assets; however, the Trustee shall not sell all or substantially all of the Trust Assets without the consent of the Trust Unitholders by Extraordinary Resolution;
- (i) to invest, hold shares, trust units, beneficial interests, partnership interests (other than general partnership interests), joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;
- (j) to cause title to any of the Trust Assets to be drawn up in the name of such person on behalf of the Trust or, to the extent permitted by applicable law, in the name of the Trust, as the Trustee shall determine;
- (k) to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements;
- (l) to enter into any agreement or instrument to create or provide for the issue of Trust Units or (including any firm or best efforts underwriting agreement), to cause such Trust Units to be issued for such consideration as the Trustee, in its sole discretion, may deem appropriate and to do such things and prepare and sign such documents, including the prospectus and any registration rights agreement, to qualify such Trust Units for sale in whatever jurisdictions they may be sold or offered for sale;
- (m) to enter into any agreement in connection with, or to facilitate, the issuance of Exchangeable Securities;
- (n) to determine conclusively the value of any or all of the Trust Assets from time to time and, in determining such value, to consider such information and advice as the Trustee in its sole judgment, may deem material and reliable;
- (o) to collect, sue for and receive all sums of money or other property or items that are believed due to the Trust;
- (p) to effect payment of distributions to the holders of Trust Units as provided in Article 5 of the Declaration of Trust;
- (q) to invest funds of the Trust as provided in Article 4 of the Declaration of Trust;
- (r) to possess and exercise all the rights, powers and privileges pertaining to the ownership of the securities of the Partnership and other securities of the Trust to the same extent that any person might, unless otherwise limited herein, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally or for any particular meeting or action and may include the exercise of discretionary power;

- (s) where reasonably required, to engage, employ or contract with or retain on behalf of the Trust any persons as agents, representatives, employees or independent contractors (including without limitation, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers, consultants, technical advisors, depositories, custodians, transfer agents or otherwise) in one or more capacities;
- (t) except as prohibited by applicable law, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors or other persons the doing of such things and the exercise of such powers hereunder as the Trustee may from time to time reasonably require, so long as any such delegation is not inconsistent with any of the provisions of the Declaration of Trust and subject at all times to the general control and supervision of the Trustee as provided for herein;
- (u) to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (v) to arrange for insurance contracts and policies insuring the Trust, its assets, any affiliate of the Trust and/or any or all of the Trustee(s) or the Trust Unitholders, including against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustee(s) or Trust Unitholders;
- (w) to cause legal title to any of the assets of the Trust to be held by and/or in the name of a Trustee, or except as prohibited by law, by and/or in the name of the Trust or any other custodian or person, on such terms, in such manner, with such powers in such person as the Trustee may determine and with or without disclosure that the Trust or the Trustee are interested therein; provided, however, that should legal title to any of the Trust assets be held by and/or in the name of any person or persons other than the Trustee or the Trust, the Trustee shall require such person or persons to execute a trust agreement acknowledging that legal title to such assets is held in trust for the benefit of the Trust;
- (x) to redeem Trust Units (or rights, warrants, convertible securities, options or other securities) for such consideration as the Trustee may deem appropriate in its sole discretion, such redemption to be subject to the terms and conditions of the Declaration of Trust;
- (y) to use its reasonable commercial efforts to ensure that the Trust qualifies at all times as a "mutual fund trust" pursuant to Section 132(6) of the Tax Act and not take any action that would result in the Trust, or any entity in which the Trust has invested being considered a "SIFT trust" or a "SIFT partnership" as defined in the Tax Act;
- (z) in addition to the mandatory indemnification provided for in Section 9.8 of the Declaration of Trust to the extent permitted by law to indemnify, or enter into agreements with respect to the indemnification of, any person with whom the Trust has dealings including, without limitation, the Trustee, or the Transfer Agent, to such extent as the Trustee shall determine and to the extent permitted by law;
- (aa) without the approval or confirmation of Trust Unitholders, enact and from time to time amend or repeal by-laws not inconsistent with this Declaration of Trust containing provisions relating to the Trust, the Trust assets and the conduct of the affairs of the Trust, but not in conflict with any provision of this Declaration of Trust;
- (bb) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustee in connection with the Trust assets, undertaking or Income of the Trust, or imposed upon or against the Trust assets, undertaking or Income of the Trust or Net Realized Capital Gains, or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, allocations and determinations in respect of the Income of the Trust or Net Realized Capital Gains distributed to holders of Trust Units in the year and any other matter as shall be permitted under the Tax Act and analogous provisions of any provincial income tax legislation (provided that to the extent necessary the Trustee will seek the advice of Counsel or the Auditors), and do all such other acts and things as may be deemed by the Trustee in its sole discretion to be necessary, desirable or convenient;
- (cc) to guarantee the obligations of any subsidiary of the Trust including the Partnership, and granting security interests in the Trust assets as security for such guarantee;
- (dd) to subdivide or consolidate from time to time the issued and outstanding Trust Units;
- (ee) to form any subsidiary of the Trust for the purpose of making any Permitted Investment and entering into or amending any agreement on such terms as may be approved by the Trustee;

- (ff) to purchase Trust Units for cancellation in accordance with applicable regulatory requirements; and
- (gg) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust whether or not specifically mentioned herein.

The Trustee shall, except as may be prohibited by applicable law, have the right to delegate authority for the above-referenced matters to a manager or administrator if the Trustee determines in its sole discretion that such delegation is desirable to effect the administration of the duties of the Trustee under the Declaration of Trust.

Expenses

The Trustee shall be entitled to reimbursement from the Trust of any of its expenses incurred in acting as a Trustee. The Trustee on behalf of the Trust may pay or cause to be paid reasonable expenses incurred in connection with the administration and management of the Trust, including without limitation, the fees and expenses of AdminCo pursuant to the Administration Agreement, auditors, lawyers, appraisers and other agents, consultants and professional advisers employed by or on behalf of the Trust and the cost of reporting or giving notices to Trust Unitholders. The Trustee on behalf of the Trust may pay or cause to be paid brokerage commissions at prevailing rates in receipt of the acquisition and disposition of any securities acquired or disposed of by the Trust to brokers.

Computation of Cash Flow of the Trust

The “**Cash Flow of the Trust**”, for, or in respect of, any Distribution Period, shall be equal to the sum of:

- (a) all amounts which are received by the Trust with respect to a Series of Trust Units for, or in respect of, the Distribution Period, including, without limitation, interest, dividends, distributions, proceeds from the disposition of securities, returns of capital and repayments of indebtedness (including without limitation all such amounts as aforesaid received from the Partnership with respect to the Series LP Unit to which a Series of Trust Units relates), or any other payment;
- (b) the proceeds of any issuance of a Series of Trust Units or any other securities of the Trust, net of the expenses of distribution, and, if applicable, the use of proceeds of any such issuance for investments; and
- (c) all amounts received by the Trust with respect to a Series of Trust Units in any prior Distribution Period to the extent not previously distributed;

less the sum of:

- (d) all amounts used for Permitted Investments with respect to a Series of Trust Units during the Distribution Period or set aside by AdminCo for investments;
- (e) all costs and expenses of the Trust which, in the opinion of AdminCo, may reasonably be considered to have accrued and become owing in respect of, or which relate to, the Distribution Period, or a prior period if not accrued or deducted in determining the Cash Flow of the Trust with respect to a Series of Trust Units in such prior period;
- (f) all debt repayments and interest costs and expenses, if any, incurred by the Trust in the Distribution Period with respect to a Series of Trust Units;
- (g) all costs and expenses of the Trust relating to capital expenditures which, in the opinion of AdminCo, may reasonably be considered to have accrued and become owing during the Distribution Period, or a prior period if not accrued or deducted in such prior period with respect to a Series of Trust Units;
- (h) all amounts contributed or loaned, or which AdminCo reasonably expect to contribute or loan, to an associate or affiliate of the Trust with respect to a Series of Trust Units; and
- (i) any other amounts (including taxes) required by law or hereunder to be deducted, withheld or paid by or in respect of the Trust in the Distribution Period with respect to a Series of Trust Units.

Computation of Income and Net Realized Capital Gains

- (a) The “**Income of the Trust**” for any taxation year of the Trust shall be the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and paragraph 82(1)(b)) having regard to the provisions thereof which relate to the calculation of income of a trust, and taking into account such adjustments thereto as are determined by AdminCo in respect of dividends received from taxable Canadian corporations, amounts paid or payable by the Trust to Trust Unitholders and such other amounts as may be determined in the discretion of the AdminCo; provided, however, that capital gains and capital losses shall be excluded from the computation of net income; and

- (b) the “**Net Realized Capital Gains**” of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds:
 - (i) the aggregate of the capital losses of the Trust for the year;
 - (ii) any capital gains which are realized by the Trust as a result of a redemption of Units pursuant to Article 6 of the Declaration of Trust; and
 - (iii) the amount determined by AdminCo in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year.

Distribution of Cash Flow of the Trust

AdminCo, may on or before each Distribution Record Date, declare payable to the holders of each Series of Trust Units on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period which includes such Distribution Record Date to which each Series of Trust Units shall be entitled. The proportionate share for a Trust Unit of each Series of the amount of such Cash Flow of the Trust to which each Series is entitled (or portion thereof declared payable) shall be determined by dividing such amount by the number of issued and outstanding Trust Units of each Series on such Distribution Record Date. The share of such Cash Flow of the Trust (or portion thereof declared payable) to which each Series is entitled attributable to each holder of a Series of Trust Units shall be an amount equal to the proportionate share for each Trust Unit of the amount of such Cash Flow of the Trust (or portion thereof declared payable) to which each Series is entitled multiplied by the number of Trust Units owned of record by each such holder of a Series of Trust Units on such Distribution Record Date. Subject to Sections 5.7 and 5.8 of the Declaration of Trust, Cash Flow of the Trust which has been declared to be payable to holders of that Series of Trust Units in respect of a Distribution Period shall be paid in cash on the Distribution Payment Date.

Other Distributions

- (a) In addition to the distributions which are made payable to Trust Unitholders pursuant to Section 5.3 of the Declaration of Trust, AdminCo may declare to be payable and make distributions to Trust Unitholders of record, from time to time, out of Income of the Trust, Net Realized Capital Gains, the capital of the Trust or otherwise to each Series is entitled in any year, in such amount or amounts, and on such record dates as AdminCo may determine;
- (b) Having regard to the present intention to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year, the following amounts shall be due and payable to Trust Unitholders of each Series of record on December 31 in each such year:
 - (i) an amount equal to the amount, if any, by which the Income of the Trust for such year in respect of a Series of Trust Units exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Subsection 5.4(a) of the Declaration of Trust which have been determined by AdminCo, pursuant to Section 5.5 of the Declaration of Trust, to have been payable by the Trust out of Income of the Trust in respect of a Series of Trust Units for such year; and
 - (ii) an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Trust for such year in respect of a Series of Trust Units exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Subsection 5.4(a) of the Declaration of Trust which have been determined by AdminCo, pursuant to Section 5.5, to have been payable by the Trust out of Net Realized Capital Gains in respect of a Series of Trust Units for such year;
- (c) The proportionate share of each Trust Unit of the amount of any distribution made pursuant to either or both of Subsections 5.4(a) and 5.4(b) of the Declaration of Trust shall be determined by dividing such amount by the number of issued and outstanding Trust Units of a Series on the applicable record date in respect of a distribution pursuant to Subsection 5.4(a) of the Declaration of Trust and on December 31 in respect of a distribution pursuant to Subsection 5.4(b) of the Declaration of Trust. Each Trust Unitholder’s share of the amount of any such distribution shall be an amount equal to the proportionate share of each Trust Unit of such amount multiplied by the number of Trust Units of a Series owned of record by each such Trust Unitholder on such applicable record date or December 31 in the year of such distribution, as the case may be. Subject to Section 5.7 and Section 5.8 of the Declaration of Trust, amounts which are payable to Trust Unitholders pursuant to either Subsection 5.4(a) or 5.4(b) of the Declaration of Trust shall be paid in cash on the Distribution Payment Date which immediately follows the applicable record date in respect of a distribution pursuant to Subsection 5.4(a) of the Declaration of

Trust or shall be payable December 31 in the applicable year in respect of a distribution pursuant to Subsection 5.4(b) of the Declaration of Trust and shall be paid forthwith, and in no event later than January 30 of the following year, subject to Section 5.6 of the Declaration of Trust.

Character of Distributions and Designations

In accordance with and to the extent permitted by the Tax Act and analogous provisions of any provincial legislation, AdminCo in each year shall make designations in respect of the amounts payable to Trust Unitholders for such amounts that AdminCo considers to be reasonable in all of the circumstances, including, without limitation, designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations (or designated in respect of the Trust where the Trust is a beneficiary of another trust), net capital gains realized by the Trust in the year (or designated in respect of the Trust where the Trust is a beneficiary of another trust) and foreign source income of and the foreign income tax paid by the Trust for the year, as well as designations under Subsections 104(13.1) and/or (13.2) of the Tax Act that income be taxed to the Trust, rather than to such Trust Unitholders. Distributions payable to Trust Unitholders pursuant to this Article 5 of the Declaration of Trust shall be deemed to be distributions of Income of the Trust, Net Realized Capital Gains, trust capital or other items in such amounts as AdminCo shall, in its absolute discretion, determine. For greater certainty, it is hereby declared that any distribution of Net Realized Capital Gains shall include the non-taxable portion of the capital gains of the Trust, which are encompassed in such distribution.

Enforceability of Right to Receive Distributions

For greater certainty, it is hereby declared that each Unitholder shall have the legal right to enforce payment of any amount payable to such Unitholder as a result of any distribution, which are payable to such Unitholder pursuant to Article 5 of the Declaration of Trust.

Method of Payment of Distributions

- (a) Where AdminCo determines that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to Article 5 of the Declaration of Trust on the due date for such payment, the payment may, at the option of AdminCo, include the issuance of additional Units, or fractions of Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by AdminCo to be available for the payment of such distribution; and
- (b) the value of each Unit which is issued pursuant to Subsection 5.7(a) of the Declaration of Trust shall be one dollar (\$1.00) per Unit.

Withholding Taxes

AdminCo may deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distributions, whether those distributions are in the form of cash, additional Trust Units or otherwise. In the event of a distribution in the form of additional Trust Units or property other than cash, AdminCo may sell such Trust Units or other property of those Trust Unitholders to pay those withholding taxes and to pay all of the Trustee's reasonable expenses with regard thereto and the Trustee shall have the power of attorney of the Trust Unitholder to do so. Any such sale of Trust Units or property may be made by private sale and upon that sale, the affected Trust Unitholder shall cease to be the holder of those Trust Units or that property. In the event that withholding taxes are exigible on any distribution or redemption amounts distributed under this Declaration of Trust and the Trust was unable to withhold taxes from a particular distribution to a Trust Unitholder or has not otherwise withheld taxes on particular distributions to the Trust Unitholders, the Trust shall be permitted to withhold amounts from other distributions to satisfy the withholding tax obligation. Each Trust Unitholder, by its acceptance of Trust Units, agrees that it shall indemnify and hold harmless the Trust for any amount required to be withheld as provided in this Section 5.8 and that such Trust Unitholder is entitled to subsequent distributions from the Trust only to the extent that such distributions are, in the sole opinion of AdminCo, in excess of amounts sufficient to discharge the required withholding. Each Trust Unitholder, by its acceptance of Trust Units, grants AdminCo the power to do so.

No Liability for Sales

The Trustee or AdminCo shall have no liability whatsoever to any Unitholders and no resort shall be had to the Trust Assets or the Trustee or AdminCo, as the case may be, for satisfaction of any obligation or claim against the Trustee, AdminCo or the Trust in connection with the Trust's sale of Units under any provision herein to comply with its statutory obligations to withhold and remit an amount otherwise payable to the Unitholders.

REDEMPTION OF UNITS

Right of Redemption

- (a) Each holder of Trust Units shall be entitled to require the Trust, on the written demand (each a “**Redemption Notice**”) of such holder of Trust Units, in a form acceptable to AdminCo and addressed to the Administrator at its registered office, to redeem all or any part of the Trust Units registered in the name of such holder of Trust Units for the “**Redemption Price**” which shall, subject to the terms of *Hardship Redemption* below, be determined as follows: (i) with respect to Redemption Notices within 12 months from the date of the Unit Certificate (the “**Issuance Anniversary**”), the Redemption price shall be 90% of the Unit Subscription Price of each Unit to be redeemed; and (ii) with respect to Redemption Notices received at any time after the Issuance Anniversary of a Unit Certificate, the Redemption Price shall be 95% of the of the Unit Subscription Price of each Unit to be redeemed. Subject to the laws of general application, AdminCo shall be entitled in its Discretion to determine and designate whether any payments in respect of any redemption are on account of income or capital.
- (b) AdminCo shall have the discretion to redeem Trust Units from holders of Trust Units that AdminCo reasonably believes are in the best interest of the Trust, on the written demand (each a “**Retraction Notice**”) to such holder of Trust Units, to redeem all or any part of the Trust Units registered in the name of such holder of Trust Units for the Subscription Price (the “**Retraction Price**”) of the Trust Units to be redeemed. Subject to the laws of general application, AdminCo shall be entitled in its discretion to determine and designate whether any payments in respect of any redemption are on account of income or capital.

No Cash Redemption in Certain Circumstances

- (a) A cash payment of the Redemption Price shall not be paid with respect to Trust Units tendered for redemption by a holder of Trust Units, if: (i) a Redemption Notice is received by AdminCo with respect to Trust Units within 24 months of the date of issue of the Trust Units to which the Redemption Notice relates; or (ii) AdminCo determines in its sole Discretion, that the cash payment of any redemptions requested by Trust Unitholders holding Trust Units would have detrimental effect on the Trust’s cash position; or (iii) the redemption of such Units would result in the Trust ceasing to qualify as a “mutual fund trust” under the Tax Act; or (iv) the total amount payable by the Trust in respect of such Trust Units and all other Units tendered for redemption during any Fiscal Quarter exceeds \$75,000 (the “**Quarterly Limit**”); (v) provided that AdminCo may, in its sole discretion, waive the Quarterly Limit in respect of all Trust Units tendered for redemption in either of the above periods.
- (b) Where the total amount payable by the Trust with respect to Trust Units tendered for redemption in any Fiscal Quarter exceeds the Quarterly Limit, such Trust Units will be redeemed for cash on a *pro rata* basis up to the Quarterly Limit and thereafter in accordance with the terms and conditions of sub-paragraph (d) below for the balance.
- (c) If, pursuant to sub-paragraph (a) above, a cash payment for the whole of all the Trust Units tendered for redemption by a Trust Unitholder holding Trust Units is not applicable to Trust Units tendered for redemption, then AdminCo, as soon as reasonably practicable, shall advise a holder of Trust Units in writing that the Redemption Price for the Trust Units tendered for redemption pursuant to sub-paragraph (a) above will be paid in whole or in part by Redemption Notes (as defined in sub-paragraph (d) below), and such Trust Unitholders shall have 15 Business Days from the date of AdminCo’s notice hereunder to rescind their redemption. If not rescinded, the Redemption Price shall, subject to all necessary regulatory approvals, be paid and satisfied by the Trust issuing Redemption Notes on the terms and conditions set out in sub-paragraph (d) below.
- (d) If the Trust is not required to pay the Redemption Price with respect to Trust Units by way of cash in accordance with the terms and conditions of Section 6.2 (a) above, then the Redemption Price per Trust Unit, subject to all necessary regulatory approvals, if any, shall be paid and satisfied:
 - (i) by the Trust issuing a promissory note (each a “**Redemption Note**”) having an interest rate that is equal to five percent (5%) simple interest per annum, calculated from the day the Note is issued and such other commercially reasonable terms as AdminCo may prescribe, subject to a maximum term of three (3) years from the date of issue, as determined in the sole discretion of AdminCo, provided that the applicable interest shall be paid annually on the anniversary date of the issue of the Note; or
 - (ii) by any combination of Redemption Notes or other assets held by AdminCo.

- (e) In the event that the Trust issues Redemption Notes in accordance with sub-paragraph (d) above, AdminCo shall comply with the following:
 - (i) AdminCo shall only issue Redemptions Notes in compliance with the terms and conditions of sub-paragraph (d) above; and
 - (ii) the form of the Redemption Notes shall be approved by the Independent Directors of AdminCo in accordance with the Conflict of Interest Policy of AdminCo.
- (f) The Redemption Price payable in respect of the Trust Units tendered for redemption shall be paid to or to the order of the holder of Trust Units who exercised the right of redemption, on or before the 30th day proceeding the last month of the Fiscal Quarter in which the Trust Units were tendered for redemption.
- (g) The Retraction Price payable in respect of the Trust Units being redeemed by the Trust pursuant to the terms of sub-paragraph (b) above shall be paid by the Trust within 30 days of the date of the Retraction Notice.
- (h) Payments by the Trust of the Redemption Price or Retraction Price are conclusively deemed to have been made upon the mailing of the instruments representing the Redemption Price or Retraction Price issued by the Trust by registered mail in a postage prepaid envelope addressed to the former holder of Trust Units. Upon such payment, the Trust shall be discharged from all liability to the former holder of Trust Units in respect of Trust Units so redeemed.

Hardship Redemption

- (a) A Trust Unitholder, or his or her personal representative, as the case may be, shall be entitled to request the Trust to redeem (a “**Hardship Redemption**”) up to the entire amount of a Trust Unitholder’s Trust Units, for the Subscription Price per Unit (the “**Hardship Redemption Amount**”), at any time during the term of the Trust upon written notice (a “**Hardship Redemption Notice**”) to the head office of the Trust:
 - (i) in the event of the death or permanent disability of an individual Trust Unitholder holding Trust Units;
 - (ii) in the event of the death or permanent disability of the spouse of an individual Trust Unitholder holding Trust Units; or
 - (iii) upon any act whether voluntary or involuntary of bankruptcy by an individual Trust Unitholder holding Trust Units.
 The approval of any request for a Hardship Redemption shall only occur when permitted by law and shall be at the sole and unfettered discretion of the Administrator. Where a Hardship Redemption is approved by AdminCo, AdminCo shall pay the aggregate of the Hardship Redemption Amount in cash to a Trust Unitholder within 60 days of the receipt of a Hardship Redemption Notice.
- (b) From and after the date of a Hardship Redemption Notice, the Trust Units to which the Notice applies shall not be entitled to any further distributions of Cash Flow of the Trust under Sections 5.3 and 5.4 of the Declaration of Trust.
- (c) Payments by the Trust of the Hardship Redemption Amount are conclusively deemed to have been made upon the mailing of the instruments representing the Hardship Redemption Amount issued by AdminCo by registered mail in a postage prepaid envelope addressed to the former Unitholder. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of Trust Units so redeemed and shall be entitled to cancel the Trust Unit Certificate(s), if any, representing the Trust Units to which a Hardship Redemption Notice relates.
- (d) Any payments of Hardship Redemption Amounts made by the Trust with respect to Hardship Redemptions shall be included in the Quarterly Limit provided for in sub-paragraph (a) above for the Fiscal Quarter in which such Hardship Redemption Notice was received.

Purchase for Cancellation

The Trust may from time to time purchase for cancellation some or all of the Units (or other securities of the Trust which may be issued and outstanding from time to time) by private agreement or pursuant to tenders received by the Trust upon request for tenders addressed to all holders of record of Units.

APPOINTMENT, RESIGNATION AND REMOVAL OF THE TRUSTEE

Appointment of Trustee

A person who is appointed as Trustee, other than the Initial Trustee whose consent to act is given by its signature upon the Declaration of Trust, must, either before or after such election or appointment, consent in writing to do so. Upon the later of a person being appointed the Trustee under the Declaration of Trust and executing and delivering to the Trust a consent substantially as set forth in Section 8.1 of the Declaration of Trust, such person shall become the Trustee hereunder and shall be deemed to be a party (as the Trustee) to the Declaration of Trust, as amended from time to time.

Ceasing to Hold Office

A Trustee ceases to hold office when:

- (a) they/it resigns or shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up its affairs;
- (b) they/it are removed by Extraordinary Resolution at a meeting of Unitholders called for that purpose; or
- (c) they/it ceases to be duly qualified to act as the Trustee as provided for in the Declaration of Trust.

A resignation of the Trustee becomes effective the date a written resignation is received by the Trust and AdminCo, or on the date specified in the resignation.

Removal of Trustee

The Unitholders may remove any Trustee from office, by Extraordinary Resolution to be voted on only at a meeting of Unitholders called for that purpose. Notice of such removal shall be provided to such Trustee no less than 15 days prior to the effective date of the removal unless otherwise agreed to in writing. A vacancy created by the removal of a Trustee may be filled by Ordinary Resolution at the meeting of Unitholders at which the Trustee is removed or, if not so filled, shall be filled as set forth below under “*Vacancies*” below.

Vacancies

No vacancy of the office of the Trustee shall operate to annul the Declaration of Trust or affect the continuity of the Trust.

Filling Vacancies

AdminCo may fill a vacancy of the Trustee without the approval of the Unitholders.

Restrictions on Trustee’s Powers

In respect of any obligations that the Trust is required to assume, AdminCo and Trustee will use their commercially reasonable efforts to ensure that these are in writing and contain provisions to exempt the Unitholders from any liability thereunder and to limit any such liability in respect of the Trust Assets.

Audit, Accounting and Reporting

The Trust’s fiscal year will be December 31.

On or before the 90th day subsequent to December 31 in each calendar year, the Trustee or AdminCo will provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their Canadian income tax returns in respect of the prior calendar year.

AdminCo will send (or make available if sending is not required under applicable securities laws) to Unitholders at least 21 days prior to the date of each general meeting of Unitholders, or if no general meeting is to be held in that year within six months of the fiscal year end, the annual financial statements of the Trust, together with comparative financial statements for the preceding fiscal year, if any, and the report of the Auditors thereon.

Such financial statements shall be prepared in accordance with GAAP; provided that such statements and the obligations to deliver such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities.

Fiduciary Duty

The Trustee shall exercise its powers and carry out its functions hereunder as Trustee honestly, in good faith and in the best interests of the Trust and the Unitholders and, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. Unless otherwise required by law, the Trustee shall not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustee, in its capacity as Trustee, shall not be required to devote its entire time to the business and affairs of the Trust.

Conflicts of Interest

Subscribers should note that the following is subject to the approval of the Independent Directors of any such Conflict of Interest Matter as set out under Item 2.1.1 – The Trust - Conflict of Interest Matters.

Without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in the Declaration of Trust, the Trustee, AdminCo and the Related Parties are hereby expressly permitted to:

- (a) be, or be an associate or an affiliate of, a person from or to whom assets of the Trust have been or are to be purchased or sold;
- (b) be, or be an associate or an affiliate of, a person with whom the Trust contracts or deals or which supplies services or extends credit to the Trust or to which the Trust extends credit;
- (c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Trust Assets, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not a trustee;
- (d) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests stated in this section without being liable to the Trust or any Trust Unitholder for any such direct or indirect benefit, profit or advantage;
- (e) the Related Parties may, in the future, be associated with other investment funds, which funds may, have similar investment objectives as the Trust or the Partnership. The Related Parties shall not be associated with any other investment funds in the future that are actively raising investment capital that have similar investment objectives as the Trust or the Partnership until such time as the Trust has definitively concluded any offering of Trust Units pursuant to exemptions under National Instrument 45-106 *Prospectus Exemptions*;
- (f) AdminCo may take actions to resolve a Conflict of Interest Matter without the approval of the Trust Unitholders but only in accordance with the terms and conditions of the Conflict of Interest Policy; and
- (g) the Trust Unitholders agree that the activities set forth in sub-paragraphs (a)-(e) of this Section shall not constitute a breach of fiduciary duty by AdminCo or the Related Parties to the Trust or the Trust Unitholders and the Trust Unitholders hereby consent to such activities and the Trust Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Trust Unitholders further agree that no party referred to in this Section will be required to account to the Trust or any Trust Unitholders for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions referred to in this Section hereunder unless such activity is contrary to the express terms of the Declaration of Trust or Applicable Laws.

Limitations on Liability of Trustee and Officers

- (a) The Trustee, shall not be liable to any Trust Unitholder or any other person, in tort, contract or otherwise, in connection with any matter pertaining to the Trust or the Trust Assets, arising from the exercise by the Trustee of any powers, authorities or discretion conferred under this Declaration of Trust, including, without limitation, any action taken or not taken, in good faith in reliance on any documents that are, prima facie, properly executed, any depreciation of, or loss to, the Trust Assets incurred by reason of the sale of any asset, any inaccuracy in any evaluation provided by any other appropriately qualified person, any reliance on any such evaluation, or any action or failure to act (including failure to compel in any way any former Trustee to redress any breach of trust or any failure by AdminCo to perform its duties under the Declaration of Trust or the Administration Agreement), unless such liabilities arise out of the gross negligence, wilful misconduct or bad faith of the Trustee. If the Trustee has retained an appropriate expert, advisor, Counsel or the Auditors with respect to any matter connected with its duties under this Declaration of Trust or any other contract, the Trustee may act or refuse to act based on the advice of such expert, advisor, Counsel or the Auditors, and the Trustee shall not be liable for and shall be fully protected from any loss or liability occasioned by any action or refusal to act based on the advice of any such expert, advisor, Counsel or the Auditors;
- (b) Subject to the standard of care set out in Section 9.5 of the Declaration of Trust, the Trustee shall not be subject to any liability whatsoever in tort, contract or otherwise, in connection with Trust Assets or the affairs of the Trust, including, without limitation, in respect of any loss or diminution in value of any Trust Assets, to the Trust or to the Trust Unitholders or to any other person for anything done or permitted to be done by the Trustee; provided that the foregoing limitation shall not apply to any liability of the Trustee that arises out of the Trustee's gross negligence, wilful misconduct or bad faith. The Trustee shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustee for or in respect to the affairs of the Trust. No property or assets of the Trustee, owned in its personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this

Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustee in its personal capacity. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Assets for payment or performance thereof; and

- (c) Any liability of the Trustee for, or in respect of, or that arises out of, or results from the Trustee's breach of the Declaration of Trust shall be limited, in the aggregate, to the amount of remuneration paid by the Trust to the Trustee under the Declaration of Trust in the twelve months immediately before the Trustee first receiving written notice of such liability; provided that the foregoing limitation shall not apply to any liability of the Trustee that arises out of the Trustee's gross negligence, wilful misconduct or bad faith.

Indemnification of Trustee

The Trust hereby indemnifies and agrees to hold harmless the Trustee, its affiliates, their officers, directors, employees, agents, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that the Trustee may provide in connection with or in any way relating to this Declaration of Trust. The Trust agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Trust shall not be required to indemnify the Indemnified Parties in the event of the gross negligence, wilful misconduct or bad faith of the Trustee, and this provision shall survive the resignation or removal of the Trustee or the termination or discharge of the Declaration of Trust.

Transfer of Units

- (a) The right to transfer Units is restricted such that no Unitholder shall be entitled to transfer Units to any person unless the transfer has been approved by AdminCo and AdminCo shall have the power to restrict the transfer of the Units on the books of the Trust without liability to Unitholders or others who are thereby restricted from making a transfer;
- (b) Units shall be transferable on the register or one of the branch transfer registers only by the Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Transfer Agent, and no transfer of Units shall be effective or shall be in any way binding upon the Trust until the transfer has been recorded on the register or one of the branch transfer registers maintained by the Transfer Agent. Upon such delivery the transfer shall be recorded on the register or branch transfer registers and a new certificate for the Units shall be issued to the transferee and a new certificate for the balance of Units not transferred shall be issued to the transferor;
- (c) Any person becoming entitled to any Units as a consequence of the death, bankruptcy or mental incompetence of any Unitholder, or otherwise by operation of law, shall be recorded as the holder of such Units (and shall receive a new certificate or evidence of new direct registration therefor upon submission of the existing certificate for cancellation or instructions for a new direct registration) only upon production of satisfactory evidence, but until such record is made the Unitholder of record shall continue to be and be deemed to be the holder of such Units for all purposes whether or not notice of such death or other event has been given; and
- (d) Trust Unit Certificates or evidence of direct registration, as applicable, representing any number and Series of Units may be exchanged without charge for Trust Unit Certificates representing an equivalent number of Units in the aggregate. Any exchange of Trust Unit Certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Trust Unit Certificates pursuant to the provisions of this Article. Any Trust Unit Certificates tendered for exchange shall be surrendered to AdminCo or appropriate Transfer Agent and then shall be cancelled.

Limitation on Non-Resident Ownership

- (a) It is in the best interest of Trust Unitholders that the Trust always qualify as a “mutual fund trust” under the Tax Act and in order to ensure the maintenance of such status:
- i. if determined necessary or desirable by AdminCo in its sole discretion, the Trust may from time to time, among other things, take all necessary steps to monitor the activities of the Trust and ownership of the Trust Units. If at any time the Trust becomes aware that the activities of the Trust and/or ownership of the Trust Units by Non-Residents may threaten the status of the Trust under the Tax Act as a “mutual fund trust”, the Trust is authorized to take such action as may be necessary in the opinion of AdminCo to maintain the status of the Trust as a “mutual fund trust” including, without limitation, the imposition of restrictions on the issuance by the Trust of Trust Units or the transfer by any Trust Unitholder of Trust Units to a Non-Resident and/or require the sale of Trust Units by Non-Residents on a basis determined by AdminCo and/or suspend distribution and/or other rights in respect of Trust Units held by Non-Residents transferred contrary to the foregoing provisions or not sold in accordance with the requirements thereof;
 - ii. in addition to the foregoing provisions, the Transfer Agent may, if determined appropriate by AdminCo, establish operating procedures for, and maintain, a reservation system which may limit the number of Trust Units that Non-Residents may hold, limit the transfer of the legal or beneficial interest in any Trust Units to Non-Residents unless selected through a process determined appropriate by AdminCo, which may either be a random selection process or a selection process based on the first to register, or such other basis as determined by AdminCo. The operating procedures relating to such reservation system shall be determined by AdminCo. Such operating procedures may, among other things, provide that any transfer of a legal or beneficial interest in any Trust Units contrary to the provisions of such reservation system may not be recognized by the Trust;
 - iii. unless and until AdminCo shall have been required to do so under the terms hereof, the Administrator shall not be bound to do or take any proceeding or action with respect to this Section by virtue of the powers conferred on it hereby. AdminCo shall not be required to actively monitor the foreign holdings of the Trust. AdminCo shall not be liable for any violation of the non-resident ownership restriction, which may occur during the term of the Trust; and
 - iv. AdminCo shall have the sole right and authority to make any determination required or contemplated under this Section. AdminCo shall make all determinations necessary for the administration of the provisions of this Section and, without limiting the generality of the foregoing, if AdminCo consider that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, AdminCo shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by AdminCo.

Termination of the Trust

Subject to the other provisions of the Declaration of Trust, the Trust shall exist until December 31, 2024 however AdminCo, with the consent of the Trustee may, in its sole discretion, upon written notice to the Trust Unitholders of not less than 180 days, extend the term of the Trust to December 31, 2025. For the purpose of terminating the Trust by such date, AdminCo shall commence winding-up the affairs of the Trust on such date as may be determined by AdminCo, being not more than two years prior to the end of the term of the Trust.

The Unitholders may vote by Extraordinary Resolution to terminate the Trust at any meeting of Unitholders duly called for such purpose, following which the Trustee shall commence to wind-up the affairs of the Trust (and shall thereafter be restricted to only such activities). Such Extraordinary Resolution may contain such directions to the Trustee as the Unitholders determine.

AdminCo shall provide the Trust Unitholders with written notice of the termination: (i) forthwith after a determination by the Trustee pursuant to Section 14.1 of the Declaration of Trust; (ii) forthwith after the adoption of an Extraordinary Resolution pursuant to section 14.2 of the Declaration of Trust; or (iii) on or before the 15th day following the date AdminCo delivers written notice to the Trustee pursuant to Section 14.3 of the Declaration of Trust. Such notice shall designate the time or times at which Trust Unitholders may surrender their Trust Units for cancellation and the date at which the registers of Trust Units shall be closed.

After a determination by the Trustee pursuant to Section 14.1 of the Declaration of Trust, the adoption of an Extraordinary Resolution pursuant to section 14.2 or the effective date of a written notice pursuant to Section 14.3 of the Declaration of Trust, AdminCo and the Trustee shall undertake no activities except for the purpose of winding-up the affairs of the Trust as hereinafter provided, and, for this purpose, AdminCo and the Trustee shall continue to be vested with and may exercise all or any of the powers conferred upon them under the Declaration of Trust.

General and Special Meetings of Unitholders

- (a) General meetings of the Trust Unitholders shall be called, at a time and at a place in Calgary, Alberta set by the Trustee or AdminCo. A general meeting of the Trust Unitholders shall be called within 18 months of the Effective Date, and thereafter within 15 months of the previous general meeting. The business transacted at such meetings shall include the presentation of the financial statements of the Trust for the preceding fiscal years, the appointment of Auditors for the ensuing years, and the transaction of such other business as Trust Unitholders may be entitled to vote upon as hereinafter provided in this Article or as the Trustee may determine or as may be properly brought before the meeting;
- (b) Special meetings of the Trust Unitholders may be called by the Trustee or AdminCo at any time and for any purpose;
- (c) Trust Unitholders holding in the aggregate not less than 15% of all votes entitled to be voted at a meeting of Trust Unitholders may requisition the Trustee or AdminCo to call a special meeting of Trust Unitholders for the purposes stated in the requisition. The requisition shall:
 - (i) be in writing;
 - (ii) set forth the name and address of, and number of Trust Units and Exchangeable Securities (and votes attached thereto which, in the aggregate, must not be less than 15% of all votes entitled to be voted at a meeting of Trust Unitholders) held by each person who is supporting the requisition; and
 - (iii) shall state in reasonable detail the business to be transacted at the meeting and shall be sent to the Trustee or AdminCo.
 - (iv) upon receiving a requisition complying with the foregoing, the Trustee or AdminCo shall call a meeting of Trust Unitholders to transact the business referred to in the requisition, unless:
 - (A) a record date for a meeting of Trust Unitholders has been fixed;
 - (B) the Trustee or AdminCo have called a meeting of Trust Unitholders and have given notice thereof pursuant to Section 12.2 of the Declaration of Trust; or
 - (C) in connection with the business as stated in the requisition:
 - (1) it clearly appears that a matter covered by the requisition is submitted by the Trust Unitholders primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustee, or the Trust Unitholders, or primarily for the purpose of promoting general economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Trust;
 - (2) the Trust, at the Trust Unitholder's request, had previously included a matter substantially the same as a matter covered by the requisition in an information circular relating to a meeting of Trust Unitholders held within 12 months preceding the receipt of such requisition and the Trust Unitholders failed to present the matter, in person or by proxy, at the meeting;
 - (3) substantially the same matter covered by the requisition was submitted to Trust Unitholders in an information circular relating to a meeting of Trust Unitholders held within 12 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or
 - (4) the rights conferred by this Section are being abused to secure publicity;
- (d) if the Trustee or the Administrator do not, within 90 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are one or more of those set forth in subsection (c)(iv)(C) above), any Trust Unitholder who signed the requisition may call the meeting in accordance with the provisions of Article 12 of the Declaration of Trust, *mutatis mutandis*;

- (e) meetings of Trust Unitholders shall be held in Calgary, Alberta, or at such other place in Canada as the Trustee shall designate;
- (f) the chair of any general or special meeting shall be a person designated by the Trustee or AdminCo for the purpose of such meeting;
- (g) the Trustee, AdminCo, the Auditors and any other person approved by the Trustee or the chair of the meeting may attend meetings of the Trust Unitholders;
- (h) any person entitled to attend a meeting of Trust Unitholders may participate in the meeting, subject to and in accordance with applicable securities laws, if any, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Trust makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Declaration of Trust to be present at the meeting; and
- (i) if the Trustee, AdminCo, or the Trust Unitholders call a meeting of Trust Unitholders pursuant to the Declaration of Trust, the Trustee, AdminCo or Trust Unitholders, as the case may be, may determine that the meeting shall be held, subject to and in accordance with applicable securities laws, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

Quorum

At any meeting of the Trust Unitholders, subject as hereinafter provided, a quorum shall consist of two or more individuals present in person either holding personally or representing as proxies not less in aggregate than ten percent (10%) of the votes attached to all outstanding Units. 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 Trust Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than 7 days later and to such place and time as may be appointed by the chair of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Trust Unitholders then 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.

Resolutions Binding the Trust

In addition to any other provisions set forth herein requiring the approval of Trust Unitholders in respect to certain matters, or as a condition precedent to taking certain actions set forth below, it is agreed that:

- (a) the Trustee shall not, without the approval of the Trust Unitholders by Extraordinary Resolution sell, lease, exchange or transfer all or substantially all of the Trust Assets other than:
 - (i) pursuant to in specie redemptions permitted under the Declaration of Trust, or
 - (ii) in order to acquire in connection with pursuing the purpose of the Trust securities of the Partnership;
- (b) Trust Unitholders shall also be entitled to pass resolutions that will bind the Trust only with respect to the following matters:
 - (i) the removal of a Trustee as provided in Section 8.3;
 - (ii) the approval or removal of Auditors as provided in Article 17 of the Declaration of Trust; and
 - (iii) the termination of the Trust as provided in Section 14.2 of the Declaration of Trust.

Except with respect to the above matters set out in this Section, no action taken by the Trust Unitholders or any resolution of the Trust Unitholders at any meeting shall in any way bind the Trustee. Any action taken or resolution passed in respect of any matter on which Trust Unitholder approval is required under the Declaration of Trust shall be by Extraordinary Resolution, unless the contrary is otherwise expressly provided under any specific provision of the Declaration of Trust.

Voting Rights of Unitholders

Only Unitholders of record shall be entitled to vote and each Unit shall entitle the holder or holders of that Unit on a poll vote at any meeting of Unitholders to the voting rights set out in the Declaration of Trust. Every question submitted to a meeting shall, unless a poll vote is demanded, be decided by a show of hands vote, on which every person present and entitled to vote shall be entitled to one vote. At any meeting of Unitholders, any holder of Units entitled to vote thereat may vote by proxy and a proxyholder need not be a Unitholder, provided that no proxy shall be voted at any meeting unless it shall have been received by the Transfer Agent for verification at least 24 hours

prior to the commencement of such meeting, or such lesser time as the chairman of the meeting may allow. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Unitholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

Meaning of “Extraordinary Resolution” and “Ordinary Resolution”

“**Extraordinary Resolution**” means, subject to Section 12.6 of the Declaration of Trust, a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of this Article and passed by 67% or more of the votes attaching to the Trust Units cast on such resolution by Trust Unitholders represented in person or by proxy at the meeting.

“**Ordinary Resolution**” means, (subject to compliance with the requirements of any applicable laws that prohibit specified Trust Unitholders from voting on resolutions in specified circumstances), a resolution proposed to be passed at a meeting of Trust Unitholders (including an adjourned meeting) duly convened and held and passed by more than 50% of the votes cast on such resolution by Unitholders represented in person or by proxy at the meeting; and votes on any resolution shall be by show of hands unless the chair of the meeting or a Unitholder requests a poll.

Resolutions in Writing

- (a) A resolution in writing executed by Unitholders holding more than 50% of the votes attached to outstanding Units at any time shall be as valid and binding as an Ordinary Resolution; and
- (b) 67% of the votes attached to outstanding Units at any time comprising not less than 67% of the Trust Unitholders listed on the Register shall be as valid and binding as an Extraordinary Resolution, for all purposes of the Declaration of Trust as if such Trust Unitholders had exercised at that time all of the voting rights to which they were then entitled under Section 12.5 or Section 12.6 in favour of such resolution at a meeting of Trust Unitholders duly called for the purpose.

Permitted Amendments to the Declaration of Trust

The provisions of this Declaration of Trust, except where specifically provided otherwise, may only be amended by Extraordinary Resolution; provided that the provisions of this Declaration of Trust may also be amended by the Trustee with the approval of AdminCo without the consent, approval or ratification of the Trust Unitholders or any other person at any time:

- (a) for the purpose of ensuring continuing compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Trustee or the Trust;
- (b) in a manner which provides, in the opinion of AdminCo, additional protection for the Trust Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to the Trust Unitholders;
- (c) ensuring that the Trust will satisfy the provisions of the Tax Act with respect to retaining its qualification as a “mutual fund trust”, pursuant to subsection 132(6) of the Tax Act, as the Tax Act may be amended from time to time;
- (d) to ensure that the Trust is not considered a “SIFT trust” as defined in the Tax Act;
- (e) in a manner which, in the opinion of the Trustee supported by opinion of Counsel, is necessary or desirable as a result of changes in Canadian taxation laws;
- (f) to remove any conflicts or inconsistencies in this Declaration of Trust or to make minor corrections which are, in the opinion of AdminCo, necessary or desirable and not prejudicial to the Trust Unitholders; or
- (g) to change the status of, or the laws governing, the Trust which, in the opinion of AdminCo supported by opinion of Counsel, is desirable in order to provide Trust Unitholders with the benefit of any legislation limiting their liability,

but notwithstanding the foregoing, no such amendment shall modify the voting rights of any Trust Unit or reduce the fractional undivided interest in the Trust assets represented by any Trust Unit without the consent of the holder of such Trust Unit, and no amendment shall reduce the percentage of votes required to be cast at a meeting of the Trust Unitholders for the purpose of this Section without the consent of the holders of all of the Trust Units then outstanding.

SUMMARY OF THE ADMINISTRATION AGREEMENT

This is a summary only and is subject to the complete terms and conditions of the Administration Agreement dated May 28, 21018.

Capitalized terms below that are not otherwise defined in this Offering Memorandum shall have the same meanings as provided for in the Administration Agreement. AdminCo shall provide a copy of the Administration Agreement to prospective Subscribers upon request.

Pursuant to the terms of the Administration Agreement, AdminCo will provide administrative and support services to, and be responsible for the general administration of the affairs of the Trust, including without limitation the following:

Administrative Expenses and Administration Fees

Pursuant to the terms of the Administration Agreement, AdminCo will provide administrative and support services to, and be responsible for the general administration of the affairs of the Trust, including without limitation the following:

- (a) keep and maintain at its offices in Calgary, Alberta at all times books, records and accounts which shall contain particulars of operations, receipts, disbursements and investments relating to the Trust assets and such books, records and accounts shall be kept pursuant to normal commercial practices that will permit the preparation of financial statements in accordance with Canadian generally accepted accounting principles which, shall also be in accordance with those required to be kept by the Trust under the Tax Act and the Income Tax Regulations applicable with respect thereto, all as amended from time to time;
- (b) undertake any matters required by the terms of the Declaration Trust to be performed by the Trustees, which are not otherwise delegated therein and generally provide all other services as may be necessary or as requested by the Trustees for the management and administration of the Trust;
- (c) provide advice and assistance to the Trustees with respect to the performance of the obligations of the Trust and the enforcement of the rights of the Trust under all agreements entered into by the Trust;
- (d) assist the Trustees in making all determinations necessary for the discharge of the Trustees' obligations under the Declaration of Trust;
- (e) retain and monitor, on behalf of the Trustees, a transfer agent and other persons serving the Trust;
- (f) provide or cause to be provided such audit, accounting, engineering, legal, insurance and other professional services as are reasonably required or desirable for the purposes of the Trust and provide or cause to be provided such legal, engineering, financial and other advice and analysis as the Trustees may require or desire to permit them to make informed decisions in connection with the discharge by them of their responsibilities as Trustees, to the extent such advice and analysis can be reasonably provided or arranged by AdminCo;
- (g) authorize and pay on behalf of the Trust operating expenses incurred on behalf of the Trust and negotiate contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors and printers);
- (h) provide, for the purposes of performing its services under the Administration Agreement, office space, telephone, office equipment, facilities, supplies and executive, secretarial, bookkeeping, general accounting and clerical services;
- (i) deal with banks and other institutional lenders, including in respect of maintenance of bank records and the negotiation and securing of bank financing or refinancing or one or more credit or debt facilities, hedging or swap facilities or other ancillary facilities in respect of the Trust or any entity in which the Trust holds any direct or indirect interest;
- (j) take all actions reasonably necessary in connection with, or in relation to, directly or indirectly, the borrowing of money from or incurring indebtedness by the Trust to any person and in connection therewith, to cause the Trust to guarantee, indemnify or act as a surety with respect to payment or performance of any indebtedness, liabilities or obligation of any kind of any person, including, without limitation, AdminCo and any subsidiary (as defined in the *Securities Act* (Alberta)) of the Trust; to enter into any other obligations on behalf of the Trust; or enter into any subordination agreement on behalf of the Trust or any other person, and to assign, charge, pledge, hypothecate, convey, transfer, mortgage, subordinate, and grant any security interest, mortgage or encumbrance over or with respect to all or any of the Trust Assets or to subordinate the interests of the Trust in the Trust Assets to any other person;

- (k) take all actions reasonably necessary in connection with, or in relation to, the guarantee by the Trust of obligations of any affiliate of the Trust pursuant to any debt for borrowed money or obligations resulting or arising from hedging instruments incurred by the affiliate and pledging securities issued by the affiliate as security for such guarantee provided that such guarantee is incidental to the Trust's direct or indirect investment in the affiliate or the business and affairs (existing or proposed) of the affiliate, and each such guarantee entered into by the Trustee shall be binding upon, and enforceable in accordance with its terms against, the Trust;
- (l) prepare and provide to the Trustees for their review and approval all annual audited financial statements of the Trust, income tax returns and filings in sufficient time prior to the dates upon which they must be delivered to Unitholders and/or filed so that the Trustees have a reasonable opportunity to review and approve them, execute them and return them to AdminCo, and arrange for their delivery to Unitholders and/or filing within the time required by applicable law;
- (m) assist the Trustees in computing distributions to Unitholders pursuant to the Declaration of Trust, including calculating Cash Flow of the Trust (as defined in the Declaration of Trust) and facilitate payment of distributions properly declared payable by the Trust;
- (n) ensure compliance by the Trust with all applicable securities laws, including in relation to the Offering of securities of the Trust;
- (o) prepare on behalf of the Trust any circular or other disclosure document required under applicable securities legislation with respect to an offer to acquire securities of another person or in response to an offer to purchase Units;
- (p) call and hold all annual and/or special meetings of Unitholders pursuant to the Declaration of Trust and prepare for approval by the Trustees and arrange for the distribution of all materials (including notices of meetings, information circulars and instrument of proxy) in respect thereof;
- (q) prepare and provide or cause to be provided to Unitholders on a timely basis all information to which Unitholders are entitled under the Declaration of Trust and under Applicable Laws, including, if required, financial statements and tax information relating to the Trust;
- (r) obtain and pay for the costs of liability insurance for the protection of the Trust and its affiliates, and their respective trustees, directors and officer against such risks, to such limits and with such deductibles and such other terms as are approved by the Trustees from time to time;
- (s) attend to all administrative and other matters arising in connection with any redemptions or retractions of Units;
- (t) in the event that withholding taxes are exigible on any distributions or redemption amounts distributed under the Declaration of Trust or any other agreement, AdminCo shall withhold the withholding taxes required and shall promptly remit such taxes to the appropriate taxing authority. In the event that withholding taxes are exigible on any distributions or redemption amounts distributed under the Declaration of Trust or any other agreement and AdminCo is, or was, unable to withhold taxes from a particular distribution to a Unitholder or has not otherwise withheld taxes on past distributions to a Unitholder, AdminCo shall be permitted to withhold amounts from other distributions to satisfy AdminCo's withholding tax obligations;
- (u) monitor the tax status of the Trust, including without limitation compliance with Subsection 108(2) and 132(6) of the Tax Act, provide information to the Trustees regarding the taxable portions of distributions and provide the Trustees with written notice when the Trust ceases or is at risk of ceasing to be such a mutual fund trust;
- (v) ensure that the Trust elects in the prescribed manner and within the prescribed time under subsection 132(6.1) of the Tax Act to be a "mutual fund trust" within the meaning of that Act since inception, assuming the requirements for such election are met and ensure that the Trust elects under the analogous provisions of any applicable provincial tax legislation;
- (w) take all actions reasonably necessary with respect in connection with, or in relation to, those matters referred to in the Declaration of Trust in connection with, or in relation to all rights, powers, voting and privileges pertaining to any investments in the Trust Assets;
- (x) provide advice with respect to the timing and terms of future offerings of securities of the Trust, if any;

- (y) recommend, monitor, carry out and provide any services reasonably necessary in connection with any acquisitions or divestitures of any portion of the Trust Assets;
- (z) assist in connection with any offerings of Units, including preparing any prospectus or comparable documents of the Trust to qualify the distribution of securities of the Trust from time to time; and
- (aa) approve the form of certificate representing the Units from time to time and certify such certificates from time to time on behalf of the Trust.

AdminCo must exercise the powers and discharge the duties conferred under the Administration Agreement honestly, in good faith and in the best interests of the Trust and the Partnership and exercise the degree of care, diligence and skill that a reasonably prudent trustee in Canada having responsibilities of a similar nature would exercise in comparable circumstances.

Administrative Expenses and Administration Fees

Pursuant to the Administration Agreement, AdminCo will be reimbursed by the Trust, without duplication, for such expenses (including, without limitation, salary, wages and other forms of compensation paid to employees engaged in rendering services under the Administration Agreement, and out-of-pocket expenses (collectively, the “**Expenses**”)) incurred by AdminCo as are, in the opinion of AdminCo, acting reasonably, reasonably allocable respectively thereto.

AdminCo shall act as the Trust’s agent when incurring the Expenses and shall be reimbursed for all such Expenses, such reimbursement to be made within 15 days of the Trust receiving an invoice therefor from AdminCo. Such invoice shall set out the details of the Expenses and the sales or excise taxes (including GST) incurred by AdminCo in relation thereto.

In addition, AdminCo shall be entitled to the payment of a fee from the Trust for the services provided by AdminCo under the Administration Agreement in the amount of \$500 per year plus applicable GST, commencing in 2014, which fee shall be paid by the Trust on or before December 31 of each year during the term of the Administration Agreement.

Pursuant to the Funding Agreement, the Partnership shall pay AdminCo all fees and expenses payable to AdminCo pursuant to the terms of the Administration Agreement.

Banking

The banking business of the Trust, or any part thereof, shall be transacted with such bank, trust company, Alberta Treasury Branches or other firm or corporation carrying on a banking business as AdminCo may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Trust’s behalf by AdminCo and/or other persons as the Trustee may (upon written notice to the Trust’s bankers) designate, appoint or authorize from time to time including, but without restricting the generality of the foregoing, the operation of the Trust’s accounts; the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Trust; the execution of any agreement relating to any property of the Trust; the execution of any agreement relating to any such banking business and defining the rights and powers of the parties hereto; and the authorizing of any officer of such banker to do any act or thing on the Trust’s behalf to facilitate such banking business.

SUMMARY OF THE FUNDING AGREEMENT

This is a summary only and is subject to the complete terms and conditions of the Funding Agreement dated May 28, 2018.

The Partnership agrees to pay all costs, fees, commissions, and expenses incurred by the Trust in connection with the Offering together with all costs, fees and expenses associated with the operation and administration of the Trust for the term of the Trust.

SUMMARY OF THE PARTNERSHIP AGREEMENT

The following is a summary of the Partnership Agreement dated May 28, 2018.

This is a summary only and is subject to the complete terms and conditions of the Partnership Agreement. Additional terms of the Partnership Agreement with respect to “The General Partner” and Distributable Cash of the Partnership” are referenced in Item 2.1.2 - “The Partnership” and in Item 2.2.2 - “Business of the Partnership”, subparagraphs (a) – (e). Capitalized terms below that are not otherwise defined in this Offering Memorandum shall have the same meanings as provided for in the Partnership Agreement. AdminCo shall provide a copy of the Partnership Agreement to prospective Subscribers upon request.

LP Units

Only the holders of the LP Units will be entitled to one vote for each LP Unit on any resolution to be passed by the holders of LP Units. The holders of LP Units are entitled to receive, and the General Partner shall, subject to applicable law and the terms of the Partnership Agreement, from time to time pay distributions on the LP Units as the General Partner determines. Such distributions will be paid out of money, assets or property of the Partnership, properly applicable to the payment of distributions as applicable.

Issuance of LP Units

The General Partner is authorized to, in its Discretion, cause the Partnership to issue at any time and from time to time up to 50,000,000 Class A LP Units with each Class A LP Unit having a Capital Contribution amount of not less than \$1 per Class A Unit, on such terms and conditions of the offering and sale of LP Units as the General Partner, in its Discretion, may determine including accepting payment of consideration therefore in the form of cash, property and/or past services, and may do all things in that regard, including preparing and filing prospectuses, offering memoranda and other documents.

The General Partner is authorized to, in its Discretion, cause the Partnership to issue at any time and from time to 1,000,000 Class B LP Units with each Class B LP Unit having a Capital Contribution amount of not less than \$0.001 per Class B LP Unit, on such terms and conditions of the offering and sale of LP Units as the General Partner, in its Discretion, may determine.

The General Partner may do all things necessary or advisable in connection with the issue of LP Units from time to time including determining the requirements for a satisfactory subscription form, preparing and filing prospectuses, offering memoranda and other documents, paying the expenses of issue and entering into agreements with any Person for a commission or fee.

Upon acceptance by the General Partner of any subscription for LP Units, all Partners are deemed to consent to the admission of the subscriber as a Limited Partner, the General Partner will cause the Register to be amended, and such other documents as may be required by the Partnership Act or under legislation similar to the Partnership Act in other provinces or the territories to be filed or amended, specifying the prescribed information and will cause the foregoing information in respect of the new Limited Partner to be included in Partnership books and records.

Limitation of Liability

- (a) The General Partner is not personally liable for the return of any Capital Contribution made by a Limited Partner to the Partnership;
- (b) Subject to the terms of the Partnership Agreement, the General Partner will not be liable to a Limited Partner for any act, omission or error in judgment taken or made hereunder by the General Partner honestly and in good faith in the conduct of the business of the Partnership;
- (c) The General Partner may rely, and is protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (d) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the opinion (including, without limitation, an opinion of counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence will be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion;
- (e) The General Partner may exercise any of the powers or authority granted to it by the Partnership Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents (as contemplated in the Partnership Agreement), and the General Partner is not responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith; and
- (f) Any standard of care or duty imposed under the Partnership Act or any applicable law shall be modified, waived or limited as required to permit the General Partner to act under the Partnership Agreement or any other agreement contemplated by the Partnership Agreement and to make any decision pursuant to the power or authority prescribed in the Partnership Agreement, so long as such action is reasonably believed by the General Partner to be in, or not opposed to, the best interests of the Partnership.

Indemnity of General Partner

To the fullest extent permitted by law but subject to the limitations expressly provided in the Partnership Agreement, each General Partner, any former General Partner (a “**Departing Partner**”), any Person who is or was an Affiliate of the General Partner or any Departing Partner, any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any Departing Partner or any such Affiliate, or any Person who is or was serving at the request of the General Partner or any Departing Partner or any such Affiliate as a director, officer, employee, partner, agent or trustee of another Person (collectively, an “**Indemnatee**”) is indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities (joint or several), expenses (including, without limitation, legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnatee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as: (i) the General Partner, a Departing Partner or any of their Affiliates; (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or any of their Affiliates; or (iii) a Person serving at the request of the General Partner, any Departing Partner or any of their Affiliates as a director, officer, employee, agent or trustee of another Person; provided, that in each case the Indemnatee acted in good faith, in a manner which such Indemnatee believed to be in, or not opposed to, the best interests of the Partnership and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction does not create a presumption that the Indemnatee acted in a manner contrary to that specified above. Any indemnification is to be made only out of the assets of the Partnership.

To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnatee in defending any claim, demand, action, suit or proceeding are to be, from time to time, advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnatee to repay such amount if it is determined that the Indemnatee is not entitled to be indemnified as authorized in this Section.

The indemnification provided by this Section is in addition to any other rights to which an Indemnatee may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, both as to actions in the Indemnatee’s capacity as: (i) the General Partner, a Departing Partner or an Affiliate thereof, (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or an Affiliate thereof, or (iii) a Person serving at the request of the General Partner, any Departing Partner or any of their Affiliates as a director, officer, employee, agent or trustee of another Person, and shall continue as to an Indemnatee who has ceased to serve in such capacity and as to actions in any other capacity.

The Partnership may purchase and maintain insurance (or reimburse the General Partner or its Affiliates for the cost of insurance), on behalf of the General Partner and such other Persons as the General Partner determines, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership’s activities, whether or not the Partnership would have the power to indemnify such Person against such liabilities under the provisions of the Partnership Agreement.

Powers, Duties and Obligations of the General Partner

(a) The General Partner has:

- (i) unlimited liability for the debts, liabilities and obligations of the Partnership;
- (ii) subject to the terms of the Partnership Agreement, and to any applicable limitations set forth in the Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Partnership; and
- (iii) the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Partnership.

An action taken by the General Partner on behalf of the Partnership is deemed to be the act of the Partnership and binds the Partnership.

(b) Notwithstanding any other agreement the Partnership or the General Partner may enter into, all material transactions or agreements entered into by the Partnership must be approved by the board of directors of the General Partner.

Specific Powers and Duties

Without limiting the generality of the foregoing the General Partner has full power and authority for and on behalf of and in the name of the Partnership to:

- (a) negotiate, execute and perform all agreements which require execution by or on behalf of the Partnership involving matters or transactions with respect to the Partnership's business (and such agreements may limit the liability of the Partnership to the assets of the Partnership, with the other party to have no recourse to the assets of the General Partner, even if the same results in the terms of the agreement being less favourable to the Partnership);
- (b) open and manage bank accounts in the name of the Partnership and spend the capital of the Partnership in the exercise of any right or power exercisable by the General Partner hereunder;
- (c) borrow funds in the name of the Partnership from time to time, from financial institutions or other lenders as the General Partner may determine only for the purpose of the acquisition of Properties by the Partnership;
- (d) guarantee only the debts, liabilities and obligations of any Alternative Vehicle arising from the acquisition of a Property by an Alternative Vehicle;
- (e) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership now owned or hereafter acquired in relation to the matters set forth in sub-paragraphs (c) and (d) above;
- (f) see to the sound management of the Partnership, and to manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;
- (g) acquire, maintain, improve, upgrade, expand or dispose of the assets of the Partnership from time to time;
- (h) incur all costs and expenses in connection with the Partnership;
- (i) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants with the powers and duties upon the terms and for the compensation as in the Discretion of the General Partner may be necessary or advisable in the carrying on of the business of the Partnership;
- (j) engage agents or subcontract administrative functions, to assist the General Partner to carry out its management obligations to the Partnership;
- (k) invest cash assets of the Partnership that are not immediately required for the business of the Partnership in investments which the General Partner considers appropriate;
- (l) act as attorney in fact or agent of the Partnership in disbursing and collecting moneys for the Partnership, paying debts and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership;
- (m) commence or defend any action or proceeding in connection with the Partnership;
- (n) file returns or other documents required by any governmental or like authority;
- (o) retain legal counsel, experts, advisors or consultants as the General Partner considers appropriate and rely upon the advice of such Persons;
- (p) do anything that is in furtherance of or incidental to the business of the Partnership or that is provided for in this Agreement;
- (q) execute, acknowledge and deliver the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the business of the Partnership;
- (r) obtain any insurance coverage; and
- (s) generally carry out the objectives, purposes and business of the Partnership.

No Person dealing with the Partnership is required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership.

The General Partner may insert, and may cause agents of the Partnership to insert, the following clause in any contracts or agreements to which the Partnership is a party or by which it is bound:

“Triumph Real Estate Investment Fund II LP is a limited partnership formed under the *Partnership Act* (Alberta), a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that it has contributed or agreed to contribute to its capital and its pro rata share of any undistributed income.”

Resignation and Removal of the General Partner

The General Partner may not be removed as general partner of the Partnership except as follows:

- (a) the occurrence of any of the following events which has not been cured by the General Partner within thirty (30) days of the occurrence thereof:
 - (i) the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy or the making of any assignment for the benefit of creditors of the General Partner (or the commencement of any act or proceeding in connection with any of the foregoing which is not contested in good faith by the General Partner); or
 - (ii) the appointment of a receiver of all or substantially all of the assets and undertakings of the General Partner; or
 - (iii) the occurrence of any gross negligence, wilful misconduct or fraud on the part of the General Partner as determined in a final judgment (not subject to further appeal) by a court of competent jurisdiction; or
 - (iv) a Special Resolution passed at a meeting called to remove the General Partner in accordance with the terms of the Partnership Agreement.

Upon the occurrence of any of the preceding events and the passing of a Special Resolution by the Limited Partners for the removal of the General Partner, the General Partner shall be removed as the General Partner of the Partnership effective upon the appointment of a new general partner and acceptance of such appointment. Any such action by the Limited Partners for removal of the General Partner must also provide for the election and succession of a new general partner.

Transfer of LP Units

No Limited Partner may transfer any of the LP Units owned by it except to Persons under the manner expressly permitted in the Partnership Agreement. Any attempted transfer of LP Units made in violation of the Partnership Agreement will be null and void and the General Partner will not approve any transfer of LP Units made in contravention of the Partnership Agreement.

Powers Exercisable by Special Resolution

The following powers are only exercisable by Special Resolution passed by the Limited Partners:

- (a) dissolving the Partnership, except as otherwise provided for under Section 11.2 (b) of the Partnership Agreement;
- (b) removing the General Partner and electing a new general partner as provided for in accordance with the terms in the above heading *Resignation and Removal of the General Partner*;
- (c) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (d) amending this Agreement pursuant to Section 12.1 of the Partnership Agreement; and
- (e) determining to reconstitute the Partnership under Section 11.4 of the Partnership Agreement.

AMENDMENT AND APPROVAL

Amendment Procedures

Except as provided for below under the heading “*Amendment by General Partner*”, all amendments to the Partnership Agreement are to be made in accordance with the following requirements. To be valid for the purposes hereof, each such proposal must contain the text of the proposed amendment. If an amendment is proposed, the General Partner will seek the approval of the Limited Partners by a Special Resolution.

Amendment Requirements

Notwithstanding the provisions of Article 12 of the Partnership Agreement, no amendment to the Partnership Agreement may: (i) reduce the term of the Partnership; (ii) give any Person the right to dissolve the Partnership, other than the General Partner's right to dissolve the Partnership with the approval of the Limited Partners by a Special Resolution; or (iii) modify the amendment provisions in Article 12 of the Partnership Agreement, without the express prior written consent of the General Partner, which consent may be unreasonably withheld.

Amendment by General Partner

Each Limited Partner agrees that the General Partner without the approval of any Limited Partner may amend any provision of the Partnership Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

- (a) a change in the name of the Partnership or the location of the principal place of business of the Partnership or the registered office of the Partnership;
- (b) admission, substitution, withdrawal or removal of Limited Partners in accordance with the Partnership Agreement;
- (c) a change that, in the sole Discretion of the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under the applicable laws;
- (d) a change that, in the sole Discretion of the General Partner, is reasonable and necessary or appropriate to enable Partners to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; and
- (e) a change that, in the sole Discretion of the General Partner, does not materially adversely affect the Limited Partners in any respect.

Notice of Amendments

The General Partner will notify the Limited Partners in writing of the full details of any amendment to the Partnership Agreement within 30 days of the effective date of the amendment.

Meetings of Limited Partners

The General Partner may call a general meeting of Limited Partners at such time and place as it deems appropriate in its absolute Discretion for the purpose of considering any matter set forth in the notice of meeting. In addition, where Limited Partners holding not less than 15% of the outstanding LP Units (the "**Requisitioning Partners**") give notice signed by each of them to the General Partner, requesting a meeting of the Limited Partners and stating the proposed business to be transacted at the meeting in reasonable detail sufficient to give valid notice, the General Partner will, within 45 days of receipt of such notice, convene such meeting, and if it fails to do so, any Requisitioning Partners may convene such meeting by giving notice in accordance with the Partnership Agreement. Every meeting of Limited Partners, however convened, must be conducted in accordance with the Partnership Agreement within.

Ordinary Resolution

"**Ordinary Resolution**" means:

- (a) a resolution approved through the votes cast in person or by proxy at a duly constituted meeting of Limited Partners holding LP Units or at any adjournment thereof called in accordance with this Agreement and representing more than 50% of the votes attaching to the LP Units cast in person or by proxy; or
- (b) a written resolution in one or more counterparts signed by the Limited Partners holding in the aggregate more than 50% of the votes attaching to the LP Units;

Special Resolution

"**Special Resolution**" means:

- (a) a resolution approved through the votes cast in person or by proxy at a duly constituted meeting of Limited Partners holding LP Units or at any adjournment thereof called in accordance with this Agreement and representing 66⅔ % or more of the votes attaching to the Units cast in person or by proxy; or
- (b) a written resolution in one or more counterparts signed by 66⅔ % or more of the Limited Partners holding Units in the aggregate 66⅔ % or more of the votes attaching to the Units in accordance with;

Term

Subject to the terms and conditions of below, the term for which the Partnership shall exist until December 31, 2024 (the “**Primary Termination Date**”), subject to the following: the General Partner may, in its sole Discretion, upon written notice to the Limited Partners of not less than 180 days prior to the Primary Termination Date, extend the term of the Partnership December 31, 2025.

Events of Dissolution

Notwithstanding the above terms, the Partnership will be dissolved upon the occurrence of any of the following events:

- (a) the Partnership is dissolved or wound-up by the express written mutual agreement of the Partners; or
- (b) upon the occurrence of any of the following events:
 - (i) the election of the General Partner to dissolve the Partnership, if approved by a Special Resolution;
 - (ii) the removal or resignation of the General Partner unless the General Partner is replaced as provided in Partnership Agreement; or
 - (iii) except as otherwise provided herein, any event which causes the dissolution of a limited partnership under the laws of the Province of Alberta.

Procedure on Dissolution

Upon an event of dissolution occurring as referenced above, the General Partner or such other Person as may be appointed by Ordinary Resolution of the Limited Partners, will act as receiver and liquidator of the assets of the Partnership and is empowered hereby to:

- (a) sell or otherwise dispose of such part of the Partnership’s assets as the receiver considers appropriate;
- (b) pay or provide for the payment of the debts and liabilities of the Partnership and liquidation expenses;
- (c) if there are any assets of the Partners remaining, distribute such remaining assets as follows:
 - (i) firstly, to the Limited Partners holding Class A Units in their Class A Proportionate Shares, to the extent of their unreturned Capital Contributions, whereupon distributions shall thereafter be made;
 - (ii) secondly, to the Limited Partners holding Class A Units, in accordance with their Class A Proportionate Shares, until there has been distributed to the Limited Partners holding Class A Units an amount of cash equal to such Limited Partners then Cumulative Preferred Return Deficiency, if any, whereupon distributions shall thereafter be made;
 - (iii) thirdly, (a) 70% to the Limited Partners holding Class A Units, and (b) 30% to the Limited Partners holding Class B Units in accordance with their respective Class A Proportionate Shares and Class B Proportionate Shares until such time as the Limited Partners holding Class A Units have received distributions equal to a 12% annualized return on their Capital Contribution, calculated during the period commencing the date on which a Capital Contribution was received by the Partnership until the date on which such Capital Contribution has been returned to a Limited Partner, whereupon distributions shall thereafter be made;
 - (iv) fourthly, (a) 50% to the Limited Partners holding Class A Units in their Class A Proportionate Shares, and (b) 50% to the Limited Partners holding Class B Units in their Class B Proportionate Shares.
- (d) file the notice of dissolution prescribed by the Act and satisfy all applicable formalities in such circumstances as may be prescribed by the laws of other jurisdictions where the Partnership is registered. In addition, the General Partner will give prior notice of the dissolution of the Partnership by mailing to each Limited Partner such notice at least 21 days prior to the filing of the declaration of dissolution prescribed by the Partnership Act (Alberta); and
- (e) file any elections, determinations or designations under the Tax Act or under any similar legislation which may be necessary or desirable.

SUMMARY OF DISTRIBUTION REINVESTMENT PLAN

The following is a summary of the Distribution Reinvestment Plan (the “**Plan**”) which is dated May 28, 2018. This is a summary only and is subject to the complete terms and conditions of the Plan.

Capitalized terms that are not defined in this section shall have the same meaning as ascribed to them in the Plan.

In this section the following terms shall have the indicated meaning:

“**Distribution Payment Date**” means, in respect of a Distribution Period, on the fifth Business Day immediately following the end of the Distribution Period or such other date determined from time to time by AdminCo.

“**Distribution Period**” means each quarterly period ending on March 31, June 30, September 30 and December 31, during the term of the Trust, or such other periods as may be hereafter determined from time to time by the Trustee Administrator from and including the first day thereof and to and including the last day thereof.

“**Distribution Record Date**” means, the last day of each Distribution Period, or such other date determined from time to time by AdminCo.

“**DRIP Unit Price**” means a price per Unit equal to the equal to the most recent subscription price per Unit that the Units were offered to investors for purchase.

“**Eligible Holders**” means Unitholders who are Canadian residents.

“**Eligible Trust Units**” means Units held by Eligible Holders.

“**Participant**” means an Eligible Holder who has elected, in accordance with the terms hereof, to participate in the Plan and includes both Registered Participants and Non-Registered Participants (as those terms are defined herein).

“**Registered Participant**” means a Participant who is a registered holder of Units at any time and from time to time, as shown on the register maintained by or on behalf of the Trust for outstanding Units and who has enrolled in the Plan.

The Trust has established the Plan which is for the purposes of offering to Unitholders a method to reinvest distributions of Cash Flow of the Trust declared and payable to them to acquire additional Units of the Trust.

Features

Under the Plan, a Participant may purchase additional Units with the cash distributions paid on the Eligible Trust Units which are registered in the name of the Participant who is a registered holder of Units at any time and from time to time, as shown on the register maintained by or on behalf of the Trust for outstanding Units and who has enrolled in the Plan (a “**Registered Participant**”) or held by a Participant who holds Units through an intermediary such as a financial institution, broker or nominee and has enrolled in the Plan through the intermediary account maintained pursuant to the Plan (a “**Non-Registered Participant**”). The price at which Units will be issued from treasury under the Plan will be calculated by reference to the DRIP Unit Price. No commissions, service charges or brokerage fees are payable by Participants in connection with the Plan.

Distributions in respect of whole and fractional Units (up to six decimal places) purchased under the Plan will be credited to a Participant’s account and will be automatically invested under the Plan in additional Units until such time as the Participant’s participation in the Plan is terminated.

The Trust shall determine the number of Units available to be issued under the Plan at any time.

Participation and Enrollment in the DRIP

Provisions of this Plan apply to all Participants, but are subject to the administrative practices and requirements of intermediaries through whom Units are held by Non-Registered Unitholders. Those administrative practices and requirements may vary, and Non-Registered Unitholders should contact their intermediary to determine the requirements of such intermediary regarding participation in the Plan.

In order to be eligible to participate in the Plan, a holder must be an Eligible Holder. An Eligible Holder who is a registered holder of Units of record may enroll in the Plan at any time by duly completing and returning a Plan Enrollment Form to the Trust on or before the close of business on the fifth Business Day prior to a Distribution Record Date for it to be effective on such Distribution Payment Date. Any Plan Enrollment Form received after such time will be applied to the next applicable Distribution Record Date.

Once a Participant has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan.

Once a Participant is enrolled, on each Distribution Payment Date, the Trust shall promptly pay to the account of the Participants, all cash distributions paid on their Units, which shall be immediately applied to purchase

additional Units from treasury (with no action upon the part of the Trust Unitholder) at the then applicable DRIP Unit Price as determined by the Trust.

If any Units are held by a non-resident of Canada, such Unitholder is not eligible to participate in the Plan. Upon ceasing to be a resident of Canada, a Participant shall forthwith notify the Trust of same and shall automatically be deemed to cease to be a Participant as of the date the Participant ceased to be a resident of Canada.

A Plan Enrollment Form may be obtained from the Trust any time upon written request addressed to the Trust.

Transfer of Participation Rights

The right to participate in the Plan may not be transferred by a Participant.

Termination of Participation

Participation in the Plan may be terminated by a Registered Participant. For greater certainty, termination by a Participant will not prevent such Participant from participating in the Plan at a later date. No termination requests will be processed between a Distribution Record Date and the related Distribution Payment Date.

After termination of participation in the Plan, all subsequent distributions will be paid to the former Participant in cash in the usual manner.

Amendment, Suspension or Termination of the DRIP

The Trust reserve the right to amend, suspend or terminate the Plan at any time, but such action has no retroactive effect that would prejudice the interest of the Participants. Participants will be sent written notice of any such amendment, suspension or termination.

In the event of suspension or termination of the Plan by the Trust, no investment in additional Trust Units on behalf of Participants will be made on the Distribution Payment Date immediately following the effective date of such suspension or termination.

Any Unit distribution subject to the Plan and paid after the effective date of any such suspension or termination will be remitted by the Trust to the Participants in cash only, in the usual manner.

Rules and Regulations

The Trust may from time to time adopt rules and regulations to facilitate the administration of the Plan. The Trust also reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

Proration in Certain Events

The Trust reserves the right to determine, promptly following each Distribution Record Date, the amount of Units, if any, to be made available under the Plan on the Distribution Payment Date to which such record date relates. No assurances can be made that new Units will be made available under the Plan on a regular basis, or at all.

Compliance with Laws

The operation and implementation of the Plan is subject to compliance with all applicable legal requirements, including obtaining all appropriate regulatory approvals and exemptions from registration and prospectus requirements. The Trust may limit the Trust Units issuable under the Plan in connection with discretionary exemptive relief relating to the Plan granted by any securities regulatory authority.

SUMMARY OF THE INDEMNITY AGREEMENT

Capitalized terms below that are not otherwise defined in this Offering Memorandum shall have the same meanings as provided for in the Indemnity Agreement. AdminCo shall provide a copy of the Indemnity Agreement to prospective Subscribers upon request.

Pursuant to the terms of the Indemnity Agreement dated May 28, 2018, each of the Partnership, the General Partner and AdminCo (for the purpose of this paragraph means collectively, the “**Indemnitor**”) have agreed to indemnify Computershare Trust Company of Canada (“**Computershare**”), acting in its capacity as Trustee of the Trust and its directors, officers, employees, agents and shareholders and all of their respective successors and assigns (collectively, the “**Indemnified Parties**”) on the following terms:

For any all cost incurred or sustained by the Trustee:

- (a) in respect of any action, suit or proceeding that is proposed or commenced against an Indemnified Party for or in respect of any act or omission by Computershare acting as Trustee of the Trust or in respect of the Trust and the execution of all duties, responsibilities, powers and authorities of Computershare pertaining thereto;

- (b) in respect of unpaid taxes (other than income taxes of Computershare) and all other expenses and liabilities sustained or incurred by Computershare in respect of the administration or termination of the Trust;
- (c) arising from the administration of the Trust or the exercise by Computershare of any rights or obligations pursuant to the Declaration of Trust which result from or relate, directly or indirectly, to:
 - (i) the presence or release or threatened presence or release of any contaminants, by any means or for any reason, on or in respect of Properties owned or controlled by the Indemnitor or in which the Indemnitor has any interest, whether or not such presence or release or threatened presence or release of the contaminants was under the control, care or management of the Indemnitor, or of the present or a previous owner or operator of such a Property,
 - (ii) any contaminant present on or released from any property adjacent to or in the proximate area of any Properties acquired by the Trust,
 - (iii) the breach or alleged breach of any federal, provincial or municipal environmental law, regulation, by-law, order, rule or permit (including, without limitation, common law, statutes, ordinances, directives, administrative or court orders, guidelines, policies or other instruments having legal effect) by the Trust or the Indemnitor or a present or previous owner or operator of any Properties acquired by the Trust; or
 - (iv) any misrepresentation or omission or a known fact or condition made by the Indemnitor, relating to any Properties acquired by the Trust.

For purpose of paragraph (b) above, “**liabilities**” shall include (i) strict liability and liability of an Indemnified Party for costs and expenses of abatement and remediation of spills or releases of contaminants, (ii) liability of an Indemnified Party to a third party to reimburse the third party (including governmental agencies) for bodily injuries, property damages, damage to or impairment of the environment or any other injuries or damages which the third party suffers, including (to the extent, if any, that the Indemnified Party is liable therefor) foreseeable and unforeseeable consequential damages suffered by the third party, and (iii) liability of the Indemnified Party for damage to or impairment of the environment;

(d) arising from:

- (i) any document for an offering (herein, an “**Offering Document**”) containing or being alleged to contain a misrepresentation (other than a misrepresentation relating solely to information furnished by Computershare for inclusion in the Offering Document), or being, or being alleged to be untrue, false or misleading;
- (ii) the omission or alleged omission to state in an Offering Document any material fact (other than a material fact relating solely to information furnished by Computershare for inclusion in the Offering Documents) required to be stated therein or necessary to make any statement therein not misleading in the light of the circumstances under which it was made;
- (iii) any order made or inquiry, investigation or proceeding (formal or informal) commenced or threatened by any officer or official of any of the securities commissions or similar agency of any province in Canada or any other regulatory authorities (if any) based upon the circumstances described above which operates to prevent or restrict trading in or distribution to the public of the Trust Units in any provinces of Canada; and
- (iv) the exercise by a Unitholder of any right to withdraw from an agreement to purchase Units or the exercise by a Unitholder of rights of rescission or damages where the Offering Document contains a misrepresentation, as provided under applicable provincial securities law in Canada.

For the purposes hereof, “misrepresentation” and “material fact” have the meaning given thereto under applicable provincial securities law in Canada; or

(e) arising from the costs, charges and expenses referred to under Sections 7.3 and 9.6 of the Declaration of Trust.

ITEM 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 COMPENSATION AND SECURITIES HELD

3.1.1 THE TRUST

The following table sets out information about the Trustee, AdminCo and each person who, directly or indirectly, beneficially owns or controls ten percent (10%) or more of any Units:

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the Trust since inception and the compensation anticipated to be paid in 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 the Maximum Offering
Don O'Dwyer (the "Settlor") Calgary, AB	Initial Unitholder on inception	Nil	Nil ⁽¹⁾	Nil ⁽¹⁾
Computershare Trust Company of Canada Calgary, AB	Trustee since inception ⁽²⁾	\$12,500 ⁽³⁾	Nil	Nil
Triumph Real Estate Investment Fund 1 Adminco Ltd. Calgary, AB	Administrator since inception ⁽²⁾	\$500 ⁽⁴⁾	⁽⁵⁾	⁽⁵⁾

- (1) Immediately after the completion of the Minimum Offering, the Trust shall re-purchase and cancel the above Unit from the Settlor.
- (2) Each of Computershare Trust Company of Canada and AdminCo have held these positions since the establishment of the Trust.
- (3) Computershare Trust Company of Canada will be paid an annual fee of \$12,500 for acting as Trustee of the Trust. Pursuant to the Declaration of Trust. Computershare Trust Company of Canada will act as the transfer agent and registrar of the Trust and will be paid a fee of approximately \$15 for each Unit Certificate issued by the Trust together with all such other fees and expenses associated with Computershare Trust Company of Canada acting in this capacity.
- (4) AdminCo receives \$500 per year as the Administration Fee pursuant to the terms of the Administration Agreement.
- (5) The officers and directors of AdminCo may purchase Units in the Trust at the same price as Units are currently being offered to investors.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK FOR FORMATTING PURPOSES.

3.1.2 THE GENERAL PARTNER

The following table sets out information about each of the directors and executive officers of the General Partner and each person or entity who, directly or indirectly, beneficially owns or controls ten percent (10%) or more of any voting shares of the General Partner (a “**Principal Holder**”). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The General Partner has not completed its first financial year and no compensation has been paid since its inception:

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the General Partner since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities of the General Partner held after completion of the Maximum Offering	Number, type and percentage of securities of the General Partner held after completion of the Maximum Offering
David Wallach ⁽¹⁾ Calgary, AB	Director and President (since May 2, 2018)	(3)	Nil	Nil
Wallcorp Development Ltd. ⁽¹⁾ Calgary, AB	Shareholder (since May 2, 2018)	Nil	50 Class A Common Shares (50%)	50 Class A Common Shares (50%)
Craig Bentham ⁽²⁾ Calgary, AB	Vice-President and Director (since May 2, 2018)	(3) \$60,000 ⁽⁴⁾	50 Class A Common Shares (50%)	50 Class A Common Shares (50%)
Leslie Conway Calgary, AB	Director (since May 2, 2018)	\$10,000 ⁽⁵⁾	Nil	Nil
Richard Boyer Calgary, AB	Director (since May 2, 2018)	\$10,000 ⁽⁵⁾	Nil	Nil
Neil Bane New York, NY	Director (since May 2, 2018)	\$10,000 ^{(5) (6)}	Nil	Nil

(1) Wallach is the majority shareholder of Wallcorp Development Ltd. Through his family trust, Mr. Wallach holds 650,000 Class B LP Units in the Partnership.

(2) Bentham holds 350,000 Class B LP Units in the Partnership.

(3) The General Partner may pay a portion or all of the General Partner Fees to Bentham and Wallach.

(4) Bentham has acted a counsel to the Trust and the Partnership with respect to this Offering. Bentham’s fees with respect to this Offering are expected to be \$60,000 and will be paid from the proceeds of this Offering. Mr. Bentham expects to continue to act as counsel to the Trust and the Partnership and as such his fees in this respect may continue to be paid from the proceeds of this Offering.

(5) Ms. Conway, Mr. Boyer and Mr. Bane will each be paid a directors fee of \$10,000 per year by the Partnership for so long as they are directors of the General Partner.

(6) Mr. Bane may arrange mortgage financing with respect to the Trust’s Properties located in the United States. In the event that Mr. Bane has acted on the Trust’s behalf in this respect, he may be paid up to one percent (1%) of the principal balance of such financing by the Partnership.

3.2 MANAGEMENT EXPERIENCE

The names and principal occupations of the directors and officers of the General Partner and AdminCo for the past five (5) years are set forth below.

David Wallach – President and Director

See Item 2.2 - “Our Business – David Wallach”.

Craig Bentham – Vice-President and Director

Mr. Bentham carries on a private practice of law in the City of Calgary. He graduated with a Bachelor of Laws degree from the University of Alberta in 1991 and was admitted to the Alberta Bar in 1992.

Between 1992 and 2003, he practiced with three prominent Alberta law firms as an associate and partner during which time he specialized in corporate, commercial and real estate based transactions.

Mr. Bentham's practice specializes in real estate based, tax driven securities offerings. His expertise in structuring such transactions extends to both Canadian and United States based real estate offerings as well as international offerings.

Mr. Bentham has significant experience in providing counsel to exempt market issuers across Canada. His experience in this respect includes preparation of exempt market offerings, advising on compliance by exempt market issuers with applicable securities laws and acting on behalf of issuers with respect to inquiries and actions by securities regulators against exempt market issuers.

In addition to his practice, Mr. Bentham is also a sophisticated investor and invests in various private and public investment opportunities in the oil and gas, technology, real estate and mining sectors.

Mr. Bentham has been a founder, officer and/or director of eight (8) TSX Venture listed companies since 2002. On behalf of these issuers Mr. Bentham has chaired and/or been a member of multiple audit committees, has chaired special committees with respect to transactional and governance related matters and has been actively involved in all levels of business strategy and financing activities of these companies.

Mr. Bentham is a past director of the National Exempt Market Association.

Lesley M. E. Conway - Director

Ms. Conway has spent the last 22 years of her 30-year career in the real estate industry in Alberta with Hopewell Residential ("Hopewell"). She led Hopewell as President for 14 years (1998-2015). Over this period Hopewell realized rapid growth and profitability and won numerous industry awards. In recognition of her corporate success and philanthropic activity, Ms. Conway received the Order of the University of Calgary, the Haskayne School's MAX (Management Alumni Excellence) Award, the YWCA Woman of Vision Award and has been inducted into the Women's Executive Network Hall of Fame having been voted four times as one of Canada's "Top 100 Most Powerful Women".

Ms. Conway's leadership, strategic planning, financial, marketing, branding and communication skills led Hopewell through two decades of significant growth. Ms. Conway has extensive experience in syndicated financings, equity, debt, joint venture and hybrid transactions. She negotiated numerous land acquisitions and secured third party management contracts during her time with Hopewell. In 2013, Ms. Conway vertically integrated Hopewell's housing and land development companies. In 2014, the successful merger resulted in the company selling 1,037 developed lots, 548 single-family homes and 112 multifamily homes. In addition, Hopewell has been consistently, over the past decade, ranked in the top 5 developer/builders in Alberta.

Since Ms. Conway's resignation as President of Hopewell in 2015, she has sat on or continues to sit on the following boards and committees:

Calgary Stampede - Board Member – 2018
Calgary Stampede Strategic Committee – Committee Member – 2015 – present
Calgary Health Trust – Board Vice-Chair – 2015 – present
University of Calgary – Finance and Property Committee of the Board of Governors –
Member - 2015 – present
Hopewell Residential - Board Director – 2000 – 2017
WinSport Canada – Past Board Chair – 2014 - 2016

Richard Boyer – Director

Mr. Boyer has more than 25 years of experience in various leadership roles in both public and private enterprises. Since the beginning of 2015, Mr. Boyer is the Executive Vice President and Chief Financial Officer of Crystal Creek Homes which is an award winning residential homebuilder operating in Calgary and Edmonton.

Prior to his position with Crystal Creek Homes, Mr. Boyer was the President of Ply Gem Canada from April 2013 when Ply Gem purchased Gienow Windows & Doors. Through 2013 and 2014, Mr. Boyer led the efforts to integrate both businesses to bring them under common direction and one roof. From 2006 to 2013, Mr. Boyer was the President of Gienow Windows & Doors, the Calgary-based manufacturer. From 1999 to 2006, Mr. Boyer was the Chief Financial Officer for Gienow. In 2004, he led the Initial Public Offering of the Gienow Income Fund and simultaneous acquisition of Farley Windows Inc. As the Vice President Finance, Richard oversaw all accounting, banking and finance, taxation, and administrative matters for Gienow.

Through his tenure with Gienow, Mr. Boyer helped structure and manage various capital structures and participated in financings for Gienow.

Prior to Gienow, Mr. Boyer spent 10 years with Quebecor Inc.'s media holdings in Winnipeg finishing as Divisional Vice President and Publisher of the Winnipeg Sun.

Mr. Boyer is a chartered accountant and practiced with KPMG from 1984 – 1990, including a two-year posting in Luxembourg where he gained knowledge of financial markets.

Mr. Boyer has significant experience in mergers and acquisitions, building growth strategies, divestitures and business reorganizations, and leading companies through profit expansion.

Mr. Boyer is a graduate of the University of Manitoba (B. Comm Hons. – 1984). He obtained his Chartered Accountant designation in 1987.

Neil Bane – Director

Mr. Bane is a Real Estate Investment Banker with expertise in raising debt and equity for owners and developers across North America, Europe and Latin America. Mr. Bane is the founder and President of Bane Realty Capital, a boutique Real Estate Finance firm and a senior advisor and Director of SEB Realty LLC, a US based family-office.

Prior to Bane Realty Capital, Mr. Bane previously held a senior origination and placement role as a Senior Vice-President - Capital Markets with Walker and Dunlop Inc., an NYSE listed company, between November 2014 and June 2016. Mr. Bane was also previously Managing Director and Principal of Johnson Capital – Real Estate Equity, Hospitality and Structured Finance Group January 2011 and October 2014. Johnson Capital was acquired by Walker & Dunlop Inc. in 2014. Mr. Bane has over 26 years of combined real estate, structured finance, capital (high net worth and institutional) raising, investment advisory and debt placement experience. Mr. Bane has completed or been active in over \$9.5 billion of debt, equity and investment (acquisition and disposition) advisory transactions for many of the real estate, retail, office, industrial, senior housing, hospitality, condominium and multi-family development industry's leading companies and investors. These transactions have included properties located in the United States, Canada, Caribbean, Western Europe, Central & Eastern Europe, Latin America, Asia and the Middle East.

Mr. Bane spearheaded Johnson Capital's expansion of its Equity and Structured finance Platform. Mr. Bane has also expanded Johnson Capital's hospitality investment banking efforts as a key partner on the Johnson Hospitality team. Mr. Bane has been active in Europe, Latin America and the Caribbean, having initiated and/or completed many notable and complex Caribbean/Latin America and European transactions including Strategic Joint Ventures, debt and equity financings assignments.

Prior to joining Johnson Capital, Mr. Bane held various senior investment banking, investment advisory, underwriting and origination positions while at the Carlton Group, an international investment and merchant banking firm, ARCS Commercial Mortgage, LLC, and PW Funding, Inc. two Fannie Mae and Freddie Mac Mortgage Banking firms, as well as, Citicorp Securities and Lehman Brothers, two conduit lenders.

Mr. Bane has extensive experience in all facets of real estate investment banking, platform capital raising, investment sales and investment property acquisitions, including: business origination, client development, complex debt and equity raising, acquisition valuation, structuring and closing, underwriting, due diligence, investment and property analytics and document and loan negotiations.

Mr. Bane holds an MBA from Cornell University's Johnson Graduate School of Management, a M.S. degree in Real Estate Valuation from New York University (Graduated with Distinction) and a Bachelors of Arts in Philosophy from Yeshiva University. Mr. Bane is a licensed real estate broker in New York and Massachusetts. Mr. Bane is an active member of the Urban Land Institute (ULI), International Council of Shopping Centers (ICSC), and the Cornell Real Estate Council.

3.3 PENALTIES, SANCTIONS AND BANKRUPTCY

There is no penalty or sanction that has been in effect during the last ten (10) years, and no cease trade order that has been in effect for a period of more than 30 consecutive days during the last ten (10) years, against any executive officer, director or control person of the Trustee, the Trust, AdminCo nor the General Partner nor against an issuer of which any of the foregoing was an executive officer, director or control person at the time.

Other than as disclosed below, no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years with regard to any executive officer, director or control person of the Trustee, the Trust, Adminco nor the General Partner nor an issuer of which any of the foregoing was an executive officer, director or control person at that time.

Craig Bentham

Mr. Bentham was a director of Poynt Corporation at the time it filed a Notice of Intention pursuant to the Bankruptcy and Insolvency Act (Canada) on July 5, 2012 in the Province of Alberta. On October 31, 2012, Poynt Corporation became bankrupt, was put into receivership, and Mr. Bentham resigned as a director.

ITEM 4 - CAPITAL STRUCTURE

4.1 CAPITAL OF THE TRUST

The following table sets out the capitalization of the Trust as at June 27, 2018, both before and after giving effect to this Offering:

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding as at the date hereof	Number Outstanding After Minimum Offering	Number Outstanding After Maximum Offering
Units	unlimited	\$1	1 ⁽¹⁾	1,000,000 Units representing gross proceeds of \$1,000,000	50,000,000 Units representing gross proceeds of \$50,000,000

(1) This Unit is held by Don O'Dwyer as the Settlor of the Trust. The Trust will redeem this Unit upon the first Closing under this Offering.

4.2 CAPITAL OF THE PARTNERSHIP

The following table sets out the capitalization of the Partnership as at June {}, 2018:

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding as at the date hereof	Number Outstanding After Minimum Offering	Number Outstanding After Maximum Offering
Class A LP Units	50,000,000	\$1	Nil	1,000,000 Class A LP Units	50,000,000 Class A LP Units
Class B LP Units	1,000,000	\$0.001	1,000,000 ⁽¹⁾	1,000,000 Class B LP Units	1,000,000 Class B LP Units

(1) These Class B LP Units are held by The Wallach Family Trust (650,000) and Bentham (350,000).

4.3 LONG-TERM DEBT

(a) The Trust

As of the date of this Offering Memorandum, the Trust has no debt.

(b) The Partnership

As of the date of this Offering Memorandum, the Partnership has no debt.

It is anticipated that upon the acquisition of the Properties, the Partnership will incur mortgage loans (the “**Loans**”) of approximately 60% to 70% of the purchase price or appraised value of the Properties. Mortgage lenders for the Loans are expected to be banks, life insurance companies and pension funds unrelated to the Partnership. Such Loans will generally be for terms of one (1) to five (5) years, with fixed interest rates calculated with reference to the interest rate on a government bond with a similar term, plus an amount determined in accordance with market factors. The Loans will be secured by mortgages registered on the Properties in respect of which the Loans were advanced.

4.4 PRIOR SALES

The Trust

Except for the issuance of the one (1) Unit (for \$100) to the Settlor of the Trust on the formation of the Trust, the Trust has not issued any Units during the last 12 months. After the initial Closing of the issuance of Units, the interest of the Settlor will be redeemed by the Trust in the amount of the initial contribution of \$100.

The Partnership

Class A LP Units

The Partnership issued one (1) Class A LP Unit (for \$1) to Wallach as the initial limited partner of the Partnership on May 28, 2018. The Partnership redeemed this Class A LP Unit upon the issuance of 1,000,000 Class B LP Units on June 18, 2018.

Class B LP Units

The following Class B LP Units of the Partnership have been issued during the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
June 18, 2018	Class B LP Units	650,000 ⁽¹⁾	\$0.001	\$650
June 18, 2018	Class B LP Units	350,000 ⁽²⁾	\$0.001	\$350
TOTAL:		1,000,000		\$1,000

1. These Class B LP Units are held by The Wallach Family Trust. Wallach is a trustee and beneficiary of The Wallach Family Trust as well as an officer and director of the General Partner and AdminCo.

2. These Class B LP Units are held by Bentham who is an officer and director of the General Partner and AdminCo.

Other than the above issuances, the Partnership has not issued any LP Units during the last 12 months.

ITEM 5 - SECURITIES OFFERED

5.1 TERMS OF SECURITIES

An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. Each Unit shall entitle the holder thereof to one vote at any meeting of the Unitholders or in respect of any written resolution of Unitholders and represents an equal undivided beneficial interest in any distribution from the Trust (whether of income, net realized capital gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust. All Units shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof.

Each Unit is transferable (subject to the terms of the Declaration of Trust and applicable securities laws) and is not subject to any conversion or pre-emptive rights and entitles the holder thereof to require the Trust to redeem any or all of the Units held by such holder. See Item 2.5 – “Material Agreements – Summary of Declaration of Trust – Redemption of Units”.

The Units do not represent a traditional investment and should not be viewed by investors as “shares” in the Trust. The Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The price per Unit will not be a function of anticipated distributable income from the Trust and the ability of the Trust to effect long-term growth in the value of the Trust. See Item 8 – “Risk Factors”.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Limited Liability

The Declaration of Trust provides that no Unitholder, in its capacity as such, shall incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind to any person, and no resort will be had to, nor will recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever in connection with the Trust’s assets, the obligations or the activities or affairs of the Trust, any actual or alleged act or omission of AdminCo, any transaction entered into by AdminCo or any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust. In the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder’s share of the Trust’s assets represented by its Units.

The Declaration of Trust provides that the Trustee, AdminCo on behalf of the Trust must make all reasonable efforts to include as a specific term of any obligations or liabilities being incurred by the Trust or the Trustee or AdminCo on behalf of the Trust, a contractual provision to the effect that none of the Unitholders, the Trustee or AdminCo shall have any personal liability or obligations in respect thereof. The omission of any such statement shall not render any of such parties liable to any person for such omission.

Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of the Trust to the same extent a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against the Trust (to the extent that claims are not satisfied by the Trust) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. See Item 8 – “Risk Factors”.

The activities of the Trust and the Partnership, will be conducted, upon the advice of Counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against the Trust, including by obtaining appropriate insurance, where available and to the extent commercially feasible, for the operations of the Partnership and having contracts signed by or on behalf of the Trust include a provision that such obligations are not binding upon Unitholders personally.

Distributions

AdminCo shall, on or before each Distribution Record Date, declare payable to the Unitholders on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period.

The Declaration of Trust provides that on December 31 of each year, the Trust’s income that has not otherwise been distributed will be payable for such amount that the Trust will not be liable for ordinary income taxes for such year. AdminCo, on behalf of the Trust, will review the Trust’s distribution policy from time to time. The actual amount of cash, if any, distributed will be dependent on various economic factors and is at the Discretion of AdminCo.

It is currently intended that the Trust will make Distributions to Unitholders in the form of additional Units or cash or a combination of Units and cash, as determined by AdminCo, in its sole Discretion, from time to time. Any Units issued to Unitholders pursuant to a distribution in specie will be subject to resale and transfer restrictions and cannot be resold or transferred except as permitted by applicable securities law. AdminCo may, in its sole and unfettered Discretion, consolidate the Units outstanding immediately after any such distribution of additional Units.

5.2 SUBSCRIPTION PROCEDURE

The Trust will accept subscriptions for Units in amounts of less than \$10,000 from parties that are classified as “friends, family, business associates” (as those terms are defined by applicable securities legislation) of the officers and directors of AdminCo and from accredited investors that have ongoing relationships with the officers and directors of AdminCo.

The Trust may accept subscriptions for Units in amounts of less than \$10,000 where in the sole Discretion of the AdminCo the acceptance of such subscriptions are necessary in order for the Trust to satisfy the minimum investor requirements of a “mutual fund trust” under the Tax Act.

An investor who wishes to subscribe for Units must:

1. complete and execute the Subscription Agreement which accompanies this Offering Memorandum, including all applicable schedules, appendices and/or exhibits thereto; and
2. pay the subscription price by electronic funds transfer, certified cheque or bank draft or such other manner as AdminCo in its sole discretion may determine in the amount of the applicable Unit Subscription Price for each Unit subscribed for made payable to the Trust or as AdminCo may otherwise direct; and
3. complete and execute any other documents deemed necessary by AdminCo to comply with applicable securities laws; and
4. deliver the foregoing to AdminCo at 200, 407 - 8 Avenue SW, Calgary, Alberta, T2P 1E5 or such other location AdminCo may specify. If the conditions of closing are not satisfied within the required time, all documents and subscription funds will be returned to the subscribers without interest or deduction.

A Subscriber will become a Unitholder of the Trust following the acceptance of a Subscription Agreement by AdminCo. If a subscription is withdrawn or is not accepted by AdminCo, all documents will be returned to the Subscriber within thirty (30) days following such withdrawal or rejection without interest or deduction.

The initial closing is expected to be held on or before October 30, 2018 and subsequent closings may occur from time to time and at any time on such other dates as AdminCo determines. If subscriptions for \$1,000,000 are not received and accepted and certain other conditions have not been satisfied or waived on or before October 30, 2018, subscriptions and subscription funds will be returned to Subscribers without interest or deduction.

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

Neither the Trust, the Trustee, AdminCo nor any other affiliate or associate of the foregoing is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Units having regard to any such investment needs and objectives of the potential investor.

5.3 OFFERING JURISDICTIONS

The Offering is being made pursuant to the exemptions from the prospectus requirements contained in the applicable securities laws in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan or Yukon pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106 (the “**Offering Memorandum Exemption**”).

The Offering Memorandum Exemption is available for distributions to Subscribers resident in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan or Yukon purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form.

The foregoing exemptions relieve the Trust from the provisions of the applicable Canadian securities laws of each of the Offering Jurisdictions which otherwise would require the Trust to file and obtain a receipt for a prospectus. Accordingly, prospective Subscribers will not receive the benefits associated with subscription for securities issued pursuant to a filed prospectus, including the review of material by any securities regulatory authority.

ITEM 6 - INCOME TAX CONSIDERATIONS

You should consult your own professional advisors to obtain advice on the tax consequences that apply to you.

6.1 GENERAL

The following summary fairly describes the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Unitholder who acquires the Units pursuant this Offering and who, for the purposes of the Tax Act, is resident in Canada, deals at arm’s length with, and is not affiliated with, the Trust, and where the Unitholder is a trust governed by Deferred Plan, the controlling individual of the Deferred Plan does not have a “significant interest” in the Trust (as defined in subsection 207.01(4) of the Tax Act) and holds the Units as capital property.

Generally, an individual has a significant interest in the Trust if at any time, the individual, together with other individuals, corporations, trusts, and partnerships that do not deal at arm’s length with the individual, hold at any time Units that have a fair market value of 10% or more of the fair market value of all the outstanding Units of the Trust. Generally, Units will be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or deal in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to holders who are (i) “financial institutions” which are subject to the mark-to-market provisions of the Tax Act, (ii) “specified financial institutions”, (iii) partnerships, or persons an interest in which would be a “tax shelter investment”, or (iv) persons that have elected to determine their Canadian tax results in a foreign currency pursuant to the “functional currency” reporting rules, all within the meaning of the Tax Act. 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**”), existing case law and the understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by it. 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 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.

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act.

6.2 STATUS OF THE TRUST

This summary assumes that the Trust will qualify at all relevant times as a “mutual fund trust” within the meaning defined in the Tax Act and that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was established. To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), or the acquiring, holding, maintaining, improving leasing or managing of any real property (or interest in real property) that is capital property of the trust, or a combination of these activities, the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Units for distribution to the public, the number of Unitholders and dispersal of ownership of Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada.

This summary assumes the “investments”, within the meaning of the Tax Act, in the Trust are not, and will not be, listed or traded on a stock exchange or other public market. If investments in the Trust are listed or traded on a stock exchange or other public market the Trust may be taxable as a “SIFT trust” under the Tax Act.

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

6.3 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, dividends and accrued interest. The Trust is also required to include in computing its income its *pro rata* share of the income of the Partnership, as more fully described below. Costs incurred in the issuance of Trust 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 taxable 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 in-kind 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. It is the current intention of the Trustees to make payable to Unitholders each year sufficient amounts such that the Trust is not liable to pay tax under Part I of the Tax Act; however, no assurances can be made in this regard.

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 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 of the Trust 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. The Declaration of Trust provides that all or a portion of any capital gain or income realized by the Trust in connection with such redemptions may, at the Discretion of the Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming

holder. Such income or 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 Partnership ending in the taxation year. The adjusted cost base of the Class A LP Units held by the Trust will be increased at a particular time by the Trust's share of the amount of income of Partnership for a fiscal year of the Partnership ended before that time, and will be reduced by all distributions of cash or other property made by the Partnership to the Trust before that time. If at the end of any fiscal year of the Partnership, the adjusted cost base of the Class A LP Units 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 Class A LP Units will be increased by the amount of such deemed capital gain.

6.4 TAXATION OF UNITHOLDERS

6.4.1 Trust Unit Distributions

A Unitholder generally will be required to include in computing its income for a particular taxation year of the Unitholder, as income from property, 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 Trust Units or otherwise. 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, taxable dividends, 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 Partnership 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.

There is now legislation in the Tax Act to 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 (currently being one-half thereof) that is paid or payable to a Unitholder in a 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 Trust 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 Trust Units will be increased by the amount of such deemed capital gain.

6.4.2 Disposition of Trust Units

Upon the disposition or deemed disposition of Trust 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 amount payable by the Trust which represents an amount that must otherwise be included in the Unitholder's income 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 in lieu of a cash distribution will be the amount of income of the Trust distributed by the issuance of such additional Units. For purposes of determining the adjusted cost base to a holder of Units, 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 owned by the holder as capital property.

6.4.3 Redemption of Trust Units

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 income or 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 income or 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.

6.4.4 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 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.

6.4.5 Alternative Minimum Tax

An individual 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.

6.5 QUALIFIED INVESTMENTS FOR DEFERRED PLANS

The Units will be qualified investments for trusts governed by Deferred Plans at a particular time, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at such time. If the Trust ceases to qualify as a mutual fund trust, the Units will no longer be qualified investments under the Tax Act for such Deferred Plans. Where a trust governed by a Deferred Plan holds Units or other properties that are not qualified investments, the "controlling individual" of a Deferred Plan will be required to pay a tax equal to 50% of the fair market value of the Units or other properties at the time the Units or other properties were acquired by the Deferred Plan or when the Units or other properties ceased to be qualified investments. This tax is potentially refundable if the Deferred Plan disposes of the property before the end of the calendar year following the calendar year in which the tax was imposed. In addition, where a Deferred Plan holds or acquires Units or other properties that are not qualified investments, the trust will become taxable on the income attributable to the Units or other properties while they are not qualified investments.

Where a trust governed by a registered education savings plan ("**RESP**") acquires or holds Units or other properties that are not qualified investments, the RESP becomes revocable and its registration may be revoked by the Canada Revenue Agency ("**CRA**"). If the RESP is not revoked, the RESP will be subject to taxes on the fair market value of the Units or other properties held.

If a Deferred Plan requests the redemption of Units, non-monetary property including Redemption Notes received in payment will not be qualified investments, with the result that the Deferred Plan may be taxable in the manner described above. Specifically, Redemption Notes issued on redemption will not be a qualified investment. **Deferred Plans that own Units should consult their own tax advisors before deciding to exercise their right to redeem Units.**

There are additional requirements for a Deferred Plan in order for the Units not to be a "prohibited investment" which would be subject to a special tax of 50% of the fair market value of the investment. If any investment is a prohibited investment and is not a qualified investment also, it is only treated as a prohibited investment. The Units will be a "prohibited investment" if the account holder does not deal at "arm's length" with the Trust or holds, together with persons or partnerships with which the holder does not deal at arm's length, Units of the Trust with a fair market value of 10% or more of the value of the total Units of the Trust.

There can also be additional special taxes for a Deferred Plan on certain tax "advantages" that unduly exploit the attributes of a Deferred Plan, including "advantages" on "prohibited investments" and on "non-qualified investments". The rules in the Tax Act that constitute an "advantage" are quite broad, therefore, Subscribers should seek independent professional advice as to the applicability of these rules to their particular circumstances.

The income tax information contained in sections 6.1 – 6.5 was provided by Grant Thornton LLP, and it is based on the current provisions of the Income Tax Act, the Regulations there under and published administrative practices of the CRA. The comments do not take into account or anticipate changes in the law, whether by judicial, regulatory, governmental or legislative action after the date of this document. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules. No assurance can be given that the Tax Act will not be amended in a manner which will fundamentally alter the income tax consequences to a Subscriber for securities.

Accordingly, this summary is not exhaustive of all possible Canadian Federal income tax considerations that apply to an investment in the Units of the Trust. This summary is of a general nature only and is not intended to be and should not be taken as legal, tax or business advice to any particular Subscriber to these securities. Consequently, Subscribers should seek independent professional advice regarding the income tax consequences of investing in the securities, based upon their own particular circumstances.

6.6 CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

Circular 230

To comply with U.S. Treasury Department Circular 230, prospective investors are advised that:

- (1) any discussion of U.S. federal tax issues in this Offering Memorandum is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties under the U.S. Internal Revenue Code of 1986, as amended;
- (2) such discussion is being used in connection with the promotion or marketing of the transactions or matters addressed herein; and
- (3) prospective investors should seek advice based on their particular circumstances from an independent tax advisor. Prospective investors should consult their own tax advisors regarding the state, local, non-U.S. and other tax consequences to them of the purchase, ownership, and disposition of the Units offered herein.

The following is a summary of certain material U.S. federal income tax considerations applicable to the Trust, the Partnership, and Holding LP that was prepared by Spiegelman & Company. This summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. U.S. alternative minimum tax, and state, local, non-U.S. and U.S. federal non-income tax matters, are not discussed herein. No legal or U.S. tax opinion is being given, nor will any rulings be sought from the Internal Revenue Service (“**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 Partnership, or Holding LP. Further, this summary does not address any U.S. federal tax considerations applicable to Unitholders. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (“**Code**”), and the Treasury Regulations promulgated thereunder, IRS rulings and official pronouncements, judicial decisions, and the Convention between the United States of America and Canada with Respect to Taxes on Income and Capital, signed September 26, 1980, as amended (“**U.S.-Canada Tax Treaty**”), all as in effect on the date of this Offering Memorandum and all of which are subject to change, possibly with retroactive effect, or different interpretations, which could affect the accuracy of the analysis set forth below.

United States Federal Income Taxation of Foreign Corporations

The Trust will have a default classification as a corporation for U.S. federal tax purposes.

The Partnership will make an election under the applicable Treasury Regulations to be classified as a corporation for U.S. federal tax purposes. Consequently, the Partnership will be considered a “foreign corporation” (i.e. a non-U.S. 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 (“**ECI**”) and, under the U.S.-Canada Tax Treaty, is attributable to a permanent establishment maintained by the foreign corporation in the United States. 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. Income earned from rental operations of U.S. real property by a partnership engaged in such business generally will be ECI with respect to a foreign corporation, as will the income and gain on disposition of such real property.

A foreign corporation will be subject to U.S. federal income tax on its taxable ECI at the regular U.S. federal graduated rates of tax (with the highest corporate tax rate presently at 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 (presently 21%) under Section 1446 of the Code 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 "The Branch Profits Tax."

A foreign corporation that owns "United States Real Property Interests" ("USRPI"), including an interest in a partnership that owns U.S. real property as its primary assets, 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 graduated rates applicable to corporations under the Foreign Investment in Real Property Tax Act of 1980, encoded at Section 897 of the Code ("FIRPTA"). 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. Pursuant to FIRPTA, withholding on gains from the disposition of a USRPI is required under Section 1445 of the Code; although if withholding is made under the 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.

A foreign corporation is also 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"). 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.

United States Federal Income Taxation of the Trust

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 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 from loans by the Trust to Holding LP, the rate of U.S. withholding tax on such interest income should be 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 "Debt and Deductions".

United States Federal Income Taxation of the Partnership

As noted, the Partnership will elect under the applicable Treasury Regulations to be treated as a corporation for U.S. federal income tax purposes. 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 rather will "flow through" its (and its allocable share from the Acquisition LP's) income, gains, deductions, losses, and credits to the Partnership which will be the only limited partner of Holding LP. The only partner in Holding LP will be the Partnership. The Partnership will have a permanent establishment in the U.S. because it is a partner in Holding LP, 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, the Partnership will be subject to U.S. federal income taxation on its allocable share of net rental income derived directly or indirectly by Holding LP.

Furthermore, the gain from a sale of any of the U.S. real properties owned (indirectly through an Acquisition LP) by Holding LP that is allocable to the Partnership or a sale or other disposition by the Partnership of its limited partnership interest in Holding LP, will also be considered ECI with respect to the Partnership and subject to U.S. federal income taxation at the regular tax rates applicable to corporations. Income or gains of Holding LP allocable to the Partnership generally will be subject to U.S. withholding tax under Section 1446 of the Code at the highest corporate tax rate (presently 21%), which will also apply in lieu of any FIRPTA withholding requirements otherwise arising on disposition of a USRPI by the Partnership or Holding LP. Such U.S. withholding tax should be allowed as a credit against U.S. tax as shown on the Partnership's U.S. federal income tax return.

In computing the Partnership'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 rental properties (as computed under U.S. federal income tax rules) of Holding LP and the Acquisition LP's, and interest expense with respect to the loans made by the Trust to Holding LP. See "*Debt and Deductions*" below.

In addition to the U.S. federal income tax on taxable income that is ECI, the Partnership generally will be liable for a five (5%) percent branch profits tax on its after-tax earnings attributable to or distributed from ECI. See "*The Branch Profits Tax*" below. Moreover, any FDAP of the Partnership will be subject to U.S. withholding tax on a gross basis at 30%, or such lower reduced rate of withholding tax as may be applicable under the US-Canada Tax Treaty.

The Branch Profits Tax

Under the branch profits tax in Section 884 of the Code, the Partnership generally will be subject to an additional five percent (5%) tax on its effectively connected earnings and profits for each taxable year once the Partnership's effectively connected earnings and profits have exceeded \$500,000 (Canadian) in the aggregate, as adjusted for certain items, pursuant to Article X(6) of the U.S.-Canada Tax Treaty. Reductions in the "U.S. net equity," as defined in Section 884(c) of the Code, of the Partnership in the U.S. trade or business conducted through Holding LP may result in the imposition of the branch profits tax. For example, the Partnership's distributions to the Trust will generally be subject to a branch profits tax of 5% on all amounts that exceed \$500,000.

Debt and Deductions

The Trust will loan money to Holding LP to fund Holding LP's operations ("**Holding LP Loans**" or the "**Loans**"). A number of U.S. federal income tax rules affect the treatment of the interest arising from such Loans. If the Holding LP Loans are respected as bona fide debt, Holding LP will be allowed deductions on interest paid to the Trust; however, if the Loans are not respected as bona fide debt, Holding LP will be disallowed such deductions and part of the interest may be re-characterized as dividends to the Trust, thereby increasing both the Partnership's income and Holding LP's income. Consequently, the funds available for distribution and the Units' value would be reduced if interest on the Loans is not deductible.

The Trust and Holding LP intend to treat Holding LP Loans as debt allocable to the Partnership's interest in Holding LP for U.S. federal income tax purposes, however, neither the Trust nor Holding LP have obtained an opinion of counsel on this issue. The determination of whether the Loans are debt or equity for U.S. federal income tax purposes is based on an analysis of the facts and circumstances. 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 Holding LP intend to treat the Loans 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 Loans would not be deductible, and the Partnership's taxable income and its U.S. federal income tax liability would increase. Branch profits tax may also be increased in such situation. As a result, the Partnership's cash flow would be reduced, which would negatively impact both the cash available for distribution to Unitholders and the value of the Units.

The *Jobs and Tax Cuts Act* ("JTCA"), which was enacted December 22, 2017, imposed new restrictions on the deductibility of business interest. Specifically, deductions for business interest expenses are now limited to 30% of the debtor's adjusted gross income under Code section 163(j), as amended by the JTCA. To the extent that the interest expense on the Holding LP Loans exceeds 30% of the adjusted gross income of Holding LP, such excess will be carried forward to a future tax year in which the limitation is not surpassed.

U.S. Foreign Account Tax Compliance Act

In order to avoid adverse withholding tax consequences, the Trust may require Unitholders that are "U.S. persons," as defined in the Code, to provide certain tax and reporting information necessary for the Trust to comply with new reporting obligations under the "Foreign Account Tax Compliance Act" ("**FATCA**"). If a U.S. person does not provide such information, the U.S. person will generally be subject to U.S. withholding tax on payments made by the Trust beginning March 1, 2014.

FATCA generally imposes a 30% withholding tax on "U.S. persons" who fail to comply with its requirements for (a) certain U.S. source payments (including interest and dividends) and gross proceeds from the sale or other disposition of property that produce U.S. source interest or dividends ("withholdable payments"), and (b) "foreign pass thru payments" made by certain non-U.S. entities (collectively referred to as "**pass thru payments**"). Unitholders that fail to comply with information requests or otherwise comply with the requirements of FATCA may be subject to a 30% withholding tax on pass thru payments made by the Trust. Additionally, the Trust may be required to withhold tax on pass thru payments made by the Trust to certain non-U.S. entities that are not in

compliance with FATCA, including certain non-U.S. financial institutions holding Units on behalf of others (such as investment advisors). Accordingly, it is difficult to accurately estimate the impact of FATCA on the Trust.

The imposition of the 30% withholding tax under FATCA could result in materially reduced investment returns for the Unitholders who are defined as U.S. persons. The administrative costs arising from compliance with FATCA may also cause an increase in the operating expenses of the Trust, thereby further reducing returns to Unitholders. An additional feature of FATCA is the obligation to release private and confidential information concerning certain Unitholders in the Trust to the IRS and any risks that may be caused to Unitholders as a result thereof.

Prospective Unitholders should consult their independent tax advisor regarding how FATCA may impact their potential investment in the Trust.

The income tax information contained in sections 6.6 was provided by Spiegelman & Company Barristers and Solicitors. The comments do not take into account or anticipate changes in the law, whether by judicial, regulatory, governmental or legislative action after the date of this document. No assurance can be given that the Internal Revenue Code will not be amended in a manner which will fundamentally alter the income tax consequences to a Subscriber for securities.

This summary is of a general nature only and is not intended to be and should not be taken as legal, tax or business advice to any particular Subscriber to these securities. Consequently, Subscribers should seek independent professional advice regarding the income tax consequences of investing in the securities, based upon their own particular circumstances.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Trust reserves the right to retain Selling Agents to effect sales of the Units, in which case, subject to applicable securities legislation, Selling Agents may receive the following Selling Commissions:

- (i) A commission, inclusive of an Exempt Market Dealer administration fee of up to one percent (1%), of up to six and nine one hundredths percent (6.9%) of the gross proceeds realized from the sale of Units to an investor upon closing of any such sale; and
- (ii) An additional commission of 0.5% (the “**Trailer Commission**”) of the proceeds realized from the sale of Units to a Subscriber to be paid annually within 30 days of each yearly anniversary of the date of issue of Subscriber’s Unit Certificate for so long as the a Subscriber’s Units continue to be issued and outstanding.

Wholesaling Fee

The Trust will pay up to one percent (1%) of the Gross Proceeds of this Offering to parties who provide wholesaling services to the Trust with respect to the sale of Units under this Offering.

The Partnership will pay all commissions and fees incurred by the Trust with respect to this Offering.

ITEM 8 - RISK FACTORS

An investment in the Trust is speculative and contains certain risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Trust will meet its business objectives.

The Trust’s returns may be unpredictable and, accordingly, the Units are not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Trust as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

RISKS ASSOCIATED WITH THE UNITS

Highly Speculative

The purchase of Units is highly speculative. A Subscriber should purchase Units only if it is able to bear the risk of the loss of its entire investment. An investment in the Units should not constitute a significant portion of a Subscriber’s portfolio.

No Review by Regulator

Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any securities regulatory authority or regulator.

Restrictions on redemption and transfer; Illiquidity of Units

It is intended that the Trust could continue up to December 31, 2025. As a result, a Unitholder's principal source of liquidity for its Units will be through its limited right of redemption. Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions. There will be no public market for the Units and an application for listing of the Units on a stock exchange will not be made. Units in the Trust are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Units for an indefinite period of time. The Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus and registration requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The Units will be subject to "hold periods" under applicable securities legislation and, as the Trust is currently not a "reporting issuer" in any province or territory in Canada, the "hold periods" may never expire. Additionally, Unitholders will not be permitted to transfer or sell their Units without the consent of AdminCo, which may be withheld in AdminCo's sole Discretion, and may be subject to the satisfaction of certain other conditions, including the provision of an opinion of counsel that such a transfer would not subject the Trust or the Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation.

No Assurances of Achieving Objectives

There is no assurance that the Trust will be able to achieve its investment objectives, including being able to pay distributions to Unitholders or to enhance long-term total return. The Trust will attempt to achieve its investment objectives through its investment strategy as described in Item 2.2 - "Investment Strategy".

Reliance on Wallach

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 Wallach and the officers and directors of the General Partner. In particular, prospective purchasers will have to rely on the discretion and ability of Wallach in determining the Properties to be acquired by the Trust, negotiating the pricing and other terms of the agreements leading to the acquisition and operation of Properties by the Trust. The Partnership does not maintain key person life insurance for Wallach. If the Partnership loses the services of Wallach, the business, financial condition and results of operations of the Trust may be materially adversely affected.

Conflicts of Interest

Management presently does act and may act and may in the future act as manager or operator, as the case may be, for a number of limited partnerships that engage or may engage in the same business activities or pursue the same investment opportunities as the Trust. Certain conflicts may arise from time to time in the management of such funds or limited partnerships and in assessing suitable investment opportunities. In addition, where Barclay Street acts as property manager of a Property, there is a risk that potential Conflict of Interest Matters may arise.

Conflict of Interest Matters shall be governed by the Conflict of Interest Policy. See Item 2.1.1 - "The Trust - Conflict of Interest Policy."

Less than Full Offering

There can be no assurance that more than the Maximum Offering will be sold. If less than \$50,000,000 worth of Units are sold pursuant to this Offering, then less than the maximum proceeds will be available to the Trust. Consequently, the Trust's business development plans and prospects could be adversely affected, since fewer Properties will be purchased, owned and leased and resold by the Partnership.

Distribution of income

The Trust will distribute Income of Trust and Net Realized Capital Gains of the Trust for each taxation year, so that Income of Trust and Net Realized Capital Gains of the Trust may be taxable to Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions is intended to be made in cash, but the Trust may, in certain circumstances, make distributions by distributing additional Units. See Item 2.5 - "Material Agreements - Summary of the Declaration of Trust - Distributions". In the event that the Trust does not make cash distributions, Unitholders will have to rely solely on the redemption of their Units to obtain a cash return on their investment in Units.

Distributions may be Reduced or Suspended

Although the Trust intends to distribute Cash Flow of the Trust to the Unitholders, such cash distributions may be reduced or suspended, or the Trust may not make any distributions at all. Units are not traditional fixed income securities. The Preferred Return of seven percent (7%) per annum payable by the Partnership, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. Units do not have a fixed obligation to make payments

to Unitholders and do not promise to return the initial purchase price of a Unit on a certain date in the future. 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 the Properties, the ongoing operations of the Properties and the realizable value of the Properties upon disposition, and will be subject to various factors. An investment in the Units is not comparable to an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and the recovery of an investor's original investment is at risk and the anticipated return on investment is based upon many performance assumptions. The payment of Cash Flow of the Trust may, at the option of AdminCo, include the issuance of additional Units, or fractions of Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by AdminCo to be available for the payment of such distribution. It is important for Subscribers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the targeted distributions to Unitholders.

Nature of Units

Each Unit represents an equal undivided beneficial interest in the Trust. The Units do not represent debt instruments and there is no principal amount owing to Unitholders under the Units, and the Units are not insured against loss through the Canada Deposit Insurance Corporation.

Units are intended to be held by taxable and tax exempt investors

The Units are intended to be held by taxable and tax exempt investors. Taxable investors may be subject to tax as a result of holding Units. The Trust intends to make all taxable income of the Trust payable to Unitholders each year and to distribute such income by distributing cash or Units. In addition, income allocated by the Trust to Unitholders may exceed the amount payable to them on a redemption of their Units. Investors should consult their own tax advisors respecting the tax consequences of owning the Units.

Mutual Fund Trust Status

It is intended that the Trust will qualify as a mutual fund trust for the purposes of the Tax Act. However, there can be no assurance that the Canadian federal income tax laws and administrative policies of the CRA respecting the treatment of mutual fund trusts and unit trusts will not be changed in a manner which adversely affects the holders of Units. If the Trust fails to meet one or more conditions to qualify as a mutual fund trust, the income tax considerations described under this Offering Memorandum would, in some respects, be materially different.

The requirements for mutual fund trust status under the Tax Act include ongoing requirements that must be met at all times. These requirements include a requirement that at all times, after the 89th day after the Trust's first taxation year (by March 30, 2019) the Trust must have at least 150 Unitholders holding at least 500 Units having an aggregate fair market value of not less than \$500 of Units. In addition, the Trust may cease to be a "mutual fund trust" where it is considered to be established or maintained primarily for the benefits of Non-Residents unless certain requirements are met. See Item 6.5 - "Qualified Investments for Deferred Plans".

To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada. If the Trust ceases to qualify as a "mutual fund trust", there may be adverse tax consequences to the Trust and Unitholders. If the Trust ceases to qualify as a mutual fund trust, the Units will cease to be a qualified investment for trusts governed by Deferred Plans.

If at any time an RRSP, RRIF or TFSA acquires Units that are not qualified investments or are a prohibited investment (as defined in the Tax Act) or holds Units that cease to be qualified investments or become a prohibited investment, the annuitant of the RRSP or RRIF or the holder of the TFSA will be liable for a penalty tax equal to fifty (50%) percent of the fair market value of the Units; however, the penalty tax may be refundable if the Units are disposed of by the end of the calendar year following the calendar year in which the penalty tax is imposed. In addition, an RRSP, RRIF or TFSA may be subject to tax on the income attributable to the holding of non-qualified investments, including tax on full capital gains, if any, realized on the disposition of the Units.

Where, at the end of a month, an RESP or DPSP holds Units that are not qualified investments, the RESP or DPSP must, in respect of that month, pay a tax equal to one (1%) percent of the fair market value of the Units at the time such Units were acquired by the REPS or DPSP. If a DPSP acquires Units that are not qualified investments at the time of acquisition, a penalty tax equal to 100% of the fair market value of the Units will be payable by the DPSP trust; however, the penalty tax may be refundable where the DPSP trust subsequently disposes of the Units.

If an RESP acquires Units that are not qualified investments, the CRA may revoke the RESP's registration, in which case the RESP will become taxable under Part I of the Tax Act and any Canadian Education Savings Grant payments will have to be repaid.

If at any time an RDSP acquires Units that are not qualified investments or holds Units that cease to be qualified investments, the holder of the RDSP will be liable for a penalty tax equal to fifty (50%) percent of the fair market value of the Units; however, the penalty tax may be refundable if the Units are disposed of by the end of the calendar year following the calendar year in which the penalty tax is imposed.

RISKS ASSOCIATED WITH REDEMPTIONS

Use of Available Cash

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

Redemption Price

The Redemption Price: (i) if a Redemption Notice is received within 12 months from the date of the Unit Certificate (the "Issuance Anniversary") shall be 90% of the Unit Subscription Price of each Unit to be redeemed; and (ii) if a Redemption Notice is received at any time after the Issuance Anniversary of a Unit Certificate shall be 95% of the Unit Subscription Price.

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 \$75,000 during any Fiscal Quarter provided that AdminCo may, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any Fiscal Quarter.

Payment of Redemption Price Issuance of Redemption Notes

The redemption of Units may be paid and satisfied by way of Redemption Notes, as determined by AdminCo in its Discretion, to the redeeming Unitholder. Redemption Notes will not be liquid and will not be a qualified investment for Deferred Plans and will be a prohibited investment for Deferred Plans. Adverse tax consequences generally may apply to a Unitholder, or Deferred Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Units. Accordingly, investors that propose to invest in Units through Deferred 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.

Redemption Notes will be Unsecured

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

Payment of Redemption Notes

The Trust may create a reserve fund for interest payable with respect to Redemption Notes issued by the Trust. In the event that the Trust is unable to pay out a Redemption Note on maturity it may borrow funds from related and unrelated parties or seek to extend the terms of the Redemption Note. Notwithstanding the aforesaid circumstances may arise resulting in the Trust may not have funds available to pay on maturity the principal balance and accrued unpaid interest under any Redemption Notes issued.

Priority of Redemption Notes over Units

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

Tax Treatment of Units and Unitholders

Canadian federal or provincial income tax legislation may be amended, or their interpretation changed, so as to fundamentally alter the tax consequences of holding or disposing of Units or the investments held by the Trust. The alternative minimum tax could limit tax benefits available to Unitholders.

There is no assurance that income tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner which will adversely alter the tax treatment of Unitholders.

Tax Characterization of Income of the Trust and Net Realized Capital Gains of the Trust

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

SIFT status

If investments in the Trust are listed or traded on a stock exchange or other public market, the Trust may be taxable as a "SIFT trust" under the Tax Act, which will have adverse tax consequences to the Unitholders and the Trust and the Canadian federal income tax considerations of investing in the Trust will be materially different from those described herein.

RISKS ASSOCIATED WITH THE TRUST

Nature of investment

An investment in the Trust requires a long-term commitment, with no certainty of return. Investments made by the Trust, including in the Partnership, may not generate current income.

No Guarantee that Investment in Units will be Successful

There can be no guarantee against losses resulting from an investment in the Units and there can be no assurance that the Trust's investment in Class A LP Units in the Partnership will be successful or that the Partnership's objective of creating a real estate portfolio will be achieved. The success of the Trust in these objectives will depend, to a certain extent, on the efforts and abilities of the management of the General Partner in executing the business strategy of the Partnership.

Concentration of Investments

The Trust's investments will be limited to that of a single business (being the Partnership) operating in a single industry (being the real estate investment business in the Target Markets). Concentration of the Trust's investments in such a manner involves greater risk to an investor of Units than the exposure generally associated with more diversified investment funds, and may result in greater fluctuations in returns.

Reliance on AdminCo

All decisions with respect to the Trust Assets and the operations of the Trust are expected to be made exclusively by AdminCo. Unitholders will have no right to make any decisions with respect to the Trust's business and affairs. No prospective investor should purchase a Unit in the Trust unless such prospective investor is willing to entrust all aspects of the management of the Trust to AdminCo.

Lack of Operating History

The Trust and the Partnership have been established in connection with this Offering and have no operating history and no history of earnings. The past performance of any of Management in the real estate investment business in the Target Markets should not be construed as a guarantee or expectation of future results of any investment in the Trust. Accordingly, there is no operating history upon which to base an evaluation of the Trust or the Partnership or their business or prospects. The Trust and the Partnership are in the early stages of their business and therefore are subject to the risks associated with early stage entities, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of their business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Trust or the Partnership will be successful in doing what they are required to do to overcome these risks. No assurance can be given that the Trust's or the Partnership's business activities will be successful. Total loss of an investment in Units is possible.

Limited Working Capital

The Trust will have a limited amount of working capital, as all or substantially all of the Available Funds of the Offering will be used to acquire Class A LP Units from the Partnership and to loan funds to Holding LP in the event that Properties in the United States are acquired by the Partnership.

Termination of the Trust

Although the Trust is expected to continue up to December 31, 2025, Unitholders may, by Extraordinary Resolution, vote to terminate the Trust at any meeting of Unitholders duly called by AdminCo or the Unitholders for the purpose of considering termination of the Trust, following which AdminCo will commence winding-up of the Trust. Such Extraordinary Resolution may contain directions to AdminCo as the Unitholders determine, including a direction to distribute the securities held by the Trust, or all of them, *in specie*. If the termination occurs earlier than the term of the Trust, the Trust may not have been in existence for the period of time necessary to achieve the business objectives of the Trust.

Leverage of the Trust

The Trust may borrow or incur indebtedness for any purpose, including for the purposes of acquiring investments, distributing Income of the Trust or Net Realized Capital Gains of the Trust or redeeming Units. The requirement to repay principal and pay the associated debt service costs could impair the Trust's ability to make distributions to Unitholders, particularly if the value of the Trust's investments decline and/or the Trust is unable to liquidate some or all of its investments to refinance any such borrowings. If the Trust is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the ability of the Trust to make distributions would be impaired and the value of the Units could be significantly reduced or even eliminated.

In addition, if the borrowings are used to acquire investments, the interest expense and banking fees incurred in respect of any such loans may exceed the incremental capital gains and tax benefits generated by the investments. There can be no assurance that the borrowing strategy employed by the Trust will enhance returns.

Lack of Independent Counsel Representing Unitholders

The Trust has consulted with and retained for its benefit legal counsel to advise it in connection with the formation and terms of the Trust and the offering of Units. Unitholders have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel.

Liability for Return of Distributions

Generally, the Unitholders do not have personal liability for the obligations of the Trust. However, under applicable law, Unitholders could be required to return distributions previously made by the Trust if it is determined that such distributions were wrongfully made or in certain other circumstances under the terms of the Declaration of Trust. Where a Unitholder has received the return of all or part of the amount contributed to the Trust, the Unitholder is nevertheless liable to the Trust or, where the Trust is terminated, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Trust to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. Additionally, Unitholders may have to return all or a portion of distributions made to them to the extent the Trust has an obligation to withhold any amounts from such distribution for tax purposes.

Recourse to the Trust's Assets

The Trust's Assets, including any investments made by the Trust and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's Assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The Trustee, each former Trustee and each officer and director of the Trustee together with the officers and directors of AdminCo are entitled to indemnification and reimbursement out of the Trust Assets, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Unitholders of the Trust.

Effect of Expenses on Returns

Although the Partnership has agreed to bear all costs and expenses related to the activities and business of the Trust, the Trust generally remains responsible to pay the same. Accordingly, if the Partnership were to fail or refuse to pay any such costs or expenses, the Trust would remain liable to pay the same, and if it were to do so, such costs and expenses would reduce, and could eliminate, the actual returns to the Unitholders.

Lack of Regulatory Oversight

The Trust is not subject to any regulatory oversight in Canada.

Rights of Unitholders

A Unitholder does not have all of the same protections, rights and remedies as a shareholder would have under the ABCA. Unlike shareholders of an ABCA corporation, the matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation. Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation which would apply where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances whereas Unitholders may rely only on the general provisions of the Declaration of Trust which permit the winding-up of the Trust with the approval of an Extraordinary Resolution of the Unitholders. Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include comparable rights. There are only limited circumstances in which the Trustee can be removed by the Unitholders. See the heading “Removal of Trustee” in Item 2.5 – “Material Agreements – Summary of Declaration of Trust”.

General Litigation Risk

In the normal course of the Trust’s operations, whether directly or indirectly, it may become involved in, named as a party to or become the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Trust and as a result, could have a material adverse effect of the Trust Assets, liabilities, business, financial condition and results of operations. Even if the Trust prevails in any such legal proceedings, the proceedings could be costly and time consuming and may divert the attention of management and key personnel from the Trust’s business operations, which could have a material adverse effect on the Trust’s business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders. This risk may be heightened for the Trust as compared to other Canadian real estate investment trusts without properties located in the U.S. because the legal climate in the U.S., in comparison to that in Canada, tend to give rise to a greater number of claims and larger damages awards.

RISKS ASSOCIATED WITH THE PARTNERSHIP’S BUSINESS

An investment in Units is an investment in real estate through the Partnership’s interest in the Properties it acquires. 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.

Blind Pool Offering

This is a “blind pool” Offering. Although the Trust expects that the available funds of the Offering will be applied to purchase one or more Properties, the specific Properties in which the available funds will be invested have not yet been determined. 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 available funds of the Offering. An investment in Units is appropriate only for Subscribers who have the capacity to absorb a loss of some or all of their investment.

Acquisition Risk

The Partnership intends to acquire Properties selectively. The acquisition of Properties entails risks that investments will fail to perform in accordance with expectations. In undertaking such acquisitions, the Partnership will incur certain risks, including the expenditure of funds on, and the devotion of management’s time to, transactions that may not come to fruition. Additional risks inherent in acquisitions include risks that 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 estate 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 estate property and any improvements thereto may also depend on the credit and financial stability of the tenants. Distributable Cash will be adversely affected if one or more major tenants or a significant number of tenants of the Properties 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 favorable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Partnership's investment may be incurred. The ability to rent un-leased space in the Properties will be affected by many factors. Costs may be incurred in making improvements or repairs to the Property required by a new tenant. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent un-leased 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 estate property regardless of whether a Property is producing any income. Real estate property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. If for whatever reason, liquidation of assets is required, there is a risk that sale proceeds realized might be less than the current book value of the Partnership's investments or that market conditions would prevent prompt disposition of assets. The Partnership's may, in the future, be exposed to a general decline of demand by tenants for space in properties. As well, certain of the leases of the Properties held by the Partnership may have early termination provisions which, if exercised, would reduce the average lease term.

Financing Risks

There is no assurance that the Partnership will be able to obtain sufficient Financing to finance the acquisition of Properties, or, if available, that Partnership will be able to obtain Financing on commercially acceptable terms. Further, there is no assurance or guarantee that any Financing, 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 Partnership is able to purchase will decrease and the return from the ownership of Properties (and ultimately the return on an investment in Units) will be reduced. Even if the Partnership is successful in obtaining adequate Financing, the Partnership may not be able to generate sufficient funds through the operation of the Properties to service the Financing. If a default occurs under any of the Financing, one or more of the lenders could exercise its rights including, without limitation, foreclosure or sale of the Properties.

Interest Rate Fluctuations

The Financing may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Partnership's cost of borrowing.

Canadian Economy

The Canadian economy and the Alberta economy in particular are susceptible to fluctuations in oil prices within the global market. Any reduction in the price of oil and/or a continual prolonged period of low prices of oil could have a negative impact upon the value of Properties owned by the Trust in Canada or acquired by the Trust in Canada during the term of this Offering.

General Economic Conditions

The general economic conditions, together with any future market disruptions to the credit and financial markets in Canada, the U.S. and the rest of the world may adversely affect the Trust's activities and its investments. In addition, future insolvency of market participants, tightening lending standards and decreased availability of cash, changes in employment levels, retail sales levels and real estate values may affect occupancy levels in Properties acquired by the Trust and the Trust's and the Partnership's ability to obtain credit on favorable terms for future Property acquisitions.

Environmental Matters

Property will be subject to various federal, provincial, state and municipal laws relating to environmental matters. Such laws may provide liability for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove such substances or remediate such locations, if required, could adversely affect the ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the owner by private plaintiffs. The Partnership has policies and procedures

to review and monitor environmental exposure. The Partnership will make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations. Environmental laws and regulations can change and Properties may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on the results of operation and profitability of a Property.

Uninsured Losses

The General Partner will arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by the Partnership or its subsidiaries and will endeavor 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.

Laws Benefitting Disabled Persons

Laws benefiting disabled persons may result in unanticipated expenses in respect of Properties located in the U.S. Under the Americans with Disabilities Act of 1990 (the “ADA”), all places intended to be used by the public are required to meet certain federal requirements related to access and use by disabled persons. For those projects receiving federal funds, the Rehabilitation Act of 1973 (the “RA”) also has requirements regarding disabled access. These and other federal, state and local laws may require modifications to Properties, or affect renovations of Properties located in the U.S. Non-compliance with these laws could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. The Trust may incur unanticipated expenses to comply with the ADA, the RA and other federal, state and local laws in connection with future Property acquisitions in the United States.

Reliance on Property Management

The General Partner may rely upon management companies, inclusive of Barclay Street, to perform property management functions in respect of each of the Properties. To the extent, the General Partner 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 judgment 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 Trust will compete for suitable real property investments with individuals, corporations, REITs and similar vehicles, and institutions (both Canadian and foreign) which are presently seeking or which may seek in the future real property investments similar to those sought by the Partnership. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments.

Revenue Shortfalls

Revenues from the Properties may not increase sufficiently to meet increases in operating expenses or debt service payments under the financing 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.

Timing for Investment of Subscription Proceeds

The time period for the full investment of such proceeds of this Offering is not certain. The timing of such investment will depend, among other things, upon the identification of Properties meeting the Investment Restrictions and some or all of the Operating Policies. There is a risk that the Trust 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 expected distributions.

Currency Exchange Rate Risk

The revenues and expenses of Properties, if any, acquired in the United States will be denominated in USD and distributions will be made to the Trust in USD. The Trust will convert such distribution amounts received into Canadian dollars prior to distribution to Unitholders. As a consequence, distributions of the Trust will be affected by fluctuations in the Canadian/USD exchange rate. The Trust may not enter into any hedging arrangements to limit the impact of changes in the Canadian/USD exchange rate for holders of Units and therefore holders of Units may have full exposure to changes in the exchange rate between the Canadian and USD.

Possible Loss of Limited Liability of Limited Partners

Limited partners may lose their limited liability in certain circumstances, including by taking part in the control of the partnership's business. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province, but carrying on business in another jurisdiction, have not been authoritatively established. If limited liability is lost, there is a risk that limited partners may be liable beyond their contribution and share of the Trust's undistributed net income in the event of judgment on a claim in an amount exceeding the sum of the General Partner's net assets and the Trust's net assets.

Joint Ventures and Partnerships

The Trust may invest in, or be a participant in, co-tenancies, joint ventures and partnerships with third parties in respect of acquisition of the Properties. A co-tenancy, joint venture or partnership involves certain additional risks, including; (i) the possibility that such co-tenants, co-venturers/partners may at any time have economic or business interests or goals that will be inconsistent with those of the Partnership or take actions contrary to the Partnership's instructions or requests or to the Partnership's policies or objectives with respect to the Properties; (ii) the risk that such co-tenants, co-venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands to maintain and operate such Properties or repay the co-tenants, co-venturers/partners' share of property debt guaranteed by the Partnership or for which the Partnership may be liable and/or result in the Partnership suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture or partnership decisions; (iii) the risk that such co-tenants, co-venturers/partners may, through their activities on behalf of or in the name of, the co-tenancies, ventures or partnerships, expose or subject the Partnership to liability; and (iv) the need to obtain co-tenants, co-venturers/partners' consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property. In addition, the sale or transfer of interests in certain of the co-tenancies, joint ventures and partnerships may be subject to rights of first refusal or first offer and certain of the co-tenancy, joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when the Partnership may not desire to sell but may be forced to do so because the Partnership does not have the cash to purchase the other party's interests. Such rights may also inhibit the Partnership's ability to sell an interest in a property or a co-tenancy/joint venture/partnership within the time frame or otherwise on the basis the Partnership desires.

Removal of General Partner

The General Partner may only be removed by in limited circumstances under the terms of the Partnership Agreement. See the heading "Resignation and Removal of the General Partner" in Item 2.5 - Material Agreements - Summary of the Partnership Agreement.

RISK FACTORS RELATING TO CANADIAN TAXES

Taxation of Partnerships – The SIFT Rules apply to a partnership that is a "SIFT partnership" as defined in the Tax Act. Provided that either:

- (a) the Units and any other securities issued by the Trust, or any securities that derive their value from, or replicate the return on , the Units, are not listed or traded on a stock exchange or other organized facility; or
- (b) a partnership does not own "non-portfolio property" (as defined in the Tax Act), it will not be subject to the SIFT Rules. The Trust does not expect the Trust, Partnership or Acquisition LP's to own "non-portfolio property", in which case these entities will not be subject to the SIFT Rules. 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 Partnership, the Acquisition LP's and Unitholders.

Tax Aspects

Canadian federal and provincial tax aspects should be considered prior to investing in the Units. See Item 6 - "Income Tax Considerations".

The return on a Trust Unitholder's investment is subject to changes in Canadian tax laws. The discussion of income tax considerations in this Offering Memorandum is based upon current income tax laws. There can be no assurance that:

- (a) applicable tax laws, regulations or judicial or administrative interpretations will not be changed;
- (b) applicable tax authorities will not take a different view as to the interpretation or the application of tax laws and regulations than the Trust or than as set out in this Offering Memorandum; or
- (c) the facts upon which the tax discussions set out in this Offering Memorandum are based are materially correct.

Any of the preceding may fundamentally alter the tax consequences to investors of holding or disposing of Units.

The discussion of certain Canadian federal income tax considerations contained in this Offering Memorandum is provided for information purposes only and is not a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of Units.

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 increase the amount of tax 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.

All investors will be responsible for the preparation and filing of their own tax returns in respect of this investment.

Prospective investors are urged to consult their own tax advisors, prior to investing in the Trust, with respect to the specific tax consequences to them from the acquisition of Trust Units.

Taxable Income

In general, a Unitholder must include in computing the Unitholder's income, gain, loss and deduction the Unitholder's proportionate share of income of the Trust allocated to the Unitholder pursuant to the Trust's Declaration of Trust for the fiscal period of the Trust ending on or within the Unitholder's taxation year. However, the cash distributed to a Unitholder may not be sufficient to pay the full amount of such Unitholder's tax liability in respect of its investment in the Trust. In addition, no assurances can be given that the Trust will make the cash distributions intended. Even if the Trust is unable to distribute cash in amounts that are sufficient to fund the Unitholders' tax liabilities, each of the Unitholders will still be required to pay income taxes on its proportionate share of Trust's taxable income.

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 investors 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 at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. 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.

Partnership is subject to U.S. Federal Income Tax

The Partnership 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 loans made to Holding LP. The Partnership hopes to benefit from certain deductions under U.S. federal income tax rules in order to reduce its overall tax burden but such deductions may be restricted depending upon a variety of factors, as discussed in "Certain U.S. Federal Income Tax Considerations". If the Partnership's deductions were limited, the IRS were to successfully challenge a U.S. tax position the Partnership were to take, the Trust or the Partnership 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.

Foreign Taxes

Foreign taxes paid by the Partnership will be allocated to Unitholders pursuant to the Partnership Agreement and the Declaration of Trust. A 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. 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.

For all of the above reasons and others set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of Units should be aware of these and other factors set forth in this Offering Memorandum and should consult with his or her legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their investment.

ITEM 9 - REPORTING OBLIGATIONS

AdminCo will send (or make available if sending is not required under applicable securities laws) to Unitholders at least 21 days prior to the date of each general meeting of Unitholders, or if no general meeting is to be held in that year within six months of the fiscal year end, the annual audited financial statements of the Trust, together with comparative financial statements for the preceding fiscal year, if any, and the report of the Auditors thereon.

Such financial statements shall be prepared in accordance with GAAP provided that such statements and the obligations to deliver such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities. Included with such statements will be a report of the Independent Directors regarding their review and approval of any Conflict of Interest Matters considered during the year to which the financial statements relate.

AdminCo will, within the time frame required under the Tax Act, forward to each Unitholder who received distributions from the Trust in the prior calendar year, such information and forms as may be needed by the Unitholder in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Trust is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Trust is not subject to the "continuous disclosure" requirements of any securities legislation other than as provided for under National Instrument 45-106 and there is therefore no requirement that the Trust make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Trust, other than as provided for under National Instrument 45-106. The Trust will file Material Change Reports and make Notice of Use of Proceeds filings as required by National Instrument 45-106. The Trust will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum required by law, from time to time by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Trust receives actual notice that such electronic delivery failed. Unless the Trust receives actual notice that Trust electronic delivery failed, the Trust is entitled assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Trust will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

ITEM 10 - RESALE RESTRICTIONS AND REDEMPTION RIGHTS

10.1 GENERAL

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 prospectus and registration requirements under securities legislation. Additionally, Unitholders will not be permitted to transfer their Units without the consent of the Trustee. See Item 2.5 “Material Agreements - Summary of the Declaration of Trust - Transfer of Units” and “Limitations on Non-Resident Ownership”.

10.2 RESTRICTED PERIOD

Unless permitted under securities legislation, a Unitholder cannot trade the Units before the date that is four months and a day after the date the Trust becomes a reporting issuer in any province or territory in Canada. Since the Trust is not a reporting issuer in any province or territory, the applicable hold period for Subscribers may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in a Subscriber having to hold the Units acquired under the Offering for an indefinite period of time.

10.3 MANITOBA RESALE RESTRICTIONS

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

AdminCo must approve of any proposed disposition. It is the responsibility of each individual Subscriber to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Units acquired pursuant to this Offering.

10.4 REDEMPTION RIGHTS

Each holder of Units shall be entitled to require the Trust, on the demand of such holder of Units, to redeem all or any part of the Units registered in the name of such holder of Units at the Redemption Price. See Item 2.5 – “Material Agreements – Summary of Declaration of Trust – Redemption of Units” for the specific terms of Unitholder’s rights of redemption.

The foregoing is a summary only of resale restrictions relevant to a purchaser of the securities offered hereunder. It is not intended to be exhaustive. All subscribers under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

ITEM 11 - PURCHASERS’ 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.

11.1 TWO DAY CANCELLATION RIGHT

You can cancel your agreement to purchase these Units. To do so, you must send a notice to AdminCo by midnight on the 2nd business day after you sign the Subscription Agreement to buy the Units.

11.2 STATUTORY RIGHTS OF ACTION IN THE EVENT OF A MISREPRESENTATION

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a “**misrepresentation**”). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation. Purchasers of Units resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Trust in connection with this Offering.

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

Rights of Purchasers in Alberta

If you are a resident of Alberta, and 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 and every other Person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

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 the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

Rights of Purchasers in British Columbia

If you are a resident of British Columbia, and 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 and every other Person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

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 the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

Rights of Purchasers in Saskatchewan

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, or any amendment thereto, 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, every promoter of the Trust, every Person whose consent has been filed respecting the offering but only with respect to reports, opinions and statements made by that Person, and every other Person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

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 the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six (6) years after the day you purchased the securities.

Rights of Purchasers in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to rescind your agreement to buy these securities, or
- (b) for damages against the Trust and every other Person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

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 rescind the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two (2) years after the day you purchased the securities.

Rights of Purchasers in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, a purchaser who purchases a security offered by this Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, the following rights:

- (a) the purchaser has a right of action for damages against the Trust and a selling securityholder on whose behalf the distribution is made, or
- (b) where the purchaser purchased the securities from a Person or the Trust referred to in clause (a), the purchaser may elect to exercise a right of rescission against the Person or the Trust, in which case the purchaser shall have no right of action for damages against such Person or the Trust.

The Trust will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Trust will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber.

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 the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the day you purchased the securities.

Rights of Purchasers in Nova Scotia

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, or any amendment thereto, 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 and every other Person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

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 the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the day you purchased the securities.

Rights of Purchasers in New Brunswick

If you are a resident of New Brunswick and 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 or the seller.

The Trust will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Trust will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

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 the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the day you purchased the securities.

Rights of Purchasers in Newfoundland and Labrador, Northwest Territories, Yukon, Nunavut or Prince Edward Island

If you are a resident of Newfoundland and Labrador, Northwest Territories, Yukon, Nunavut or Prince Edward Island, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to rescind your agreement to buy these securities, or
- (b) for damages against the Trust, the selling security holder on whose behalf the distribution is made and every other Person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

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 rescind the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or three (3) years after the day you purchased the securities.

Rights of Purchasers in Quebec

If this Offering Memorandum, together with any amendment to it, is delivered to a Subscriber resident in Quebec and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the Subscriber will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the issuer, the officers and directors of the issuer or any dealer under contract with the issuer for damages or for rescission or revision of the price. This right of action is subject to the following limitations:

- (a) the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the Offering Memorandum is filed with Autorité des marchés financiers du Quebec;
- (b) no person or company will be liable if it proves that the Subscriber acquired the Notes with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the officers or directors of the issuer or the dealer under contract with the issuer will not be liable if they acted with prudence and diligence; and
- (d) a defendant may defeat an action based on a misrepresentation in forward-looking information by proving that
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) 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
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - (ii) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

ITEM 12 - FINANCIAL STATEMENTS

Grant Thornton LLP
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Dear Sirs/Mesdames:

Re: Triumph Real Estate Investment Fund II

We refer to the offering memorandum of Triumph Real Estate Investment Fund II (the "Trust") dated June 27, 2018 relating to the sale and issue of units of the Trust.

We consent to the use of our report to the unitholders of the Trust on the statement of financial position of the Trust as at May 28, 2018, and the statements of net income and comprehensive income, changes in unitholder's equity and cash flows for the date of formation on May 28, 2018 and a summary of significant accounting policies and other explanatory information in the offering document of the Trust dated June 27, 2018 relating to the issue and sale of units of the Trust. Our report is dated June 27, 2018.

Yours sincerely,



Grant Thornton LLP

Financial Statements

Triumph Real Estate Investment Fund II

Period Ended May 28, 2018

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Independent Auditor's Report

Grant Thornton LLP
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To the Unitholder of Triumph Real Estate Investment Fund II

We have audited the accompanying financial statements of Triumph Real Estate Investment Fund II, which comprise the statement of financial position as at May 28, 2018 and the statements of changes in unitholder's equity, net income and comprehensive income, and cash flows for the date of formation on May 28, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Triumph Real Estate Investment Fund II as at May 28, 2018, and its financial performance, changes in unitholder's equity, and its cash flows for the date of formation on May 28, 2018 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 and Note 8 to the financial statements which outlines Triumph Real Estate Investment Fund II's involvement in an offering memorandum being undertaken subsequent to period end. If the offering is unsuccessful, it could have a material effect on Triumph Real Estate Investment Fund II's ability to continue as a going concern. This condition indicates the existence of a material uncertainty that may cast significant doubt about Triumph Real Estate Investment Fund II's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Edmonton, Canada

June 27, 2018



Chartered Professional Accountants

Triumph Real Estate Investment Fund II

Statement of Financial Position

May 28

2018

Asset

Current asset
Cash

\$ 100

Unitholder's equity

Unitholder's equity (Note 5)

\$ 100

Approved on behalf of the Trust

signed "Craig Bentham", Director of Triumph Real Estate Investment Fund 1 AdminCo Ltd.

See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II **Statement of Changes Unitholder's Equity**

Date of formation on May 28, 2018

	<u>Units</u> #	<u>Amount</u> \$	<u>Total</u> \$
Balance, beginning of period	-	-	-
Issuance of Trust units (Note 5)	100	100	100
Net income and comprehensive income for the period	-	-	-
Balance, end of period	<u>100</u>	<u>\$ 100</u>	<u>\$ 100</u>

See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II

Statement of Net Income and Comprehensive Income

Date of formation on May 28, 2018

Revenue	\$ -
Expenses	<u>-</u>
Net income and comprehensive income for the period	<u>\$ -</u>

See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II

Statement of Cash Flows

Date of formation on May 28, 2018

Operating activity

Net income for the period	\$	-
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Financing activity

Proceeds on issuance of Trust units		<u>100</u>
-------------------------------------	--	------------

Net increase in cash for the period		100
--	--	------------

Cash at beginning of period		<u>-</u>
------------------------------------	--	----------

Cash at end of period	\$	<u>100</u>
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See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

1. General business description

Triumph Real Estate Investment Fund II (the "Trust") is an unincorporated, open-ended, investment trust formed under the laws of the Province of Alberta on May 28, 2018 pursuant to the Declaration of Trust. If not terminated sooner, the Trust shall continue until December 31, 2024, however the Declaration of Trust allows the term of the Trust to be extended to December 31, 2025 upon satisfaction of certain conditions.

The Trust was formed to raise funds for the purpose of acquiring Class A limited partnership units ("Class A units") in Triumph Real Estate Investment Fund II LP (the "Partnership") and may loan a portion of such funds to a United States registered limited partnership that will be controlled by the Partnership to use for United States property acquisitions, with the objective of generating returns to unitholders.

The Partnership was formed to acquire a portfolio of real estate assets comprised of multi-tenant office, industrial or retail properties located in the provinces of Alberta, Saskatchewan and Ontario, and in the states of Arizona, Colorado, Nevada, Oregon, Texas and Washington. Where a property acquired is in the United States or Canada, the Partnership will utilize a United States registered limited partnership or Canadian limited partnership, respectively, to acquire that property.

A limited partnership agreement dated May 28, 2018 governs the operations and business affairs of the Partnership. In accordance with the agreement, all operations are overseen by the general partner, Triumph Real Estate Investment Fund II GP Ltd. (the "General Partner").

The Trustee of the Trust is Computershare Trust Company of Canada (the "Trustee"). The Trustee has entered into an agreement with Triumph Real Estate Investment Fund 1 AdminCo Ltd. (the "Administrator") who will perform management and administrative services on behalf of the Trust.

These financial statements do not include all the assets and liabilities of the unitholders, but only those relating to the business of Triumph Real Estate Investment Fund II.

The Trust is taxed as a mutual fund trust for Canadian income tax purposes. In accordance with the Declaration of Trust, distributions to unitholders are declared at the discretion of the Administrator. It is the intention of the Trust to declare distributions not less than the amount necessary to ensure the Trust will not be subject to tax. Accordingly, the Trust will not recognize any current tax or deferred tax assets or liabilities on temporary differences.

The address of the registered office of the Trust is 605, 2303 – 4 Street SW, Calgary, Alberta, T2S 2S7.

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

2. Going concern

These financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Trust's ability to continue as a going concern is dependent upon raising funds through the offering memorandum (Note 8) and the Partnership in which the Trust intends to acquire Class A units in achieving profitability. The proposed business of the Trust involves a high degree of risk and there is no assurance that the Trust will be able to raise the funds necessary to finance the Partnership's activities as disclosed in Note 1. These matters cast significant doubt upon the validity of the going concern assumption.

These financial statements do not give effect to adjustments that would be necessary should the Trust be unable to continue as a going concern and be required to realize its assets and discharge its liabilities and commitments at amounts different from those in the accompanying financial statements. Such adjustments could be material.

3. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Administrator of the Trust on June 27, 2018.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

3. Basis of preparation (cont'd)

- i) Judgments

Trust units

The Trust has issued Trust units to a unitholder. In determining whether these should be classified as liabilities or equity, management has assessed whether the Trust units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 *Financial Instruments: Presentation* which permit the classification of a puttable instrument, or an instrument where there is a contractual obligation to deliver cash as equity has been satisfied.

The Trust's units are redeemable at the option of the holder and, therefore are considered puttable instruments. Puttable instruments are required to be presented as financial liabilities, except where certain conditions are met in accordance with IAS 32 in which case the puttable instruments may be presented as equity. The Trust's units were determined to meet the conditions of IAS 32 and are accordingly presented as equity in the financial statements. Distributions on Trust accounts will be deducted from unitholder's equity. Transaction costs relating to the issuance of trust units are deferred and recognized as unit issuance costs in the period in which the financing transaction is completed.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

4. Significant accounting policies

Cash

Cash and cash equivalents consists of cash on hand.

Financial instruments

Financial assets

Non-derivative financial assets within the scope of IFRS 9 *Financial instruments* are classified as financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), and financial assets at amortized cost. The Trust determines the classification of financial assets at the time of initial recognition based on the Trust's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value, and in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Trust becomes a party to the contractual provisions of the instrument.

The Trust has classified cash as a financial asset at amortized cost.

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

4. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Financial assets measured at FVTPL includes financial assets management intends to sell in the short term, and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measure at FVTPL are carried at fair value in the statement of financial position with changes in fair value recognized in net income.

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and that the Trust has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. After initial measurement, financial assets measure at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss. When the financial asset is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Financial assets measure at amortized cost are subsequent measured at the end of each reporting period at amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or cost that are an integral part of the EIR. EIR amortization is included in the statements of net income and comprehensive income.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or the Trust no longer retains substantially all the risks and rewards of ownership.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL, such as for held for trading or derivative instrument, or the Trust has opted to measure the financial liability at FVTPL. All financial liabilities are recognized initially at fair value, net of applicable transaction costs unless they are classified as FVTPL.

After initial recognition, financial liabilities measured at amortized cost are measured at the end of each reporting period at amortized cost using the EIR method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires, with any associated gain or loss recognized in net income.

Equity instruments

The Trust's units were determined to meet the conditions of IAS 32 and are accordingly presented as equity in the financial statements. Distributions on Trust units will be deducted from unitholder's equity.

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

4. Significant accounting policies (cont'd)

Future accounting standards and interpretations

The Trust has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following are relevant to the Trust:

The Trust will be required to adopt IFRS 16 *Leases* ("IFRS 16"). IFRS 16 eliminates the classification of leases as either operating or finance leases and requires the recognition of assets and liabilities for all leases, unless the lease term is twelve months or less, or the underlying asset has a low value. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019. The Trust has not early adopted this standard and is currently assessing the impact that this standard will have on the financial statements.

5. Unitholder's equity

The Trust was formed on May 28, 2018 and has issued 100 initial trust units ("Units") at \$1 per Unit.

The Declaration of Trust provides that an unlimited number of Units may be issued. The Administrator, in its sole discretion, shall designate Units issued by the Trust into separate series based on the date of issue of such Units and the interest of each unitholder shall be determined by the number of Units registered in the name of the unitholder in each series. Units of each series represent an equal undivided beneficial interest in any distribution of the Trust and in the net assets of the Trust in the event of termination or winding up of the Trust to which a series of Units is entitled. Each Unit entitles the holder thereof to participate equally in the distributions and to one vote at all meetings of unitholders for each whole unit held.

The Administrator may declare a distribution to the holders of each series of Units out of the Trust's cash flow quarterly on March 31, June 30, September 30 and December 31 or such other periods as may be determined by the Administrator in each year of the Trust to which each series of Units is entitled. The distribution may be paid in full by the issuance of Units or cash or any combination of Units and cash.

Each unitholder shall be entitled to require the Trust to redeem all or part of their Units, and shall be entitled to receive a price equal to the following: (i) within 12 months from the date of issuance of the Trust unit certificate equal to an amount per Unit of 90% of the subscription price paid by the unitholder, (ii) and at any time after the anniversary of the date of the issuance of the Trust certificate an amount per Unit of 95% of the subscription price paid by the unitholder.

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

5. Unitholder's equity (cont'd)

The Trust may be required to redeem up to \$75,000 of Units in the form of cash in each fiscal quarter (the "Quarterly Limit") provided that the Administrator may, in its sole discretion, waive the limitation in respect of all Units tendered for redemption in any fiscal quarter. When the total amount payable in respect of all Units tendered for redemption in the same fiscal quarter exceeds the Quarterly Limit, Units will be redeemed for cash on a pro rata basis up to the Quarterly Limit and thereafter, subject to regulatory approvals, shall be paid and satisfied by the Trust distributing promissory notes for the balance. The promissory notes will be unsecured, bear interest from the issue date of each promissory note at a rate of 5%, payable annually in arrears, being due and payable on the third anniversary of the date of issuance, and being subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the Administrator. The Trust also may not be required to redeem Units in the form of cash if in the sole opinion of the Administrator, the payment would not be in the best interest of the Trust having regard to the then current cash position of the Trust, if Units are redeemed within the first 24 months of the anniversary of the date of issuance, or if the redemption of Units will result in the Trust losing its status as a mutual fund trust for the purposes of the Tax Act.

A Trust unitholder, or his or her personal representative, as the case may be, shall be entitled to request the Trust redeem (a "Hardship Redemption") up to the entire amount of a Trust unitholder's Units for the subscription price per Unit at any time during the term of the Trust upon written notice (i) in the event of the death or permanent disability of an individual Trust unitholder holding Units (ii) in the event of the death or permanent disability of the spouse of an individual Trust unitholder holding Units, or (iii) upon any act whether voluntary or involuntary of bankruptcy by an individual Trust unitholder holding Units.

The approval of any request for a Hardship Redemption shall only occur when permitted by law and shall be at the sole discretion of the Administrator. When approved by the Administrator, the Administrator shall pay the aggregate of the Hardship Redemption amount in cash to a unitholder within 60 days of receipt of the Hardship Redemption notice. No distributions from the date a Hardship Redemption notice is provided by a unitholder shall be paid on the Units to which the notice applies.

6. Financial instruments and financial risk management

Fair value

The fair value of a financial instrument is the estimated amount that the Trust would receive or pay to settle the financial assets and liabilities at the reporting date.

The fair value of cash approximates its carrying amount due to its short term nature.

Risk management framework

The Trust employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Trust's business objectives and risk tolerance levels. While the Trustee has overall responsibility for the establishment and oversight of the Trust's risk management framework, the Administrator has the responsibility to administer and monitor these risks.

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

6. Financial instruments and financial risk management (cont'd)

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cash consists of cash on hand therefore management of the Trust has assessed that credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. The Trust's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Trust's ongoing liquidity will be impacted by various external events and conditions, including the profitability of its planned investment in the Partnership.

The Trust has not subscribed for any Class A partnership units as of May 28, 2018.

7. Capital management

The Trust considers its capital structure to be unitholder's equity. In order to maintain or adjust the capital structure, the Trust may from time to time issue Trust units, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The primary objectives of the Trust's capital management are to invest in Class A units in the Partnership, and may loan a portion of such funds to a United States registered limited partnership which will be controlled by the Partnership to use for United States property acquisitions, with the objective of generating returns to unitholders. The Trust will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business.

The Trust is not subject to externally imposed capital requirements.

Triumph Real Estate Investment Fund II

Notes to the Financial Statements

Date of formation on May 28, 2018

8. Subsequent events

Offering memorandum

Subsequent to May 28, 2018, the Trust prepared an offering memorandum dated June 27, 2018 for the offer of Units of the Trust with up to an aggregate maximum total gross proceeds of \$50,000,000 and an aggregate minimum total gross proceeds of \$1,000,000. The price per Unit will be \$1.

The Trust has not retained any selling agent for the sale of the Units. However, the Trust may pay finder's fees of up to 6.9% with a trailer commission of 0.5% on the gross proceeds realized from units sold to persons authorized by the Trust to sell Units.

The proceeds from the issue of the Units will be paid to the Trust and administered on behalf of the Trust by the Administrator. The Administrator will use the funds to acquire Class A units in the Partnership and may also loan a portion of such funds to a United States registered limited partnership which will be controlled by the Partnership to use for United States property acquisitions. The number of Class A units to be acquired, or funds to be loaned by the Trust will be contingent on the amount of funds raised pursuant to the offering.

During the term of the Partnership, the Class A unitholders shall be entitled to an amount equal to 7% per annum, calculated on the capital contribution of the Class A units (the "Preferred Return"). The Preferred Return shall be cumulative from the first day of the month immediately following the month in which the capital contribution occurred until the date the Class A unitholders' capital contribution is returned through distributions.

Agreements

The Trustee entered into an agreement on behalf of the Trust, between the Trust and the Administrator whereby the Administrator will perform management and administrative services on behalf of the Trust. The fee is \$500 per annum, and the Trust will be required to reimburse the expenses incurred by the Administrator in performing its functions.

The Trust has entered into a funding agreement with the Partnership whereby the Partnership has agreed to pay for all costs, fees, selling commissions and wholesaling fees, together with all operating and administration expenses incurred by the Trust associated with the offering of the Trust by way of the offering memorandum noted above.

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Dear Sirs/Mesdames:

Re: Triumph Real Estate Investment Fund II LP

We refer to the offering memorandum of Triumph Real Estate Investment Fund II (the "Trust") dated June 27, 2018 relating to the sale and issue of units of the Trust.

We consent to the use of our report to the partners of Triumph Real Estate Investment Fund II LP (the "Partnership") on the statement of financial position of the Partnership as at May 28, 2018, and the statements of net income and comprehensive income, changes in net assets attributable to limited partners and cash flows for date of registration on May 28, 2018, and a summary of significant accounting policies and other explanatory information in the offering document of the Trust dated June 27, 2018 relating to the issue and sale of units of the Trust. Our report is dated June 27, 2018.

Yours sincerely,



Grant Thornton LLP

Financial Statements

Triumph Real Estate Investment Fund II LP

Period Ended May 28, 2018

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Independent Auditor's Report

Grant Thornton LLP
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To the Partner of Triumph Real Estate Investment Fund II LP

We have audited the accompanying financial statements of Triumph Real Estate Investment Fund II LP, which comprise the statement of financial position as at May 28, 2018 and the statements of changes in net assets attributable to limited partner, net income and comprehensive income, and cash flows for the date of registration on May 28, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Triumph Real Estate Investment Fund II LP as at May 28, 2018, and its changes in net assets attributable to limited partner, its financial performance and its cash flows for the date of registration on May 28, 2018 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 and Note 8 to the financial statements which outlines Triumph Real Estate Investment Fund II LP's involvement in an offering memorandum being undertaken subsequent to period end. If the offering is unsuccessful, it could have a material effect on Triumph Real Estate Investment Fund II LP's ability to continue as a going concern. This condition indicates the existence of a material uncertainty that may cast significant doubt about Triumph Real Estate Investment Fund II LP's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Edmonton, Canada

June 27, 2018



Chartered Professional Accountants

Triumph Real Estate Investment Fund II LP

Statement of Financial Position

May
28

2018

Asset

Current asset
Cash

\$ 1

Liability

Net assets attributable to limited partner (Note 5)

\$ 1

Approved on behalf of the Partners

signed "Craig Bentham", Director of Triumph Real Estate Investment Fund II GP Ltd. (General Partner)

See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II LP

Statement of Changes in Net Assets Attributable to Limited Partner

Date of registration on May 28, 2018

	<u>Class A</u> <u>units</u>	<u>Class B</u> <u>units</u>	<u>Total</u> <u>net assets</u> <u>attributable</u> <u>to limited</u> <u>partners</u>
Balance, beginning of period	\$ -	\$ -	\$ -
Issuance of unit (Note 5)	1	-	1
Redemption of unit (Note 5)	-	-	-
Net income and comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>

See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II LP
Statement of Net Income and Comprehensive Income

Date of registration on May 28, 2018

Revenue	\$ -
Expenses	<u>-</u>
Net income and comprehensive income for the period	<u>\$ -</u>

See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II LP

Statement of Cash Flows

Date of registration on May 28, 2018

Operating activity

Net income for the period	\$	-
---------------------------	----	---

Financing activity

Proceeds on issuance of limited partnership unit		<u>1</u>
--	--	----------

Net increase in cash for the period		1
--	--	----------

Cash at beginning of period		<u>-</u>
------------------------------------	--	----------

Cash at end of period	\$	<u>1</u>
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See accompanying notes to the financial statements

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

1. General business description

Triumph Real Estate Investment Fund II LP (the "Partnership") was registered pursuant to the provisions of the Partnership Act (Alberta) on May 28, 2018.

The Partnership was formed to acquire a portfolio of real estate assets comprised of multi-tenant office, industrial or retail properties located in the provinces of Alberta, Saskatchewan and Ontario, and in the states of Arizona, Colorado, Nevada, Oregon, Texas and Washington. Where a property acquired is in the United States or Canada, the Partnership will utilize a United States registered limited partnership or Canadian limited partnership, respectively, to acquire that property.

A limited partnership agreement, dated May 28, 2018, governs the operations and business affairs of the Partnership. In accordance with the agreement, all operations are overseen by the general partner, Triumph Real Estate Investment Fund II GP Ltd. (the "General Partner").

If not terminated sooner, the term of the Partnership shall continue until December 31, 2024 with an option at the discretion of the General Partner to extend the term to December 31, 2025.

These financial statements do not include all the assets and liabilities of the partners, but only those relating to the business of the Partnership.

The Partnership is not subject to income taxes. The net income or loss of the Partnership is allocated to the limited partners for tax purposes.

The address of the registered office of the Partnership is 605, 2303 – 4 Street SW, Calgary, Alberta, T2S 2S7.

2. Going concern

These financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Partnership's ability to continue as a going concern is dependent upon Triumph Real Estate Investment Fund II (the "Trust") raising funds through an offering memorandum as disclosed in Note 8 and the Partnership achieving profitability. The proposed business of the Partnership involves a high degree of risk and there is no assurance that the Partnership will be able to raise the funds necessary to finance its activities as disclosed in Note 1. These matters cast significant doubt upon the validity of the going concern assumption.

These financial statements do not give effect to adjustments that would be necessary should the Partnership be unable to continue as a going concern and be required to realize its assets and discharge its liabilities and commitments at amounts different from those in the accompanying financial statements. Such adjustments could be material.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

3. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the General Partner of the Partnership on June 27, 2018.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) *Judgments*

Classification of limited partnership units

The Partnership has issued an initial partnership unit to a limited partner. In determining whether this should be classified as liability or equity, management has assessed whether the partnership units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 *Financial Instruments: Presentation* ("IAS 32") which permit the classification of a puttable instrument as equity has been satisfied.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

3. Basis of preparation (cont'd)

Use of estimates and judgments (cont'd)

The Partnership's Class A limited partnership units ("Class A units") are redeemable at the option of the holder and therefore are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instrument may be presented as equity. The Partnership's Class A units were determined to not meet the conditions of IAS 32 and therefore cannot be classified and accounted for as equity. The classification of the Class A units as financial liabilities, with presentation as net assets attributable to Class A unitholders, does not alter the underlying economic interest of the Class A unitholders in the net operating results attributable to the Class A unitholders. The distributions on Class A units are classified as an expense on the statement of net income and comprehensive income.

The Partnership's Class B limited partnership units ("Class B units") are not considered puttable instruments however the Class B units require the Partnership to deliver a share of the net assets on liquidation pro rata with respect to Class B unit entitlement amongst Class B unitholders. As the Partnership has a limited term this creates an obligation and requires the units to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32 in which case, the Class B units may be presented as equity. The Partnership's Class B units were determined to have not have met the conditions in accordance with IAS 32 and therefore cannot be classified and presented as equity in the financial statements.

The classification of the Class B units as a financial liability, with presentation as net assets attributable to Class B unitholders does not alter the underlying economic interest of the Class B unitholders in the net operating results attributable to the Class B unitholders. The distributions on Class B units are classified as an expense on the statement of net income and comprehensive income.

As a result of the classification of Class A and Class B units as liabilities, the Partnership has no instruments that qualify for equity classification on its statement of financial position under IFRS.

4. Significant accounting policies

Cash

Cash and cash equivalents consist of cash on hand.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

4. Significant accounting policies (cont'd)

Financial instruments

Financial assets

Non-derivative financial assets within the scope of IFRS 9 *Financial instruments* are classified as financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), and financial assets at amortized cost. The Trust determines the classification of financial assets at the time of initial recognition based on the Trust's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value, and in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Trust becomes a party to the contractual provisions of the instrument.

The Trust has classified cash as a financial asset at amortized cost.

Financial assets measured at FVTPL includes financial assets management intends to sell in the short term, and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measure at FVTPL are carried at fair value in the statement of financial position with changes in fair value recognized in net income.

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and that the Trust has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. After initial measurement, financial assets measure at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss. When the financial asset is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Financial assets measure at amortized cost are subsequent measured at the end of each reporting period at amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or cost that are an integral part of the EIR. EIR amortization is included in the statements of net income and comprehensive income.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or the Trust no longer retains substantially all the risks and rewards of ownership.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL, such as for held for trading or derivative instrument, or the Trust has opted to measure the financial liability at FVTPL. All financial liabilities are recognized initially at fair value, net of applicable transaction costs unless they are classified as FVTPL.

After initial recognition, financial liabilities measured at amortized cost are measured at the end of each reporting period at amortized cost using the EIR method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires, with any associated gain or loss recognized in net income.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

4. Significant accounting policies (cont'd)

Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Timing or exact amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

Future accounting standards and interpretations

The Partnership has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following are relevant to the Partnership:

The Partnership will be required to adopt IFRS 16 *Leases* ("IFRS 16"). IFRS 16 eliminates the classification of leases as either operating or finance leases and requires the recognition of assets and liabilities for all leases, unless the lease term is twelve months or less, or the underlying asset has a low value. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019. The Partnership has not early adopted this standard and is currently assessing the impact that this standard will have on the financial statements.

5. Net assets attributable to limited partner

The Partnership may issue up to 50,000,000 Class A units having a capital contribution amount of not less than \$1 per Class A unit and up to 1,000,000 Class B units having a capital contribution amount of not less than \$0.001 per Class B unit.

The initial limited partner was issued 1 Class A unit for cash of \$1.

Net assets attributable to limited partner consists of units held by the limited partner, plus cumulative income (loss) allocations net of distributions.

Each holder of Class A units shall be entitled to require the Partnership to redeem all or part of their Class A units, and shall be entitled to receive a price equal to the following: (i) within 12 months from the date of issuance of the Class A unit certificate equal to an amount per Class A unit of 90% of the subscription price paid by the unitholder, and (ii) at any time after the anniversary of the date of issuance of the Class A unit certificate an amount per Class A unit of 95% of the subscription price paid by the unitholder.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

5. Net assets attributable to limited partners (cont'd)

The Partnership may be required to redeem up to \$75,000 of Class A units in the form of cash in each fiscal quarter (the "Quarterly Limit") provided that the General Partner may, in its sole discretion, waive the limitation in respect of all Class A units tendered for redemption in any fiscal quarter. When the total amount payable in respect of all Class A units tendered for redemption in the same fiscal quarter exceeds the Quarterly Limit, Class A units will be redeemed for cash on a pro rata basis up to the Quarterly Limit and thereafter, subject to regulatory approvals, shall be paid and satisfied by the Partnership distributing promissory notes, or other assets held by the General Partner, or any combination thereof, for the balance. The promissory notes will be unsecured, bear interest from the issue date of each such promissory note at a rate of 5%, payable annually in arrears, being due and payable on the third anniversary of the date of issuance, and being subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the General Partner. The Partnership is not required to redeem Class A units in the form of cash if such Class A units are redeemed within the first 24 months of the anniversary of the date of issuance. The Partnership also may not be required to redeem Class A units in the form of cash if in the sole opinion of the General Partner, the payment would not be in the best interest of the Partnership having regard to the then current cash position of the Partnership.

During the term of the Partnership, the Class A unitholders shall be entitled to an amount equal to 7% per annum, calculated on the capital contribution of the Class A units (the "Preferred Return"). The Preferred Return shall be cumulative from the first day of the month immediately following the month in which the capital contribution occurred until the date the unitholders capital contribution is returned through distributions.

Net income or net loss of the Partnership is allocated as follows:

- a) Firstly, 100% to the limited partners holding Class A units in accordance with their proportionate shares until they have received distributions to the extent of unreturned capital contributions and equal to the amount of any cumulative Preferred Return deficiencies;
- b) Secondly, 70% to the limited partners holding Class A units and 30% to the limited partners holding Class B units in accordance with their proportionate shares until the limited partners holding Class A units have received distributions equal to a 12% annualized return on their capital contributions, calculated during the period commencing on when the capital contribution was received by the Partnership until the date on which the capital contribution has been returned to the limited partner;
- c) Thirdly, if at any time there are no limited partners then any amount which would have been allocated to the limited partners will be allocated to the General Partner.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

5. Net assets attributable to limited partners (cont'd)

The distributable cash of the Partnership is allocated as follows:

- a) Firstly, \$100 to the General Partner annually;
- b) Secondly to the limited partners holding Class A units in accordance with their proportionate shares to the extent of their unreturned capital contributions;
- c) Thirdly to the limited partners holding Class A units in accordance with their proportionate shares to the extent of any cumulative Preferred Return deficiencies;
- d) Fourthly, 70% to the limited partners holding Class A units and 30% to the limited partners holding Class B units in accordance with their proportionate shares until such time as the limited partners holding Class A units have received distributions equal to a 12% annualized return on their capital contributions calculated during the period commencing on when the capital contribution was received by the Partnership until the date on which the capital contribution has been returned to the limited partner;; and
- e) Fifthly, 50% to the limited partners holding Class A units and 50% to the limited partners holding Class B units in accordance with their proportionate shares.

The Agreement provides for the payment of the following fees to the General Partner from the Partnership:

- i) will pay a management fee ("Management Fee") equal to 2% of the total amount of funds received by the Partnership through the distribution of Class A units by the Partnership;
- ii) commencing January 1, 2020, will pay a fee equal to 5% of the net operating income of the Partnership in each of the remaining years of the term of the Partnership;
- iii) may pay an acquisition fee equal to 1% of the purchase price of a property acquired; and
- iv) may pay a disposition fee equal to 1% of the sale price of a property disposed of by the Partnership.

6. Financial instruments and financial risk management

Fair value

The fair value of a financial instrument is the estimated amount that the Partnership would receive or pay to settle the financial assets and liabilities at the reporting date.

The fair value of cash approximates its carrying amounts due to its short term nature.

The fair value of the net assets attributable to limited partner is not readily determinable as it is dependent on the future performance of the Partnership.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

6. Financial instruments and financial risk management (cont'd)

Risk management framework

The Partnership employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Partnership's business objectives and risk tolerance levels. While the General Partner has overall responsibility for the establishment and oversight of the Partnership's risk management framework, management has the responsibility to administer and monitor these risks.

Credit risk

Credit risk is the risk of financial loss to the Partnership if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cash consists of cash on hand therefore management has assessed that the credit risk to the Partnership is minimal.

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they become due. The Partnership's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Partnership's ongoing liquidity will be impacted by various external events and conditions.

The Partnership expects to settle its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flow (Note 2).

7. Capital management

The primary objectives of the Partnership's capital management are to invest in a diversified portfolio of well-located quality investment properties in municipal centres in selected provinces of Canada and states of the United States with positive cash flows in order to generate positive returns for unitholders. The Partnership intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities and to sustain future development.

The Partnership will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business. The Partnership considers its capital structure to be net assets attributable to limited partner. In order to maintain or adjust the capital structure, the Partnership may from time to time issue partnership units, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

On May 28, 2018, the total capital of the Partnership increased due to the issuance of a Class A unit.

The Partnership is not subject to externally imposed capital requirements.

Triumph Real Estate Investment Fund II LP

Notes to the Financial Statements

Date of registration on May 28, 2018

8. Subsequent events

Offering memorandum

Subsequent to May 28, 2018, the Trust prepared an offering memorandum dated June 27, 2018 for the offer of units of the Trust ("Units") with up to an aggregate maximum total gross proceeds of \$50,000,000 and an aggregate minimum total gross proceeds of \$1,000,000. The price per Unit will be \$1.

The Trust has not retained any selling agent for the sale of the Units. However, the Trust may pay finder's fees of up to 6.9% with a trailer commission of 0.5% on the gross proceeds realized from units sold to persons authorized by the Trust to sell Units.

The proceeds from the issue of the Units will be paid to the Trust and administered on behalf of the Trust by Triumph Real Estate Investment Fund 1 AdminCo Ltd. (the "Administrator"). The Administrator will use the funds to acquire Class A units in the Partnership and may also loan a portion of such funds to a United States registered limited partnership which will be controlled by the Partnership to use for United States property acquisitions. The number of Class A units to be acquired, or funds to be loaned by the Trust will be contingent on the amount of funds raised pursuant to the offering. The Trust will be the only holder of Class A units in the Partnership. Where a property acquired is in the United States or Canada, the Partnership will utilize a United States registered limited partnership or Canadian limited partnership, respectively, to acquire that property.

Agreement

The Trust has entered into a funding agreement with the Partnership whereby the Partnership has agreed to pay for all costs, fees, selling commissions and wholesaling fees, together with all operating and administration expenses incurred by the Trust associated with the offering of the Trust by way of the offering memorandum noted above.

Unit issuance and redemption

On June 18, 2018, the Partnership issued 1,000,000 Class B Units for total proceeds of \$1,000 and the initial Class A Unit was redeemed for \$1.00.

ITEM 13 – DATE AND CERTIFICATE

Dated: June 27, 2018

This Offering Memorandum does not contain a misrepresentation.

**TRIUMPH REAL ESTATE INVESTMENT FUND II
by its Administrator**

TRIUMPH REAL ESTATE INVESTMENT FUND 1 ADMINCO LTD.

Per:



David Wallach, Director and President

Per:



Craig Bentham, Director and Vice-President