



EQUITON RESIDENTIAL INCOME FUND TRUST

OFFERING MEMORANDUM

March 1, 2019

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

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

EQUITON RESIDENTIAL INCOME FUND TRUST OFFERING MEMORANDUM



Continuous Private Placement Offering

Date:	March 1, 2019
The Issuer:	EQUITON RESIDENTIAL INCOME FUND TRUST (the “Issuer”)
Head office:	1111 International Blvd, Suite 600, Burlington, ON, L7L 6W1
Phone #:	905-635-1381
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E-mail address:	inquiries@equiton.com
Website	www.equiton.com
Currently listed or quoted?	No. These securities do not trade on any exchange or market.
Reporting issuer?	No.
SEDAR filer?	Yes, but only as required pursuant to section 2.9 of National Instrument 45-106 – <i>Prospectus Exemptions</i> . The Issuer is not a reporting issuer and does not file continuous disclosure documents on SEDAR that are required to be filed by reporting issuers.

The Offering

Securities Offered	An unlimited number of Class A, Class F, and Class I trust units of the Issuer (collectively, the “ Trust Units ”).
Price Per Security	Determined by the Trustees of the Issuer from time to time and set forth in the subscription agreement(s) entered into between the Subscriber and the Issuer.
Minimum/Maximum Offering	There is no minimum or maximum to this Offering. The Issuer will offer an unlimited number of Trust Units on a continuous basis. You may be the only purchaser. Funds available under this Offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription Amount	\$10,000. The minimum subscription amount of \$10,000 may be waived at the discretion of the Issuer. The Issuer permits investments from portfolio managers that are below the stated minimum subscription amount for reasons related to client portfolio allocations. See “ <i>Subscription Procedures</i> ”.
Payment Terms	Payment in full by certified cheque, bank draft or direct deposit of the subscription price is to be made with the delivery of a duly executed and completed subscription agreement to the Issuer. See “ <i>Subscription Procedures</i> ”.
Proposed Closing Date(s)	Closing will take place periodically as agreed upon by the Issuer and the Agent.
Income Tax Consequences:	There are important tax consequences to these securities. See “ <i>Canadian Federal Income Tax Considerations</i> ”.

<p>Selling Agents:</p>	<p>Equiton Capital Inc. (the “Agent”) will act as lead agent in connection with the Offering. The Agent may, at its discretion, engage one or more sub-agents as selling agents.</p> <p>In connection with the Offering, the Issuer is considered a “connected” or “related” issuer of the Agent under applicable Canadian securities legislation. Jason Roque, a Trustee of the Issuer, indirectly, through wholly owned subsidiaries, controls the Agent and is a director and the President of the Agent. In addition, Helen Hurlbut, a Trustee of the Issuer, is the Chief Financial Officer of the Agent. In addition, the Agent acts exclusively for certain companies that are either directly or indirectly controlled and/or beneficially owned by Jason Roque, or which hold securities in companies that are either directly or indirectly controlled and/or beneficially owned by Jason Roque.</p> <p>In light of the foregoing, the Issuer is a “connected issuer” and “related issuer” of the Agent under Canadian securities law. The decision to distribute the Trust Units and the determination of the terms of the distribution were not negotiated at arm’s length between the Agent and the Issuer. The determination by the Issuer to proceed with the Offering was not made at the request or suggestion of the Agent. The Agent will not receive any benefit in connection with the Offering other than its portion of the Agent’s Fees payable by the Issuer to the Agent described under “<i>Compensation Paid to Sellers and Finders</i>”. The proceeds of the Offering will not be applied for the benefit of the Agent. However, the proceeds of the Offering will be used by the Issuer to invest in the Partnership, the General Partner of which is an Affiliate of the Agent, and Equiton Partners Inc. (“Equiton Partners”), an Affiliate of the Agent will receive fees for its engagement as Asset Manager and Property Manager of the Partnership. The General Partner and Agent are Related Parties (defined herein) to the Issuer.</p> <p>See “<i>Compensation Paid to Sellers and Finders</i>”, “<i>Relationship Between Issuer, the Agent and other Related Parties</i>” and “<i>Purchase Options</i>”.</p>
<p>Resale Restrictions:</p>	<p>You will be restricted from selling your Trust Units for an indefinite period. See “<i>Resale Restrictions</i>”.</p>
<p>Redemption Rights:</p>	<p>The Trust Units are redeemable upon demand of the Trust Unitholder. However, these redemption rights are subject to limitations, including a monthly limit of \$50,000 in respect of all Trust Units tendered for redemption in a calendar month. If the redemptions tendered in a calendar month exceed the foregoing limit, then the Issuer may satisfy the payment of the Redemption Amount, in part, by the issuance of Redemption Notes, which are promissory notes. Any Redemption Notes which may be received as a result of a redemption of Trust Units will not be qualified investments for a Deferred Income Plan and may have adverse tax consequences if held by a Deferred Income Plan. See “<i>Declaration of Trust</i>”. See “<i>Redemption of Trust Units</i>”. See “<i>Eligibility for Investment by Deferred Income Plans</i>.”</p>

Subscriber's Rights:	You have two (2) Business Days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See " <i>Subscriber's Rights of Action</i> ".
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No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any misrepresentation to the contrary is an offence. The information disclosed on this page is a summary only. Subscribers should read the entire Offering Memorandum for full details about this Offering. This is a risky investment. See "*Risk Factors*".

Any OM Marketing Materials prepared by the Issuer are deemed to be incorporated by reference into this Offering Memorandum.

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FORWARD LOOKING INFORMATION

This Offering Memorandum and any OM Marketing Materials incorporated by reference may contain forward-looking statements. These statements relate to future events or the Issuer's future performance. All statements other than statements of historical fact are forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", "project" or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum and any OM Marketing Materials may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

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

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

The forward-looking statements contained in this Offering Memorandum or in any OM Marketing Materials are expressly qualified by this cautionary statement. These forward-looking statements speak only as of the date of this Offering Memorandum. The Issuer is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum, to conform such statements to actual results or to changes in the Issuer's expectations except as otherwise required by applicable legislation. The risks and uncertainties attributable to these forward-looking statements may adversely affect the distributions to be made on, the Trust Units. Some of these are discussed in the section "*Risk Factors*". You should carefully consider the risk factors in

addition to the other information provided herein, by the Issuer herein or in any OM Marketing Materials.

OM MARKETING MATERIALS

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

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

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

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

GLOSSARY

"Adjusted Gross Revenues" means all gross revenues received from the operations of the Properties, not including any non-recurring items (including, without limitation, refinancing proceeds, sale proceeds, lease buy-outs or similar payments).

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

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

"Agent" means Equiton Capital Inc., a corporation governed by the laws of the Province of Ontario and an entity indirectly controlled by Jason Roque.

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

“Asset Management Agreement” means the asset management agreement made as of March 1, 2016, between the Asset Manager and the Partnership, as amended April 27, 2017.

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

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

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

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

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

“CBCA” means the *Canada Business Corporations Act* and the regulations thereunder, as amended or supplemented from time to time.

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

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

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

“Class F Trust Unit” means a voting Class F trust unit of the Issuer, and are generally only available to Subscribers who have Fee-Based Accounts or who are purchasing directly from the Issuer.

“Class I Trust Unit” means a voting Class I trust unit of the Issuer, and are designed for institutional investors. The fees payable on Class I Trust Units will be determined based on negotiation and agreement between a Subscriber and the Issuer.

“CRA” means the Canada Revenue Agency.

“Declaration of Trust” means the third amended and restated declaration of trust of the Issuer made as of February 28, 2019, with effect as of March 1, 2016 as amended and subject to ratification at a meeting of Trust Unitholders expected to be held in April, 2019.

“Deferred Income Plan” means any trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account or a deferred profit sharing plan, each as defined in the Tax Act.

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

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

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

“Distribution Period” means each month in each fiscal year of the Issuer or such other distribution period as may be determined by the Trustees in their sole discretion.

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

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

“Eligible Investor” has the meaning set out in NI 45-106.

“Equiton Acquisition Corporation” means Equiton Acquisition Inc., a corporation governed by the laws of Ontario and an entity indirectly controlled by Jason Roque, which corporation has been formed for the purpose of acquiring Properties on behalf of the Partnership.

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

“Equiton Partners Appointee” means a Trustee that Equiton Partners is entitled to appoint pursuant to the Declaration of Trust.

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

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

“Focus Activity” means the acquisition, holding, maintaining, improving, leasing or managing of multi-unit residential revenue-producing properties (and ancillary commercial or other real estate ventures) for investment purposes and assets ancillary thereto necessary for the operation thereof and such other activities as are consistent with the other investment guidelines of the Issuer as set out in the Declaration of Trust.

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

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

“Governmental Authority” means any:

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

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

the greater of:

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

“Gross Book Value” means, at any time,

(a) the greater of:

- (i) the book value of the assets of the Issuer, as shown on its then most recent balance sheet, plus the amount of accumulated depreciation and amortization thereon; and
the historical cost of the investment properties, plus (A) the carrying value of cash and cash equivalents, (B) the carrying value of mortgages receivable, and (C) the historical cost of other assets and investments used in operations; or

- (b) if approved by a majority of the Trustees, the appraised value of the assets of the Issuer.

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

“Issuer” means Equiton Residential Income Fund Trust.

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

“LP Agreement” means the amended and restated limited partnership agreement made as of September 29, 2016, as amended on April 27, 2017 with effect as of March 1, 2016, between the General Partner and the Limited Partners as it may be further amended, supplemented or restated from time to time.

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

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

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

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

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

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

“NI 87-107” means National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as amended from time to time (including any successor rule or policy thereto).

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

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

“OBICA” means the *Business Corporations Act* (Ontario) and the regulations thereunder, as amended or supplemented from time to time.

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

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

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

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

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

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

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

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

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

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

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

“Property Management Agreement” means the property management agreement made as of March 1, 2016, between the Property Manager and the Partnership.

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

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

“Redeemable LP Unit” means a voting limited partnership unit of the Partnership redeemable at the option of the Partnership, which limited partnership units may only be held by Equiton Partners and its affiliates. In the event that Redeemable LP Units are issued by the Partnership, an equal number of Special Voting Units shall be issued to the holder of the Redeemable LP Units for nominal consideration.

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

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

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

- (a) unsecured and shall bear interest at the Prime Rate plus 2% and such interest shall be payable in cash to the holder of the Redemption Notes in the same manner as distributions hereunder, *mutatis mutandis*;
- (b) may be tendered for payment in the same manner as Trust Units are tendered for redemption; and
- (c) having a maturity date determined by the Trustees in their sole discretion, but in any event, not exceeding five (5) years from the date of issuance;

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

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

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

“Short Term Trading Fee” means the fee (if any) that is applied against the redemption proceeds payable to a Trust Unitholder for an early redemption of Trust Units, which fee is set out in the subscription agreement entered into between the Subscriber and the Issuer in respect of the Trust Units. See *“Purchase Options”*.

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

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

“Subsidiary” means, with respect to any Person (other than an individual), any other Person (other than an individual), the financial results of which would be required to be consolidated with those of the first Person’s in the preparation of the first Person’s consolidated financial statements if prepared in accordance with GAAP.

“Take-Over Bid” has the meaning given to such term in the *Securities Act* (Ontario), as amended from time to time.

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

“Transaction Fees” has the meaning set out in *“Material Agreements – Asset Management Agreement - Asset Manager’s Fees”*.

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

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

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

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

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

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

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

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

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

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

SUMMARY

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

Description of Issuer

Equiton Residential Income Fund Trust (the “**Issuer**”) is an unincorporated open-ended investment trust created by a third amended and restated declaration of trust made as of February 28, 2019, with effect as of March 1, 2016, as amended (the “**Declaration of Trust**”) and subject to ratification at a meeting of Trust Unitholders expected to be held in April, 2019 and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The trustees of the Issuer (“**Trustees**”) are responsible for the general control and direction of the Issuer. The Issuer was established with the objective of investing directly in the business of the Partnership through its acquisition of Class A LP Units. The day-to-day management of the Partnership is carried out by an asset manager engaged by the Partnership. A property manager manages the properties of the Partnership (the “**Properties**”).

The Offering

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

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

Management of Issuer

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

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

The Asset Manager

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

The Asset Manager will perform the services set out in the Asset Management Agreement for an initial term of five (5) years. The Asset Management Agreement will automatically continue for further terms of five (5) years unless terminated by either party. The Asset Manager is responsible for: providing ongoing analysis of the market in Canada and elsewhere for multi-unit residential rental properties; providing acquisition, disposition and asset management advice to the Partnership; performing due diligence on any properties being considered for acquisition by the Partnership; hiring and managing specialists, consultants, advisors or other like persons reasonably required from time to time in furtherance and support of its services, provided that the fees and out-of-pocket costs of each such specialist, consultant and advisor will be for the account of the Partnership and not to the account of the Asset Manager; preparing and distributing annual estimate on a property-by-property basis of the amount to be reserved from the revenues of the Properties for any necessary capital repairs; establishing and maintaining a commercial bank overdraft line of credit to protect the Partnership and any Subsidiary against overdraft charges; using cash reserves from the Properties to manage the cash flow requirements of the Partnership and any Subsidiaries, including the invoice and collection of interest on any short term loans made to individual Subsidiaries from such cash reserves; considering and implementing, in its discretion, as aforesaid, interest rate, currency, commodity and other financial hedges and other policies to manage (increasing, maintaining or decreasing) risk exposure for the Partnership and its Subsidiaries on a consolidated basis; opening and managing any investment, banking, trading or brokerage account required for it to manage the aforementioned financial hedges; and using commercially reasonable efforts to arrange with third party lenders short and long term financing or refinancing for one or more Properties or for the Partnership provided the foregoing shall in no circumstances constitute an undertaking by the Asset Manager to make any loan to the Partnership or any Subsidiary at any time in any amount.

The Property Manager

Equiton Partners has been engaged by the Partnership to act as Property Manager. The Property Manager will manage the Properties and receive fees pursuant to the Property Management Agreement for an initial term of five (5) years. The Property Management Agreement shall automatically renew for further terms of five (5) years unless terminated by either party. The Property Manager shall have the right to hire a subcontractor to sub-manage any of the Properties if, in the opinion of the Property Manager, this would be in the best interest of the Property in question. See “*The Property Manager*” and “*Material Agreements – Property Management Agreement*”.

Management and Investment Strategy

The personnel of the Asset Manager have significant experience in all aspects of the rental housing business, including acquisitions and dispositions, finance and administration, property management, construction and renovation, and marketing and sales. See the principal occupation and related experience of Jason Roque and Helen Hurlbut in “*Interests of Trustees Management, Promoters and Principal Holders – Management Experience*”. These skills will permit the Partnership to capitalize upon many multi-unit residential real estate opportunities which may be unavailable to other real estate investors who lack the requisite diversity of real estate experience. Pursuant to the Declaration of Trust, the Issuer is limited in acquiring assets that cost no more than 20% of its Gross Book Value once its Gross Book Value reaches or exceeds one hundred fifty million dollars (\$150,000,000). However until such time, the Issuer may acquire assets which reach or exceed 20% of its Gross Book Value. In 2019, the Issuer may make individual investments in multi-unit residential real estate acquisitions that exceed this 20% threshold.

The Asset Manager will enhance the value of the Properties through a number of distinct and well executed strategies, including: a commitment to customer satisfaction; maintenance and repair programs; quality on-site building staff; detailed financial reporting; strategic debt management; enhancement of the Partnership’s portfolio; and timely communications and disclosure. The Asset Manager will initially focus on secondary markets as well as value add opportunities; moving into primary markets as opportunities become available and as the Partnership’s portfolio grows. The Asset Manager will also use the strength of the Partnership’s portfolio to obtain more competitive financing and pricing on commodities and contracted expense items. See “*Management and Investment Strategies*”.

The Properties

The Issuer currently owns a number of properties in various communities. See *Schedule A – Description of Properties*.

Capital Improvements and Expenditures

The Properties are typical of multi-unit residential apartment buildings constructed between the 1920s and 1990s. Repairs and maintenance to the component systems of the Properties were to a large extent dependent on the policies and financial capability of the Vendor or any predecessor owner of the Properties. At the time of acquisition of each of the Properties, complete property investigations were conducted, including with respect to financial, title, construction,

environmental and operational matters. The investigations met the investment criteria and the properties were successfully purchased.

During the due diligence period for an acquisition, the Asset Manager will use its own experience to inspect the properties under consideration. When required, the Asset Manager will call upon various trades-people to inspect and report on systems that they specialize in. The Asset Manager will suggest and supervise upgrades and investments in the buildings, will be justified by being accretive to the portfolio and which will be undertaken with best price and efficiency taken into consideration. The experience of the Asset Manager will be utilized to employ non-quantitative improvements that will also add value to the portfolio through enhancement of the Property value and/or revenue stream. Where engineering reports are required by the lending institutions, the Asset Manager will hire the best firms to address the building envelope and make recommendations.

Investment Guidelines and Operating Policies

The Declaration of Trust contains investment guidelines and operating policies. The investment guidelines include, among other things, criteria with respect to the types of properties which the Issuer, and its Subsidiaries, can acquire and the maximum amount of mortgage loans in which the Issuer, and its Subsidiaries, may invest. The operating policies address, among other things, the level of the Issuer's debt and the requirements for insurance coverage and environmental audits.

The investment guidelines may only be changed upon the approval of a two-thirds majority of the votes cast by Trust Unitholders at a meeting called for such purpose. The operating policies may be changed upon the approval of a majority of the votes cast by Trust Unitholders at a meeting called for such purpose. See "*Investment Guidelines and Operating Policies*".

Property Mortgages, Equiton Loans and Redeemable LP Units

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

Equiton Loans and Redeemable LP Units

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

- (a) Loans to the Partnership from Equiton Partners (the "**Equiton Loans**") in order to complete any future acquisitions. The terms and conditions of such Equiton Loans will be determined at the time of making such loans, however, the Issuer anticipates such Equiton Loans will be interest only payable loans, with no fixed term, and will bear interest at a fixed annual rate of 5% payable monthly. Additionally, the Issuer anticipates the Equiton Loans will be repayable to Equiton Partners in cash or Class A LP Units (at the discretion of Equiton Partners) and will be assignable by Equiton Partners; and
- (b) Issuance of Redeemable LP Units to Equiton Partners. For each Redeemable LP Unit issued, the Issuer shall issue to such recipient one Special Voting Unit, which Special Voting Unit entitles the holder to one vote.

Equiton Partners, as the Asset Manager, will receive a financing fee of up to 1% of the outstanding principal amount of a first priority mortgage, up to 1.5% of the outstanding principal amount of any second mortgage or line of credit and 1.5% of the principal amount of any Equiton Loans. Equiton Partners is a Related Party of the Issuer. See “*Asset Management Agreement – Asset Manager Fees*” and “*Relationship Between the Issuer, the Agent, and Other Related Parties*”.

Distribution Policy

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

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

In addition, the Trustees may declare to be payable and make distribution, from time to time, out of the Trust Income, the Net Realized Capital Gains (other than capital gains the tax on which may be recoverable by the Issuer), the capital of the Issuer or otherwise, in any year, in such amount or amounts, and on such dates on or before December 31 of that year as the Trustees may determine, to the extent such income, capital gains and capital has not already been paid, allocated or distributed to the Trust Unitholders. Distributions are declared and paid at the discretion of the Trustees. Trustees, in their discretion, may allocate distributions among the classes of Trust Units to adjust for the commissions, trailers and other costs attributable to the sales channels relating to each class of Trust Unit. Distributions per Trust Units of the same class shall be identical. See “*Material Agreements – Declaration of Trust – Distribution Policy*”.

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

Distribution Reinvestment Plan

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

Canadian Federal Income Tax Considerations

The Issuer is of the view that as of the date hereof, the Issuer is a “mutual fund trust” under the provisions of the Tax Act. This summary assumes the Issuer is and will continue to qualify as a “mutual fund trust” at all relevant times. In the event that the Issuer were not to qualify as a mutual fund trust, the Canadian federal income tax consequences described below would, in some aspects, be materially and adversely different. Generally, if the Issuer does not qualify or ceases to qualify as a mutual fund trust at any time, the Trust Units will not be, or will cease to be, qualified investments for Deferred Income Plans at that time. Furthermore, if the Trust Units are “prohibited investments” for a trust governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), or a tax-free savings account (“**TFSA**”) which acquired Trust

Units pursuant to this Offering Memorandum, the annuitant or holder will be subject to a penalty tax in respect of such Trust Units.

The Issuer is generally subject to tax under the Tax Act in respect of the Trust Income and the Net Realized Capital Gains in each taxation year, except to the extent that such amounts are paid or payable or deemed to be paid or payable in such year to Trust Unitholders and deducted by the Issuer for tax purposes.

A Trust Unitholder is required to include in computing income for tax purposes in each year the portion of the amount of the Trust Income and taxable portion of the Net Realized Capital Gains of the Issuer, determined for the purposes of the Tax Act, paid or payable to such Trust Unitholder in the year that the Issuer deducts in computing its income for tax purposes, whether that amount is received in cash, additional Trust Units, or otherwise. Distributions in excess of the Trust Income and the Net Realized Capital Gains in a year will not be included in computing the income of the Trust Unitholders from the Issuer for tax purposes. However, a Trust Unitholder is required to reduce the adjusted cost base to the Trust Unitholder by the portion of any amount paid or payable to the Trust Unitholder by the Issuer (other than the non-taxable portion of certain capital gains) that was not included in computing income and will realize a capital gain in the year to the extent the adjusted cost base of the Trust Units would otherwise be a negative amount.

Upon the disposition or deemed disposition, whether on a redemption or otherwise, by a Trust Unitholder of a Trust Unit, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Trust Unit exceed (or are exceeded by) the aggregate of the adjusted cost base to the Trust Unitholder of the Trust Unit immediately before the disposition and any reasonable costs of the disposition. The adjusted cost base to a Trust Unitholder of a particular class of Trust Unit will be determined by averaging the cost base of all of all the Trust Units of that class owned by a Trust Unitholder as capital property at a particular time. Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Trust Unitholder will be included in the Trust Unitholder’s income for the year of disposition. One-half of any capital loss so realized may generally be deducted against taxable capital gains of the Trust Unitholder for the year of disposition.

See “*Canadian Federal Income Tax Considerations*”, “*Risk Factors*” and “*Tax Related Risks*”.

Risk Factors

There are certain risk factors inherent in an investment in the Trust Units and in the activities of the Issuer, including risks related to liquidity and potential price fluctuation of the Trust Units, real property ownership, mortgage refinancing, availability of cash flow, government regulation and environmental matters, Trust Unitholder liability, dependence on key personnel, potential conflicts of interest, changes in legislation, investment eligibility, tax related risks and dilution arising from the issue of additional Trust Units. See “*Risk Factors*”.

Tax Related Risks

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Issuer or the Trust Unitholders. If the Issuer fails to or ceases to qualify as a “mutual fund trust”, the Canadian Federal tax considerations described under “*Canadian Federal Income Tax Considerations*” and “*Eligibility for Investment for Deferred Income Plans*” would be materially and adversely different. The Issuer, its Subsidiaries and the Trust Unitholders may be reassessed for additional taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect the Issuer and the Trust Unitholders. See “*Risk Factors – Tax Related Risks*”.

Subscription Procedures

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

Purchase Options

Class A Trust Units:

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

Option 1 – Deferred Sales Charge Option – the Agent or sub-agent receives an upfront commission of 6% of the subscription price. A Deferred Sales Charge will be applied to the redemption of any such Class A Trust Units prior to the fifth anniversary of their subscription.

Option 2 – Low Load Option – the Agent or sub-agent receives an upfront commission of 3% and an ongoing trailer of 0.75% per annum for so long as the Subscriber remains a holder of such Class A Trust Units. There will be a Short Term Trading Fee applicable to the redemption of any such Class A Trust Units prior to the third anniversary of their subscription.

Option 3 – Front Load Option – the Agent or sub-agent negotiates a commission (if any) which the Subscriber pays directly and the Agent or sub-agent receives an ongoing trailer of 1% per annum for as long as the Subscriber remains a holder of such Class A Trust Units. There will be a Short Term Trading Fee applicable to the redemption of any such Trust Units within the first 6 months of their subscription.

Class F Trust Units:

Generally only available to investors who have Fee-Based Accounts or who are investing directly with the Issuer. No commission and no trailers are paid to the Agent. There will be a Short Term Trading Fee applicable to the redemption of any such Class F Trust Units within 6 months of their subscription.

Class I Trust Units:

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

Redemption Rights

The Trust Units are redeemable upon demand of the Trust Unitholder. However, these redemption rights are subject to limitations, including a monthly limit of \$50,000 in respect of all Trust Units tendered for redemption. If the redemptions tendered in a calendar month exceed the foregoing limit, then the Issuer may satisfy the payment of the Redemption Amount, in part, by the issuance of Redemption Notes, which are promissory notes. Any Redemption Notes which may be received as a result of a redemption of Trust Units will not be qualified investments for a Deferred Income Plan and may have adverse tax consequences if held by a Deferred Income Plan. See “*Declaration of Trust*”. See “*Redemption of Trust Units*”. See “*Eligibility for Investment by Deferred Income Plans*.”

Resale Restrictions

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

Subscribers of Trust Units may subsequently trade their Trust Units provided that such trades are made pursuant to an exemption from registration and prospectus requirements contained in applicable securities legislation. See “*Resale Restrictions*”.

Subscribers’ Rights of Action

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

USE OF AVAILABLE FUNDS

Funds

The following table discloses the net proceeds of this Offering:

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

Notes:

- (1) There is no minimum or maximum Offering. The Issuer will offer an unlimited number of Trust Units on a continuous basis. The minimum subscription amount per subscription is \$10,000. The minimum subscription amount may be waived by the Trustees of the Issuer from time to time and set forth in the subscription agreement(s) entered into between the Subscriber and the Issuer.
- (2) Trust Units will be sold through the Agent and sub-agents (the “**securities dealers**”). It is expected that the Issuer will pay compensation to the Agent and/or other securities dealers, up to a maximum of 6% of the subscription proceeds. The Issuer may also pay trailing commissions to the Agent and/or other securities dealers in respect of Trust Units sold by them or held in the client accounts of such securities dealers. The trailing commission will depend on the Class A Purchase Option through which the Trust Units are purchased and the class of Trust Units purchased. In addition, the Issuer will pay: wholesale costs to the Agent equal to 1.25% of the gross proceeds of this Offering, other than for Trust Units purchased pursuant to the Deferred Sales Charge Option (defined herein), and 0.5% of the gross proceeds of this Offering with respect to Trust Units purchased pursuant to the Deferred Sale Charge Option; a dealer fee of 1.5% of the gross proceeds of this Offering to the selling agent dealer based on sales made by that dealer, and an Agent fee of 0.5% of the gross proceeds of this Offering to the Agent. To the extent that Issuer is responsible for the payment of compensation to the Agents and/or other securities dealers, the funds available to the Issuer will be reduced. See “*Compensation Paid to Sellers and Finders*” and “*Purchase Option*”. The Issuer is considered a “connected” or “related” issuer to the Agent. See “*Relationship between the Issuer and the Agent*”.
- (3) The estimated costs include legal, consulting, accounting and printing costs associated with this Offering are estimated to be approximately \$150,000.
- (4) If additional funding is required by the Partnership, the Partnership may arrange for access to the Equiton Loans and issuance of Redeemable LP Units. See “*Additional Financing*”. Equiton Partners is a Related Party of the Issuer. See “*Relationship between the Issuer, the Agent and other Related Parties*”.

Use of Available Funds

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

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming Minimum Offering⁽¹⁾	Assuming Maximum Offering
Investment by the Issuer in Class A LP Units ^{(1) (2)}	N/A	N/A

Notes:

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

All of the net proceeds raised by the Issuer from the sale of Trust Units pursuant to this Offering will be invested in the Partnership through the purchase of Class A LP Units. The proceeds of such sale of Class A LP Units will be utilized by the Partnership to finance its business operations, repay debt, redeem the Redeemable LP Units and for future property acquisitions. See "*The Partnership's Business*".

Reallocation

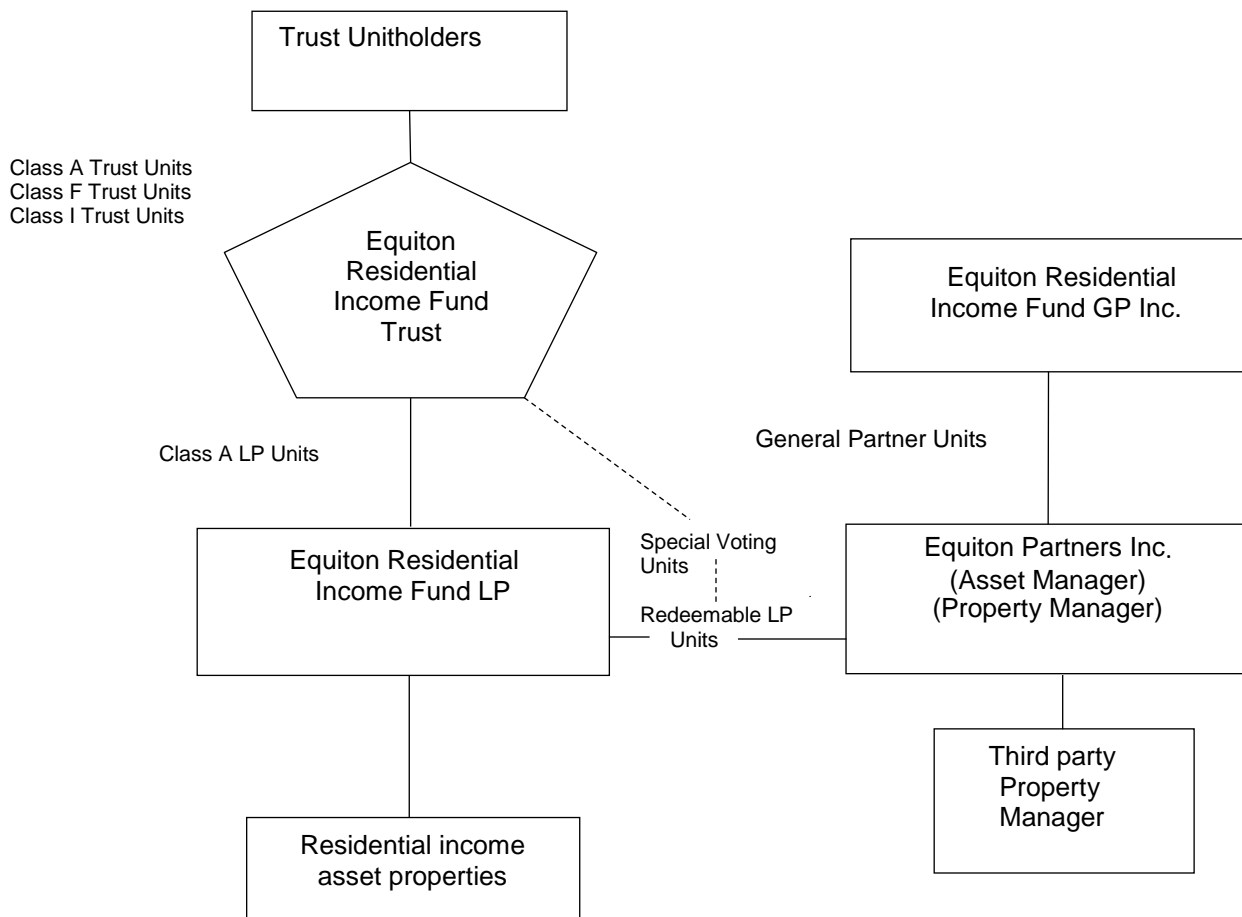
The Issuer intends to spend the available funds as stated. The Issuer will reallocate the funds only for sound business reasons in accordance with the investment objectives and restrictions of the Issuer. Reallocation of funds for any purpose not contemplated in this Offering Memorandum will require the prior unanimous approval of the Independent Trustees, subject to the voting requirements set out in the Declaration of Trust. Further, any proposed use of the funds raised by this Offering which could reasonably be considered to be materially different than the articulated use of proceeds set out herein or which is for a purpose not contemplated in this Offering Memorandum shall be disclosed to the Independent Trustees for consideration and prior unanimous approval, subject to the voting requirements set out in the Declaration of Trust. See "*Material Agreements – Declaration of Trust – Conflict of Interest Restrictions and Provisions*".

THE BUSINESS OF THE ISSUER

Structure

The Issuer is an unincorporated open-ended investment trust created by the Declaration of Trust subject to ratification at a meeting of Trust Unitholders expected to be held in April, 2019 and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See "*Declaration of Trust*" and "*Terms of Trust Units*". The Issuer was established with the objective of investing directly in the business of the Partnership through its acquisition of Class A LP Units. All or substantially all of the net proceeds of this Offering will be invested in the Partnership through the purchase of Class A LP Units.

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



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

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

Trustees

The Declaration of Trust provides that the assets and operations of the Issuer will be subject to the control and authority of a minimum of two (2) and maximum of nine (9) Trustees. Each Trustee holds office until his or her successor is appointed at a special meeting of the Voting Unitholders or otherwise in accordance with the Declaration of Trust. Any Trustee may resign

upon written notice to the Issuer, which resignation shall become effective on the later of thirty (30) days from the date of the notice or at the time specified in the resignation, unless waived by the remaining Trustees in their discretion. An Independent Trustee may be removed at any time with or without cause by a majority of the remaining Trustees. Equiton Partners is entitled to appoint up to four (4) Trustees (the “**Equiton Partners Appointees**”), provided that following such appointments, a majority of the Trustees are Independent Trustees. The board of Trustees is currently comprised of Jason Roque and Helen Hurlbut and three Independent Trustees: David Hamilton, John Miron, and C. Scot Caithness. Neither of Jason Roque and Helen Hurlbut are Independent Trustees.

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

The Partnership

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

The Issuer intends to use all or substantially all of the available funds from this Offering to purchase Class A LP Units in the Partnership. **The Issuer will become a Limited Partner of the Partnership upon the acceptance by the General Partner of the Issuer’s subscription for Class A LP Units.** See “*Material Agreements – The LP Agreement*”.

The General Partner

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

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

The Asset Manager

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

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

The Asset Manager, Equiton Partners, is a Related Party to the Issuer because Jason Roque and Helen Hurlbut, both Trustees of the Issuer, are the President and Chief Financial Officer, respectively, of Equiton Partners and Jason Roque is the sole director of Equiton Partners. In addition, Mr. Roque indirectly, through wholly owned subsidiaries, controls Equiton Partners. See "*Management Experience*" and "*Relationship between the Issuer, the Agent and Other Related Parties*". The Asset Manager may also be deemed a Related Party to the Issuer at any time, from time to time, that it holds 10% or more of the Voting Units.

The Property Manager

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

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

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

Issuer's Business

The Issuer has been established for the purpose of qualifying as a "mutual fund trust" pursuant to the Tax Act and to establish and carry on activities in order to produce income for the exclusive benefit of the Trust Unitholders and to distribute the Property of the Issuer upon termination of those activities by the Issuer. The objective of the Issuer is to invest indirectly in the business of the Partnership through its acquisition of Class A LP Units. All or substantially all of the net proceeds of this Offering will be invested in the Partnership through the purchase of Class A LP Units.

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

The Partnership's Business

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

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

Management and Investment Strategies

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

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

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

- **Detailed Financial Reporting.** The Asset Manager utilizes sophisticated financial tools to maximize the Partnership's income and measure the effectiveness of cost control and efficiency programs. The Property Manager and the Asset Manager disclose financial reporting to those involved who have a direct impact on the financial success and control of those particular incomes and expenses.
- **Strategic Debt Management.** The Asset Manager will work diligently to seek out financing opportunities to optimize the Partnership's leveraged returns. Attention to staggered maturities and terms, at leverage amounts set out by the Declaration of Trust, will ensure the Partnership's exposure to fluctuating interest rates over the short and long term are both minimized and utilized to benefit the Partnership. The Asset Manager will make use of operating lines of credit for capital expenditures and acquisitions to improve the returns of the Partnership.
- **Enhancement of the Partnership's Portfolio.** The Asset Manager is always looking at opportunities to maximize the Partnership's portfolio. The Asset Manager may look at such things as condominium conversion, utility retrofits, sub-metering and strategic upgrades, among other things as part of this strategy. Properties that are "mature" and are no longer adding value to the Partnership, may be sold or repositioned if there is a market for an enhanced property. The Asset Manager will continue to diversify the Partnership's portfolio by purchasing properties in thriving communities that will continue to strengthen and insulate the Partnership from concerns that may arise in any one community.
- **Communications.** The Asset Manager will deliver concise and current information to existing LP Unit holders with respect to the activities within the Partnership's portfolio.

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

Focusing on predominantly one asset class will enable the Partnership to acquire a critical mass of residential units. It will also enable the Partnership to bolster its market presence, thereby enhancing the Partnership's opportunities for future multi-unit residential property acquisitions at attractive prices. As well, as the Partnership grows through the acquisition of new properties and the issuance of additional Trust Units, the Partnership expects to increase the stability of its income stream and provide LP Unit holders with increased liquidity.

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

MULTI-UNIT RESIDENTIAL REAL ESTATE MARKET

The real estate industry is divided into two segments: (i) residential – where people live, and (ii) commercial. The Partnership's focus is on multi-residential properties where large numbers of individuals live in either apartment buildings, townhouses or land lease communities. This offers

the Partnership the ability to diversify the income generated by its portfolio, but, in addition, allows the Partnership the opportunity to acquire properties that are neither exclusively residential nor commercial. Often these properties are overlooked because of their mixed use, and, as a result they are often available at attractive prices.

With the portfolio consisting primarily of multi-residential real estate, including student housing, such portfolio will consist primarily of a large number of individual tenants. The aforementioned characteristics tend to mitigate cyclical swings in the real estate market, but the market is not immune to supply and demand imbalances. This is another reason that the Partnership prefers to initially acquire properties in areas that have a lower cost per unit than in metropolitan areas driven by tighter markets that justify new construction to compete for tenant market share. Income generating properties are traded based upon their net incomes. Therefore, a lower income producing asset will be bought at a lower price. The advantage is that when these buildings are purchased at a fraction of the cost of building new properties, there is less likely to be new competitive construction. If there is new construction, it is an indicator that there is a market for more expensive units which translates into rental rate increases in the Partnership's buildings within that community. Based on the growing population in the Province of Ontario, and the lack of new construction of multi-residential buildings in these secondary and tertiary markets, tenant demand for these properties has increased over the years. According to CMHC Fall 2018 reports, the vacancy rate in Ontario was 1.8%¹, while the national vacancy rate in Canada was 2.4%.² The Asset Manager monitors CMHC statistical data and forecasts as a benchmark tool when developing its investment objectives for the Partnership. As the population in Ontario continues to grow and the declining relative costs of renting versus owning increases overall rental demand, the Asset Manager expects a demand for multi-residential buildings as a result of new immigrants seeking long-term rental properties and an aging population moving from both rural and overpopulated urban centers. It is the experience of the Asset Manager that by purchasing or repositioning properties to be the 'best in class' in a community that they will attract a higher class of tenant that is respectful and will take pride living in the buildings held by the Partnership.

The Asset Manager believes that its smaller market strategy provides LP Unit holders with accretive property acquisitions in a value-added approach. The smaller market focus has the Asset Manager focusing on communities that show consistent low vacancy levels and strong population demographics that align with the class of properties that are acquired by the Partnership. Many properties that the Asset Manager is identifying as potential acquisitions are under-managed in terms of rental revenues, operating expenses and capital improvements. Previous or existing private owners may have had less leverage with vendors and utility companies for paring expenses and/or bulk purchasing, which typically results in an undermanaged building below market rental rates from an income perspective. Many of these properties rely upon the cash flow of the building's operations to fund necessary capital improvements and expenditures. This under-management becomes a difficult loop to break without a larger, more stable base of income-producing properties and a strong infrastructure to improve an underperforming building. The Partnership provides this critical mass for economies of scale and the supportive infrastructure to drive added value from its Properties.

¹ Canada Mortgage Housing Corporation - Primary Rental Market Statistics-Ontario Fall 2018.

² Canada Mortgage Housing Corporation - Primary Rental Market Statistics-Canada Fall 2018.

The Asset Manager views these smaller market buildings as accretive opportunities to bring these niche markets into a stable and expanding part of the Partnership portfolio, with the resulting benefit of collective competitive advantage for the Asset Manager to improve LP Unit holder returns. The LP Unit holders will benefit from the Asset Manager purchasing these buildings at higher cap rates than traditionally would be seen in larger urban centres.

Development of the Business

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

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

Property Mortgages, Equiton Loans and Redeemable LP Units

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

Equiton Loans and Redeemable LP Units

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

- (a) Equiton Loans to the Partnership from Equiton Partners in order to fund various activities of the Partnership. The terms and conditions of such Equiton Loans will be determined at the time of making such loans, however, the Issuer anticipates such Equiton Loans will be interest only payable loans, with no fixed term, and will bear interest at a fixed annual rate of 5% payable monthly. Additionally, the Issuer anticipates the Equiton Loans will be repayable to Equiton Partners in cash or Class A LP Units (at the discretion of Equiton Partners) and will be assignable by Equiton Partners; and

The issuance of Redeemable LP Units to Equiton Partners. The Redeemable LP Units will have a subscription price per Redeemable LP Unit that is determined by the Trustees of the Issuer from time to time and set forth in the subscription agreement(s) entered into between Equiton Partners and the Issuer and will be redeemable, in whole or in part, at any time at the option of the Partnership at a price equal to the market value of such Redeemable LP Units, as determined by the General Partner from time to time. A holder of Redeemable LP Units will have the right to one vote for each Redeemable LP Unit held in respect of all matters to be decided by the Limited Partners. Holders of Redeemable LP Units shall be entitled to receive distributions per Redeemable LP Unit equal to the distributions

per Class A LP Unit. The Redeemable LP Units will rank equal with the Class A LP Units in the event of liquidation of the Partnership. For each Redeemable LP Unit issued by the Partnership, the Issuer shall issue to such recipient one Special Voting Unit entitling such holder to one vote per Special Voting Unit at a meeting of Voting Unitholders.

Equiton Partners, as the Asset Manager, will receive a financing fee of up to 1% of the outstanding principal amount of a first priority mortgage, up to 1.5% of the outstanding principal amount of any second mortgage or a line of credit and 1.5% of the principal amount of the Equiton Loans. Equiton Partners is a Related Party of the Issuer. See “*Asset Management Agreement – Asset Manager Fees*” and “*Relationship Between the Issuer, the Agent, and Other Related Parties*”.

Long-Term Objectives

The long-term objectives of the Issuer are: (i) to provide Trust Unitholders with stable and growing cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from investments in Class A LP Units which invests in a diversified portfolio of income producing multi-unit residential properties located in Canada; and (ii) through the holding of Class A LP Units, to maximize Trust Unit value through the ongoing management of the Partnership’s assets and through the Partnership’s future acquisition of additional properties. Distributions will be determined by the Trustees in their sole discretion. See “*Business of the Issuer – The Issuer’s Business*”. In order to achieve its objectives, the Issuer must successfully raise capital through this Offering and future offerings for subsequent acquisitions of Class A LP Units to fund the Partnership’s acquisition of multi-residential rental properties.

Short-Term Objectives

The primary objective of the Issuer in the ensuing 12 months is to seek out Subscribers, close this Offering and complete additional offerings, and invest funds raised by such offerings in the Partnership by way of purchase of Class A LP Units.

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

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

Insufficient Funds

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

MATERIAL AGREEMENTS

Declaration of Trust

The following is a summary of the material attributes and characteristics of the Declaration of Trust and the Trust Units issued under the Declaration of Trust subject to ratification at a meeting of Trust Unitholders expected to be held in April, 2019. This summary is qualified in its entirety by reference to the provisions of the Declaration of Trust which contains a complete statement of those attributes and characteristics. A copy of the Declaration of Trust can be obtained by contacting investors@equiton.com.

General

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

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

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

Trustees

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

Conflict of Interest Restrictions and Provisions

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

A “**Conflict of Interest Matter**” shall mean a situation where a reasonable person would consider a Trustee or an officer or director of the Trust, or an entity related to a Trustee or an

officer or director of the Trust, to have an interest that may conflict with such officer's, director's or Trustee's ability to act in good faith and in the best interest of the Trust (or as the term "Conflict of Interest Matter" may be amended in Section 1.2(a) of NI 81-107 from time to time) and shall include, but not be limited to, situations where such officer, director or Trustee: (i) is a party to a material contract or transaction (as determined by the Trustees acting reasonably), whether made or proposed, with the Trust or any of its Subsidiaries or Affiliates (a "**Material Transaction**"); or (ii) is a director, trustee or officer of, or otherwise has a material interest in, any Person or in any Affiliate, Related Party or Subsidiary of any Person who is a party to a Material Transaction. In connection with any Conflict of Interest Matter, the conflicted officer, director or Trustee shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees, the nature and extent of the conflict as follows and as set out in section 4.7 of the Declaration of Trust:

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

approval in accordance with unanimous approval requirements, as described in in “- *Independent Trustee Matters*” below.

- (d) a Trustee referred to in Section 4.7 of the Declaration of Trust shall not vote on any resolution to approve the Conflict of Interest Matter unless the Conflict of Interest Matter is:
 - (i) one relating primarily to his remuneration as a Trustee, officer, employee or agent of the Trust; or
 - (ii) one for indemnity under Section 14.1 of the Declaration of Trust or the purchase of liability insurance;
- (e) for the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing the basis of a conflict, such as that he is a director, trustee or officer of or has a material interest in a Person or in any Affiliate, Related Party or Subsidiary of any Person and is to be regarded as interested in any Conflict of Interest Matter entered into or which may be entered into, is a sufficient disclosure of interest in relation to any Conflict of Interest Matter so made or entered into or which may be made or entered into, provided that such general notice is delivered to the principal office and centre of administration of the Trust and to each Trustee personally. In the event that a special meeting of the Voting Unitholders is called to confirm or approve a Conflict of Interest Matter which is the subject of a general notice to the Trustees, the nature and extent of the interest in the Conflict of Interest Matter of such Trustee or officer giving such general notice shall be disclosed in reasonable detail in the notice calling the said special meeting of the Voting Unitholders or in any information circular to be provided by this Declaration of Trust or by Applicable Law;
- (f) where a Conflict of Interest Matter is entered into between the Trust and a Trustee, director or an officer of the Trust, or between the Trust and another Person or any Affiliate, Related Party or Subsidiary of such other Person in which a Trustee or an officer of the Trust has a material interest:
 - (i) such Trustee or officer of the Trust is not accountable to the Trust or to the Unitholders for any profit or gain realized from the Conflict of Interest Matter; and
 - (ii) the Conflict of Interest Matter is neither void nor voidable, by reason only of that relationship or by reason only that such Trustee or officer is present at or is counted to determine the presence of a quorum at the meeting of the Trustees or a committee that authorized the Conflict of Interest Matter, if such Trustee or officer of the Trust disclosed his interest in accordance with Section 4.7 of the Declaration of Trust, and the Conflict of Interest Matter was reasonable and fair to the Trust at the time it was approved;
- (g) notwithstanding anything in this Section, but without limiting the effect of Section 4.7(f) of the Declaration of Trust, a Trustee, director or an officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Unitholders for any profit or gain realized from any such Conflict of Interest Matter

by reason only of the disclosed relationship, and the Conflict of Interest Matter, if it was reasonable and fair to the Trust at the time it was approved, is not by reason only of such Trustee's, director's or officer's interest therein void or voidable, where:

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

Independent Trustee Matters

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

- (a) entering into any agreement or transaction in which any Related Party has a material interest or making a material change to any such agreement or transaction;
- (b) relating to a claim by or against any Related Party;
- (c) relating to a claim in which the interests of a Related Party differ from the interests of the Issuer;
- (d) to permit the Partnership to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party;
- (e) granting Trust Units under any unit incentive or unit compensation plan approved by the Trustees and, if required, by the Trust Unitholders or awarding any right to acquire or other right or interest in the Trust Units or securities convertible into or exchangeable for Trust Units under any plan approved by the Trustees and, if required, by the Trust Unitholders;

- (f) to approve or enforce any agreement entered into by the Issuer or its Subsidiaries or Related Parties with a Trustee who is not an Independent Trustee or an Associate thereof, with another Subsidiary or Related Party;
- (g) recommending to the Trust Unitholders to increase the number of Trustees serving on the board of Trustees or authorizing the Trustees to change the number of Trustees from time to time; and
- (h) determining the compensation of any officer or employee of the Issuer.

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

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

Finance Committee

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

The Finance Committee shall:

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

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

Additional Committees

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

Remuneration of Trustees and Senior Officers

The Trustees shall be paid such compensation for their services as the Trustees may from time to time unanimously determine.

Trustees who are employed by and receive a salary from the Issuer will not receive any remuneration from the Issuer for serving as a Trustee other than reimbursement of expenses.

Trust Units

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

Purchase of Trust Units

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

Redemption of Trust Units

Pursuant to the Declaration of Trust, each Trust Unitholder shall be entitled to require the Issuer to redeem at any time or from time to time at the demand of the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the following conditions as set out in section 6.26 of the Declaration of Trust:

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

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

- (b) As of the Redemption Date, upon the payment of the Redemption Amount (defined below), plus the pro rata share of any unpaid distributions declared thereon and paid prior to the Redemption Date, the Trust Unitholder shall thereafter cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the Redemption Amount therefor) including ceasing to have the right to receive any distributions thereon which are declared payable to the Trust Unitholders of record on a date which is subsequent to the Redemption Date. Trust Units shall be considered to be tendered for redemption on the Redemption Date, provided that the Issuer has, to the satisfaction of the Trustees, received the Redemption Notice and other required documents or evidence as aforesaid.
- (c) Upon receipt by the Issuer of the Redemption Notice in accordance with this Section, 6.26, the Holder of the Trust Units tendered for redemption shall be entitled to receive a redemption amount (the "**Redemption Amount**") equal to the Redemption Price times the number of Trust Units that a Trust Unitholder tenders for redemption, less (i) the costs of implementing the redemption (the "**Redemption Cost**"); (ii) any applicable Deferred Sales Charge; and (iii) any applicable Short Term Trading Fee. The Redemption Cost shall be the lesser of (i) 2% of the Market Value of the Trust Units being Redeemed, and (ii) \$150. For example, a redemption of Trust Units with a Market Value of \$5,000 shall have a Redemption Cost of \$100.
- (d) Subject to Paragraph (e) below, the Redemption Amount payable in respect of the Trust Units tendered for redemption during any month shall be paid on the Redemption Date by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to or to the order of the Trust Unitholder who exercised the right of redemption. Payment of the Redemption Amount is conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Person who redeemed the Trust Units, unless such cheque is dishonoured upon presentment. Upon such payment, the Issuer shall be discharged from all liability to the Person who redeemed the Trust Units in respect of the Trust Units so redeemed.
- (e) Paragraph (d) above shall not be applicable to Trust Units tendered for redemption by a Trust Unitholder, if the total amount payable by the Issuer pursuant to Paragraph (c) above in respect of such Trust Units and all other Trust Units tendered for redemption prior thereto in the same calendar month exceeds \$50,000 (the "**Monthly Limit**"); provided that the Trustees may, in their sole

discretion, increase such Monthly Limit in respect of all Trust Units tendered for redemption in any calendar month.

- (f) If, pursuant to Paragraph (e) above, Paragraph (d) is not applicable to the Trust Units tendered for redemption by a Trust Unitholder, the Redemption Amount to which the Trust Unitholder would otherwise be entitled shall be paid and satisfied as follows:
 - (i) a portion of the Redemption Amount equal to the Monthly Limit divided by the total number of Trust Units tendered by all Trust Unitholders for redemption in the month times the number of Trust Units tendered for redemption by a Trust Unitholder shall be paid and satisfied in cash, in accordance with Paragraph (d) applied *mutatis mutandis*; and
 - (ii) the remainder of the Redemption Amount shall be paid and satisfied by way of the issuance to the Trust Unitholder of a Redemption Note, in accordance with Paragraph (g).

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

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

Take-Over Bids

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

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

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

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

Meetings of Trust Unitholders

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

Issuance of Trust Units

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

Special Voting Units

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

Limitation on Non-Resident Ownership

At no time may more than 49% of the Trust Units then outstanding be held by or for the benefit of Persons who are not resident Canadians (the “**Non-Resident Beneficiaries**”). The Trustees may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident or declarations from Trust Unitholders as to whether such Trust Units are held for the benefit of Non-Resident Beneficiaries. If the Trustees become aware that more than 49% of the Trust Units then outstanding are, or may be, held by or for the benefit of Non-Resident Beneficiaries or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for such Trust Units from or issue or register a transfer of such Trust Units to a Person unless the Person provides a declaration that the Person is not a non-resident of Canada (or, in the discretion of the Trustees, that the Person is not a Non-Resident Beneficiary) and does not hold his Trust Units for a Non-Resident Beneficiary. If the Trustees determine that more than 49% of the Trust Units then outstanding are held by or for the benefit of Non-Resident Beneficiaries, the Trustees may send a notice to non-resident Trust Unitholders and holders of Trust Units for Non-Resident Beneficiaries chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell or redeem their Trust Units or a portion thereof within a specified period of not more than 30 days (unless the Canada Revenue Agency has confirmed in writing that a longer period is acceptable). If the Trust Unitholders receiving such notice have not sold or redeemed the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not non-residents for the purpose of the

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

Information and Reports

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

Amendments to Declaration of Trust

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

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

In no event may the Trustees amend the Declaration of Trust if such amendment would (i) amend the foregoing paragraphs; (ii) amend the Voting Unitholders' voting rights; or (iii) cause the Issuer to fail or cease to qualify as a "mutual fund trust" under the Tax Act or to be subject to tax under Part XII.2 of the Tax Act.

Term of Issuer

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

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

The Trust may be terminated by the vote of at least two-thirds ($\frac{2}{3}$) of the votes cast at a special meeting of the Unitholders called for that purpose.

Distribution Policy

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

On the last day of each fiscal year an amount equal to the Trust Distributable Income for such fiscal year not previously made payable to or treated as having been paid to the Trust Unitholders in such fiscal year shall be payable to the Trust Unitholders at the close of business on such day.

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

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

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

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

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

Distribution Reinvestment Plan

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

Investment Guidelines and Operating Policies

Investment Guidelines

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

- (a) The Issuer shall focus its activities primarily on the acquisition, holding, maintaining, improving, leasing or managing of multi-unit residential revenue producing properties (and ancillary commercial or other real estate ventures) for investment purposes and assets ancillary thereto necessary for the operation

thereof and such other activities as are consistent with the other investment guidelines of the Issuer in Canada (the “**Focus Activities**”);

- (b) notwithstanding anything herein contained to the contrary, the Issuer shall not, or permit a Subsidiary to, make or hold any investment, take any action or omit to take any action which would, at any time, result in:
 - (i) Trust Units being disqualified for any class of Deferred Income Plan at any time after the date on which the Issuer has over 150 Trust Unitholders each holding not less than 100 Trust Units; or
 - (ii) The Issuer ceasing to qualify as a “mutual fund trust” for purposes of the Tax Act;
- (c) from and after the date on which the Issuer has a Gross Book Value of at least one hundred fifty million dollars (\$150,000,000), no single asset (excluding the units of the Partnership and any portfolio of properties) shall be acquired if the cost of such acquisition (net of the amount of debt secured by such asset) will exceed 20% of Gross Book Value, provided that where such asset is the securities of or an interest in an entity, the foregoing tests shall be applied individually to each asset of such entity;
- (d) The Issuer may make its investments and conduct its activities, directly or indirectly, through an investment in one or more Persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited), unlimited liability companies and limited liability companies;
- (e) except for temporary investments held in cash, deposits with a Canadian or U.S. chartered bank or Trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments of, or guaranteed by, a Schedule I Canadian chartered bank maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the Issuer, the Issuer directly or indirectly, may not hold securities of a Person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to (a) and (b) above, the Issuer may hold securities of a Person:
 - (i) acquired in connection with the carrying on, directly or indirectly, of the Issuer’s activities or the holding of the Trust Property; or
 - (ii) which focuses its activities primarily on Focus Activities, provided that, in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the “**Acquired Issuer**”), the investment is made for the purpose of pursuing the merger or combination of the business and assets of the Issuer and the Acquired Issuer or for otherwise ensuring that the Issuer will control the business and operations of the Acquired Issuer;

- (f) no investment will be made, directly or indirectly, in operating businesses unless such investment is incidental to a transaction:
 - (i) where revenue will be derived, directly or indirectly, principally from a Focus Activity; or
 - (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property held for investment purposes;
- (g) notwithstanding any other provisions of this section, the securities of a reporting issuer in Canada may be acquired provided that:
 - (i) the activities of the issuer are focused on Focus Activities; and
 - (ii) in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding equity securities of the securities issuer, the investment or acquisition is of strategic interest to the Issuer as determined by the Trustees in their discretion;
- (h) no investments will be made in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (i) investments may be made in a mortgage, mortgage bonds, notes (except as provided for in the Declaration of Trust) or debentures ("**Debt Instruments**") (including participating or convertible) only if:
 - (i) the real property which is security thereof is real property;
 - (ii) the security therefore includes a mortgage registered on title to the real property which is security thereof;
 - (iii) the amount of the investment (not including any mortgage insurance fees incurred in connection therewith) does not exceed 85% of the market value of the real property which is the security thereof; and
 - (iv) the aggregate value of the investments of the Issuer in Debt Instruments, after giving effect to the proposed investment, will not exceed 20% of the Gross Book Value;
- (j) no investment shall be made in raw land except for the acquisition of properties adjacent to existing properties for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 10% of Gross Book Value; and
- (k) notwithstanding any other provisions hereof, investments may be made which do not comply with the provisions of this Section provided:
 - (i) the aggregate cost thereof (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred in connection with the acquisition and

secured by a mortgage on such property) does not exceed 15% of the Gross Book Value; and

- (ii) the making of such investment would not contravene the Declaration of Trust.

Operating Policies

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

- (a) the construction or development of real property may be engaged in order to maintain its real properties in good repair or to enhance the revenue-producing potential of real properties in which it has an interest;
- (b) title to each real property shall be held by and registered in the name of (i) a corporation or other entity wholly-owned by the Partnership, (ii) the General Partner, or (iii) a corporation or other entity wholly-owned indirectly by the Trust or jointly owned indirectly by the Issuer with joint venturers;
- (c) no indebtedness shall be incurred or assumed if, after giving effect to the incurring or assumption thereof of the indebtedness, the total indebtedness including amounts drawn under an acquisition and operating facility but not including Mortgage Insurance Fees incurred in connection with the incurrence or assumption of such indebtedness as a percentage of Gross Book Value, would be more than 75%;
- (d) the Issuer will not directly or indirectly guarantee any indebtedness or liabilities of any Person unless such guarantee is given in connection with or incidental to an investment that is otherwise permitted under Section 5.1 and/or 5.2 of the Declaration of Trust, or in circumstances where the guarantee would result in the Issuer ceasing to qualify as a mutual fund trust pursuant to the Tax Act;
- (e) at all times insurance coverage will be obtained and maintained in respect of potential liabilities of the Issuer and the accidental loss of value of any of the Trust Property from risks, in amounts and with such insurers, in each case as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties and, for clarity, the Issuer is not required to title insure; and
- (f) a Phase I environmental audit shall be conducted or obtained for each real property to be acquired and, if the Phase I environmental audit report recommends that further environmental audits be conducted or obtained, such further environmental audits shall be conducted or obtained, in each case by or from an independent and experienced environmental consultant.

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

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

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

provided that (i) for the purposes of (a) through (d), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Issuer in accordance with generally accepted accounting principles in Canada, (ii) obligations referred to in clauses (a) through (d) exclude trade accounts payable, distributions payable and accrued liabilities arising in the ordinary course of business; (iii) convertible debentures will constitute indebtedness to the extent of the principal amount outstanding; and (iv) the issuance of redeemable units will not constitute indebtedness.

Amendments to Investment Guidelines and Operating Policies

Subject to the Declaration of Trust, any of the investment guidelines set forth in this section may be amended only by the vote of a two-thirds majority of the votes cast at a meeting of the Voting Unitholders called for the purpose of amending the investment guidelines. Subject to the Declaration of Trust, any of the operating policies of the Issuer may be amended by the vote of a majority of the votes cast at a meeting of the Trust Unitholders called for the purpose of amending the operating policies.

Asset Management Agreement

The following is a summary of the material terms and conditions of the Asset Management Agreement. This summary is qualified in its entirety by reference to the provisions of the Asset Management Agreement, which contains a complete statement of those terms and conditions. The Asset Manager is a Related Party to the Issuer and the Asset Management Agreement was not negotiated at arm's length between the parties.

The Asset Manager is responsible for managing the Partnership and providing advice with respect to the Properties. Equiton Partners will be engaged by the Partnership to act as Asset Manager. You can obtain a copy of the Asset Management Agreement by contacting investors@equiton.com.

The Asset Manager will perform the services set out in the Asset Management Agreement for an initial term of five (5) years. The Asset Management Agreement will automatically continue for further terms of five (5) years unless terminated by either party. The Asset Management Agreement shall terminate at the earliest of the following: (a) upon the expiry of the initial term or a renewal term, as set out in the Asset Management Agreement; (b) if the Asset Manager or

the Partnership is in material breach of the Asset Management Agreement which has not been cured within 30 days' notice thereof; (c) anytime, upon 180 days prior written notice by the Asset Manager; or (d) if either the Asset Manager or the Partnership becomes bankrupt or insolvent.

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

Asset Manager's Duties

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

Asset Manager's Fees

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

- (a) a transaction fee ("**Transaction Fee**") equal to 1.0% of the purchase price of each of the Properties acquired or sold by the Partnership (calculated without duplication), plus any applicable taxes;
- (b) a management fee ("**Management Fee**") equal to 1.0% of the Gross Asset Value of the Partnership;
- (c) a financing fee ("**Financing Fee**") in respect of any financing transaction involving any of the Properties, the Partnership shall pay the Asset Manager: (a) a financing fee equal to 1% of the loan amount for each senior or first ranking financing transaction (ii) a financing fee equal to 0.5% of the loan amount for each refinancing transaction with an existing lender, and (iii) a financing fee equal to up to 1.5% of the loan amount for each mezzanine or non-first ranking financing transaction; and
- (d) in lieu of other performance incentive fees, the Asset Manager will be entitled to (i) a 20% interest in the net income of the Partnership (with 80% of such net income going to the investors), and (ii) a 20% interest in any increase in the equity value of the Properties (with 80% of any such increase going to the investors), calculated and payable at the time such increase in equity value is realized by way of a sale or other disposition, financing or refinancing or the issuance of additional limited partner units by the Partnership, in each case, with no requirement for the Asset Manager to contribute equity to or purchase units of the Partnership.

The General Partner, on behalf of the Partnership, expects to continue to distribute 5% on an annual basis and, to the extent there is insufficient cash to pay the performance incentive fees referenced in (d) above to the Asset Manager, the Asset Manager has indicated that it will either defer payment of such performance incentive fees until such time as sufficient cash is available or elect to receive such performance incentive fees (or a portion thereof) in the form of limited partnership units of the Partnership.

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

Minimum Ownership Requirement

During the term of the Asset Management Agreement, the Asset Manager shall not permit its aggregate beneficial ownership of:

- (a) LP Units (including, but not limited to Class A LP Units and Redeemable LP Units, in aggregate); and

(b) Trust Units,

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

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

Property Management Agreement

The following is a summary of the material terms and conditions of the Property Management Agreement. This summary is qualified in its entirety by reference to the provisions of the Property Management Agreement, which contains a complete statement of those terms and conditions. The Property Manager is a Related Party to the Issuer and the Property Management Agreement was not negotiated at arm's length between the parties.

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

The initial term of the Property Management Agreement is five (5) years and shall automatically renew for further terms of five (5) years unless terminated by either party. The Property Manager shall have the right to hire a subcontractor to sub-manage any of the Properties, if in the opinion of the Property Manager, this would be in the best interest of the Property in question.

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

- (a) failure of the Property Manager to materially perform the property management and project services as set out in the Property Management Agreement;
 - (b) if the Property Manager acts in a grossly negligent manner and not remedied within 30 days; or
 - (c) upon the occurrence of an insolvency event of the Property Manager. The Property Management Agreement may be terminated by the Property Manager:
- (a) in the event the Partnership fails to pay any fees within 30 days of the presentation of an invoice and fails to remedy such default within 15 days; or (b) upon the occurrence of an insolvency event of the Partnership.

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

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

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

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

The LP Agreement

The following summary of the material attributes and characteristics of the LP Agreement and the LP Units which will be issued under the LP Agreement. This summary is qualified in its entirety by reference to the provisions of the LP Agreement which contains a complete statement of those attributes and characteristics.

All Limited Partners are entitled to the benefit of, are bound by and shall be provided with a copy of the LP Agreement. Set out below is a brief summary of some of the terms of the LP Agreement and attributes of the LP Units that are not described elsewhere in this Offering Memorandum. Investors should review the LP Agreement carefully for a full and complete description of such terms and attributes. For information regarding the General Partner, see “*Management of the Partnership – The General Partner*”.

Limited Liability of Limited Partners

Under the terms of the LP Agreement, the liability of the Limited Partners is limited to such Limited Partner’s Capital Contribution plus such Limited Partner’s pro rata share of the undistributed income of the Partnership. Limited Partners generally will not be liable for any debt, obligation or default of the Partnership beyond their investment in the Partnership.

LP Units

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

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

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

Restrictions on Transfers of LP Units

The LP Agreement provides that LP Units may be sold only in accordance with the terms of the LP Agreement and may not be sold, assigned, or otherwise, transferred, without the agreement of the General Partner. Subject to the provisions of the LP Agreement, LP Units may not be transferred without, among other things, the payment by the transferee of an administration fee to the Partnership in an amount equal to \$2,000 and a duly completed transfer form.

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

Power of Attorney

The LP Agreement contains an irrevocable power of attorney in respect of various enumerated matters, authorizing the General Partner, on behalf of the Limited Partners, among other things, to execute any amendments to the LP Agreement (subject to any approvals required under the LP Agreement) and all instruments necessary to effect the dissolution of the Partnership (pursuant to the terms of the LP Agreement) as well as any registration, election, determination, designation, information return, objection, notice of objection or similar document or instrument, whether jointly with third parties or otherwise under the Tax Act or the taxation legislation of any province or territory with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership.

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

Allocation of Net Income or Loss

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

- (a) 0.001% of the income for tax purposes or loss for tax purposes from each source for that taxation year will be allocated to the General Partner; and
- (b) the income for tax purposes or loss for tax purposes for that taxation year that is not allocated to the General Partner will be allocated to the Limited Partners who hold LP Units at the end of the fiscal year.

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

Distributions

The Partnership will distribute to the General Partner and holders of LP Units whose names appear on the Partnership's records on the last day of each fiscal quarter, (i) 0.001% of Partnership Distributable Income to the General Partner and (ii) 99.999% of Partnership Distributable Income to holders of Class A LP Units, Redeemable LP Units and any other LP Units as determined by the General Partner. Distributions will be made within 45 days of the end of each fiscal quarter and the distributions to be made in respect of the last fiscal quarter

within 90 days of the end of the fiscal year will reflect any adjustments which are necessary to the distributions made in respect of the preceding fiscal quarters of such fiscal year. The Partnership may, in addition, make a distribution at any other time.

Reporting to Limited Partners

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

Meetings of Limited Partners

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

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

- (a) removing the General Partner where the General Partner has committed a material breach of the LP Agreement, which breach has continued for 30 days after notice and, if such removal would result in the Partnership having no general partner, electing a new general partner as provided in Section 6.16(c) of the LP Agreement;
- (b) waiving any default, other than in respect of any insolvency, receivership or bankruptcy of the Partnership, on the part of the General Partner on those terms as the Limited Partners may determine and releasing the General Partner from any claims in respect thereof;
- (c) amending, modifying, altering or repealing any Special Resolution previously passed by holders of LP Units;
- (d) amending the LP Agreement pursuant to Section 9.1 of the LP Agreement in accordance with the provisions of the LP Agreement;
- (e) a merger or consolidation involving the Partnership, except for a merger or consolidation involving only the Partnership and one or more of its affiliates;

- (f) a consolidation, subdivision or reclassification of the LP Units or of any class of LP Units;
- (g) electing the chairperson of a meeting of Partners as provided in Section 8.11 of the LP Agreement;
- (h) continuing the Partnership if the Partnership is terminated by operation of law;
- (i) adding to, changing or removing any right, privilege, restriction or condition attaching to the LP Units which may reasonably be considered materially adverse to the holders of the LP Units; and
- (j) consenting to any judgment entered in a court of competent jurisdiction against the Partnership.

Indemnification of General Partner

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

Books and Records

The Partnership shall keep, at its principal office, appropriate books of proper and complete accounts, records, and registers of the operations and affairs of the Partnership, including the record of the names and addresses of all of the Partners.

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

Right to Inspect Books and Records

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

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

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

passage of a Special Resolution approving the dissolution of the Partnership, and (iv) the date of dissolution caused by operation of law.

The General Partner

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

Functions and Powers of the General Partner

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

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

executing, acknowledging and delivering the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the business of the Partnership; filing any tax elections, forms, objections or notices of objection or similar documents on behalf of the Partnership and (to the extent necessary) on behalf of the Partners under the Tax Act or any other tax legislation; obtaining any insurance coverage; and carrying out the objects, purposes and business of the Partnership.

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

Reimbursement of the General Partner

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

Conflict of Interest Policy of the General Partner

The directors of the General Partner have adopted a conflict of interest policy on substantially the same terms as those set out in the section titled *Conflict of Interest Restrictions and Provisions* of this Offering Memorandum, with such revisions as are necessary for such policy to be applicable to directors of the General Partner, *mutatis mutandis*.

INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS Compensation and Securities Held

Name and municipality of principal residence	Positions held (e.g., trustee, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the issuer in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. Offering	Number, type and percentage of securities of the issuer held after completion of max. Offering
Jason Roque <i>Hamilton, Ontario</i>	Trustee, Chief Executive Officer, since March 1, 2016	\$0 ⁽¹⁾	11,342.43 Class A Trust Units N/A ^{%(5)}	11,342.43 Class A Trust Units N/A ^{%(5)(7)}
Helen Hurlbut <i>Mississauga, Ontario</i>	Trustee, Chief Financial Officer, since March 1, 2016	\$0 ⁽¹⁾	1,108.81 Class A Trust Units N/A ⁽⁵⁾	1,108.81 Class A Trust Units N/A ^{%(5)}

David Hamilton ⁽²⁾ <i>Toronto, Ontario</i>	Trustee, since July 19, 2016	\$14,000 (2018) \$14,000 ⁽³⁾ (anticipated 2019)	N/A ⁽⁵⁾	N/A ⁽⁵⁾
John Miron ⁽²⁾ <i>Oakville, Ontario</i>	Trustee, since July 19, 2016	\$14,000 (2018) \$14,000 ⁽³⁾ (anticipated 2019)	N/A ⁽⁵⁾	N/A ⁽⁵⁾
C. Scot Caithness ⁽²⁾ <i>Calgary (Chestermere Lake), Alberta</i>	Trustee, since September 1, 2017	\$14,000 (2018) \$14,000 ⁽³⁾ (anticipated 2019)	N/A ⁽⁵⁾	N/A ⁽⁵⁾
Equiton Partners Inc.	Promoter, since March 1, 2016	\$0 ⁽⁴⁾	N/A ⁽⁵⁾⁽⁶⁾	N/A ⁽⁵⁾⁽⁶⁾

Notes:

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

Management Experience

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

Name	Principal occupation and related experience
Jason Roque	<p>Jason Roque is the President of Equiton Partners, which he founded in 2014 with a focus on real estate investment. Prior to this role, Mr. Roque was the Chief Executive Officer of a private real estate development company from 2006 to 2014.</p> <p>Mr. Roque has more than 20 years of real estate and development experience. Previously, as Chief Executive Officer of LIV Communities (formerly Landmart Homes), he transformed the regionally-based custom home builder into a full scale real estate development company. While there, he oversaw all aspects of the development and construction business, carefully selecting properties and overseeing operations with a dedicated team to ensure profitability. Mr. Roque received his B.A. in Economics from the University of Toronto.</p>

Helen Hurlbut	<p>Helen Hurlbut is the Chief Financial Officer of Equiton Partners. Ms. Hurlbut is responsible for Equiton Partners' overall financial management growth, development and security. Prior to this role, Ms. Hurlbut was Chief Financial Officer with Cherishome Living (formerly McArthur Properties) from 2011 to 2014, Chief Financial Officer of Empire Communities from 2007 to 2010 and Vice President and Treasurer of Mattamy Homes from 1998 to 2007.</p> <p>In her 30 years of experience in the commercial, industrial and residential real estate industries, she has held executive leadership roles at some leading real estate investment and development companies. She is a Certified Management Accountant and Chartered Professional Accountant, and holds an Honours B.A. in Economics and Business from York University. She regularly volunteers her time and expertise on local boards and charities.</p>
David Hamilton	<p>David Hamilton has over 35 years of legal experience, recently as a partner with Gowlings WLG in the Financial Services Group, specializing in capital and commercial markets lending transactions; real estate development and project financing for condominiums, commercial and residential real estate projects; and asset-based lending. Prior to Gowlings WLG, Mr. Hamilton was a partner with Aylesworth (now Dickinson Wright LLP).</p> <p>Mr. Hamilton served as general counsel for several years to the Board of Directors of Allied Van Lines Limited, and worked for an extensive period for the liquidators of Confederation Life Insurance Company and Confederation Trust Company on the liquidation of their commercial real estate portfolios.</p>
John Miron	<p>John Miron is a Managing Director and the Head of Canadian Real Estate Corporate Banking at RBC Capital Markets ("RBCCM"). He has more than 25 years of experience in corporate lending and real estate. Currently, he is responsible for managing RBCCM's corporate banking and commercial mortgage exposure for real estate clients in Canada. Mr. Miron has led financing transactions in Canada, the U.S. and Europe. He is an active industry speaker, having been a panelist/presenter at the Real Estate Forum, RealCapital, RealREIT, the New Apartment Construction and Mixed Use Symposium, and the Queen's University Real Estate Capital Markets seminar. He was also one of the original developers and instructors for the Real Property Association of Canada course, Lending in Commercial Real Estate.</p> <p>Mr. Miron is a member of the RBC Capital Markets United Way Committee. He also volunteers with the Oakville Aquatic Club, is a Swim Ontario official, and manages a Minor Oaks Hockey Association Pee Wee hockey team in Oakville. He has an Honours Bachelor of Commerce degree (Finance) and a CPA, CMA designation.</p>

C. Scot Caithness	<p>Scot Caithness has more than 40 years of commercial real estate, consulting and management experience in Canada and around the world. He has provided strategic consulting to companies on their real estate portfolios from acquisitions and dispositions to facility management and development.</p> <p>Fluent in English and French, he holds a Bachelor of Commerce Degree in Urban Planning and Development, Marketing and Finance from the University of Alberta. He is also a professionally accredited appraiser and chartered surveyor.</p>
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Penalties, Sanctions and Bankruptcy

To the Issuer's knowledge, no trustee, officer, or control person of the Issuer (an "**Insider**") has, or any issuer of which an Insider was a trustee, director, officer or control person, has during the last 10 years,

- (a) been subject to any penalty or sanction, or any cease trade order that has been in effect for a period of more than 30 consecutive days; or
- (b) made a declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, or appointed a receiver, receiver-manager or trustee to hold assets.

Loans

As at the date of this Offering Memorandum, there are no debentures or loans due to or from the trustees, management, promoters and principal holders of the Issuer. However, Equiton Partners, the Promoter of the Issuer, may provide the Partnership with Equiton Loans to (a) form part of the payment of existing and future acquisitions; (b) repay debt; or (c) redeem the Redeemable LP Units. The Issuer anticipates the Equiton Loans will be interest only payable loans, with no fixed term, and will bear interest at a fixed annual rate of 5%, payable monthly. The Issuer further anticipates the Equiton Loans will repayable to Equiton Partners in cash or Class A LP Units (at the discretion of Equiton Partners) and will be assignable by Equiton Partners. See "*Capital Structure – Long Term Debt*".

CAPITAL STRUCTURE
Trust Unit Capital

Description of security⁽³⁾	Number authorized to be issued	Price per security	Number outstanding as at January 25, 2019	Number outstanding after minimum Offering	Number outstanding after maximum Offering
Class A Trust Units ⁽¹⁾	Unlimited	\$10.10	2,311,079.23	N/A ⁽²⁾	N/A ⁽²⁾
Class F Trust Units ⁽¹⁾	Unlimited	\$10.10	144,335.13	N/A ⁽²⁾	N/A ⁽²⁾
Class I Trust Units ⁽¹⁾	Unlimited	\$10.10	Nil	N/A ⁽²⁾	N/A ⁽²⁾

Notes:

- (1) See "Declaration of Trust and Description of Trust Units – Trust Units", for the terms of the Trust Units.
- (2) There is no maximum or minimum Offering. The Issuer will offer an unlimited number of Trust Units on a continuous basis. The class of Trust Units outstanding will depend on which Trust Units are subscribed for.
- (3) Special Voting Units are expected to be issued upon ratification of the Declaration of Trust.

Long Term Debt

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

Prior Sales

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

Date of Issuance	Type of Securities Issued	Number of Securities Issued	Price per Security	Total Funds Received
02-Feb-18	Class A Trust Unit	30,754	\$10.00	\$307,540
09-Feb-18	Class A Trust Unit	18,558	\$10.00	\$185,580
16-Feb-18	Class A Trust Unit	15,430	\$10.00	\$154,300
23-Feb-18	Class A Trust Unit	41,028	\$10.00	\$410,280
02-Mar-18	Class A Trust Unit	33,583	\$10.00	\$335,830
09-Mar-18	Class A Trust Unit	34,671	\$10.00	\$346,710
16-Mar-18	Class A Trust Unit	57,022	\$10.00	\$570,220
23-Mar-18	Class A Trust Unit	32,327	\$10.00	\$323,270
28-Mar-18	Class A Trust Unit	53,966	\$10.00	\$539,664
06-Apr-18	Class A Trust Unit	46,145	\$10.00	\$461,452
13-Apr-18	Class A Trust Unit	29,948	\$10.00	\$299,480
20-Apr-18	Class A Trust Unit	33,101	\$10.00	\$331,014
27-Apr-18	Class A Trust Unit	31,648	\$10.00	\$316,477
04-May-18	Class A Trust Unit	35,972	\$10.00	\$359,720
11-May-18	Class A Trust Unit	11,972	\$10.00	\$119,723
22-May-18	Class A Trust Unit	16,572	\$10.00	\$165,720
25-May-18	Class A Trust Unit	11,720	\$10.00	\$117,200
04-Jun-18	Class A Trust Unit	29,309	\$10.00	\$293,094
11-Jun-18	Class A Trust Unit	12,200	\$10.00	\$122,004
18-Jun-18	Class A Trust Unit	19,880	\$10.00	\$198,800
25-Jun-18	Class A Trust Unit	25,000	\$10.00	\$249,995
29-Jun-18	Class A Trust Unit	53,133	\$10.00	\$531,330
09-Jul-18	Class A Trust Unit	4,478	\$10.05	\$45,000
13-Jul-18	Class A Trust Unit	19,469	\$10.05	\$195,660
20-Jul-18	Class A Trust Unit	22,348	\$10.05	\$224,600
30-Jul-18	Class A Trust Unit	24,120	\$10.05	\$242,408
07-Aug-18	Class A Trust Unit	14,428	\$10.05	\$145,000
13-Aug-18	Class A Trust Unit	6,856	\$10.05	\$68,900
20-Aug-18	Class A Trust Unit	6,617	\$10.05	\$66,500
27-Aug-18	Class A Trust Unit	9,159	\$10.05	\$92,043
04-Sep-18	Class A Trust Unit	10,445	\$10.05	\$104,970
10-Sep-18	Class A Trust Unit	13,672	\$10.05	\$137,400
24-Sep-19	Class A Trust Unit	23,139	\$10.05	\$232,549
27-Sep-18	Class A Trust Unit	18,833	\$10.05	\$189,270

28-Sep-18	Class A Trust Unit	33,333	\$10.05	\$335,000
09-Oct-18	Class A Trust Unit	33,155	\$10.10	\$334,868
15-Oct-18	Class A Trust Unit	13,659	\$10.10	\$137,954
22-Oct-18	Class A Trust Unit	24,001	\$10.10	\$242,498
29-Oct-18	Class A Trust Unit	44,599	\$10.10	\$450,450
02-Nov-18	Class A Trust Unit	30,094	\$10.10	\$303,948
12-Nov-18	Class A Trust Unit	20,198	\$10.10	\$204,000
19-Nov-18	Class A Trust Unit	51,660	\$10.10	\$521,766
26-Nov-18	Class A Trust Unit	13,767	\$10.10	\$139,051
03-Dec-18	Class A Trust Unit	54,464	\$10.10	\$550,088
10-Dec-18	Class A Trust Unit	7,475	\$10.10	\$75,500
17-Dec-18	Class A Trust Unit	17,485	\$10.10	\$176,600
20-Dec-18	Class A Trust Unit	70,099	\$10.10	\$708,000
21-Dec-18	Class A Trust Unit	13,861	\$10.10	\$140,000
07-Jan-19	Class A Trust Unit	2,544	\$10.10	\$25,699
14-Jan-19	Class A Trust Unit	10,584	\$10.10	\$106,895
21-Jan-19	Class A Trust Unit	13,611	\$10.10	\$137,473

Date of Issuance	Type of Securities Issued	Number of Securities Issued	Price per Security	Total Funds Received
20-Apr-18	Class F Trust Unit	5,000	\$10.00	\$50,000
27-Aug-18	Class F Trust Unit	2,488	\$10.05	\$25,000
04-Sep-18	Class F Trust Unit	1,990	\$10.05	\$20,000
10-Sep-18	Class F Trust Unit	1,791	\$10.05	\$18,000
24-Sep-18	Class F Trust Unit	39,453	\$10.05	\$396,500
28-Sep-18	Class F Trust Unit	13,930	\$10.05	\$140,000
09-Oct-18	Class F Trust Unit	2,475	\$10.10	\$25,000
15-Oct-18	Class F Trust Unit	2,475	\$10.10	\$25,000
22-Oct-18	Class F Trust Unit	5,248	\$10.10	\$53,000
29-Oct-18	Class F Trust Unit	14,851	\$10.10	\$150,000
02-Nov-18	Class F Trust Unit	3,218	\$10.10	\$32,500
12-Nov-18	Class F Trust Unit	2,277	\$10.10	\$23,000
19-Nov-18	Class F Trust Unit	12,376	\$10.10	\$125,000
17-Dec-18	Class F Trust Unit	4,455	\$10.10	\$45,000
20-Dec-18	Class F Trust Unit	6,238	\$10.10	\$63,000
21-Dec-18	Class F Trust Unit	12,376	\$10.10	\$125,000
07-Jan-19	Class F Trust Unit	11,881	\$10.10	\$120,000

(1) For the 12 months prior to the date hereof, the Issuer issued the following units pursuant to the DRIP: 55,736.59 Class A and 1,812.10 Class F Trust Units were issued. Trust Unitholders enrolled in the DRIP program currently receive a 2% discount on Units purchased through the DRIP.

TERMS OF TRUST UNITS

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

Voting Rights

Holders of Trust Units may attend and vote at all meetings of the Voting Unitholders and each Trust Unit shall entitle the holder thereof to one vote at such meeting.

Redemption of Trust Units

Each Trust Unitholder shall be entitled to require the Issuer to redeem at any time or from time to time at the demand of the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the conditions set out in the Declaration of Trust. See “*Material Agreements – Declaration of Trust – Redemption of Trust Units*” and “*Class Fee and Redemption Features*”.

Distribution Policy

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

SUBSCRIPTION PROCEDURES

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

The minimum subscription amount is \$10,000 per Subscriber. However, the minimum subscription amount may be waived by the Trustees of the Issuer from time to time and set forth in the subscription agreement(s) entered into between the Subscriber and the Issuer. See “*Canadian Federal Income Tax Consequences – Qualification as a Mutual Fund Trust*”.

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

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

- (a) one (1) signed copy of the Subscription Agreement accompanying this Offering Memorandum;

- (b) a certified cheque, bank draft or direct deposit in an amount equal to the aggregate Subscription price, payable to: **"Equiton Residential Income Fund Trust"** or as otherwise directed by the Issuer;
- (c) if an "accredited investor", a Representation Letter in the form attached to the Subscription Agreement as Schedule "A" (please initial the Appendix 1 to the Subscription Agreement, as indicated and, if initialing next to paragraphs (j), (k) or (l) in Appendix 1 to Schedule "A", complete the Risk Acknowledgement Form attached as Appendix 2 to Schedule "A");
- (d) if a Subscriber, other than the individual, is purchasing the Trust Units for an aggregate acquisition cost of not less than \$150,000 (in cash), a Representation Letter in the form attached to the Subscription Agreement as Schedule "A";
- (e) if the Subscriber is purchasing the Trust Units as principal and the Subscriber is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan then:
 - (i) if the Subscriber is an individual, the acquisition cost of all securities acquired by the Subscriber under section 2.9 of NI 45-106 (the Offering Memorandum exemption) in the preceding twelve (12) months shall not exceed the following amounts:
 - (A) in the case of a Subscriber that is not an Eligible Investor, \$10,000;
 - (B) in the case of a Subscriber that is an Eligible Investor, \$30,000; or
 - (C) in the case of a Subscriber that is an Eligible Investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000;
 - (ii) in the case of a Subscriber that is not an Eligible Investor the Subscriber must execute the Risk Acknowledgement in the form attached as Appendix 2 to Schedule "B" to the Subscription Agreement;
 - (iii) in the case of a Subscriber that is an Eligible Investor the following shall be completed by the Subscriber:
 - (A) an Eligible Investor Certificate attached as Schedule "B" to the Subscription Agreement;
 - (B) a Representation Letter in the form attached as Appendix 1 to Schedule "B" to the Subscription Agreement (please initial as indicated); and
 - (C) the Risk Acknowledgement in the form attached as Appendix 2 to Schedule "B" to the Subscription Agreement.

- (f) If the Subscriber is purchasing the Trust Units as principal and the Subscriber is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon then:
 - (i) in the case of a Subscriber that is not an Eligible Investor the following shall apply:
 - (A) the acquisition cost of the Trust Units shall not exceed \$10,000; and
 - (B) the Subscriber must execute the Risk Acknowledgement in the form attached as Appendix 2 to Schedule "B" to the Subscription Agreement;
 - (ii) in the case of a Subscriber that is an Eligible Investor the following shall be completed by the Subscriber:
 - (A) Eligible Investor Certificate attached as Schedule "B" to the Subscription Agreement;
 - (B) a Representation Letter in the form attached as Appendix 1 to Schedule "B" to the Subscription Agreement (please initial as indicated); and
 - (C) the Risk Acknowledgement in the form attached as Appendix 2 to Schedule "B" to the Subscription Agreement; and
- (g) If the Subscriber is purchasing Trust Units as principal and the Subscriber is a resident of British Columbia or Newfoundland and Labrador, then the Subscriber must execute the Risk Acknowledgement in the form attached as Appendix 2 to Schedule "B" to the Subscription Agreement.

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

Subscriptions for Trust Units will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Issuer to close the subscription books at any time, without notice. If a subscription for Trust Units is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest. The subscription funds will be held until midnight of the second Business Day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

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

You should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and

obligations of you and the Issuer. Execution and delivery of the Subscription Agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors. See “Risk Factors”.

Subscriptions received will be subject to rejection or allotment in whole or in part by the Issuer, and Agent reserves the right to close the subscription books at any time without notice. The Trust shall have the right, in its sole discretion, to refuse to accept a subscription. Any subscription monies received in respect of a rejected order will be refunded without interest or deduction. The Trust may reject a subscription submitted by a subscriber who is, or who acts on behalf of a person who will have a beneficial interest in Trust Units being subscribed for and who is, a non-resident of Canada for purposes of the Tax Act, a partnership which is not a “Canadian partnership” for purposes of the Tax Act or a person or partnership, an interest in which is a “tax shelter investment” or which would acquire Trust Units as a “tax shelter investment” for purposes of the Tax Act, or a person or partnership that would cause the Partnership to be a “SIFT partnership” within the meaning of the Tax Act. The Trust may require subscribers to provide evidence reasonably satisfactory to it that such subscribers, or the persons who will have a beneficial interest in Trust Units being subscribed for, are not within such categories.

Closings of this Offering may take place periodically, as agreed upon by the Issuer and the Agent.

PURCHASE OPTIONS

The Issuer has three different purchase options for Subscribers to purchase Class A Trust Units. Subscribers may purchase through the Agent or a registered dealer. Class F Trust Units may only be purchased through Fee Based Accounts or directly from the Issuer. The commissions, Deferred Sales Charges and Short Term Trading Fees shall be set out in the subscription agreement between the Subscriber and the Issuer. Class I Trust Units are designed for institutional investors. The fees payable on Class I Trust Units will be determined based on negotiation and agreement between a Subscriber and the Issuer.

Class A Trust Units

Option 1 – Deferred Sales Charge Option

The Agent or sub-agent receives an upfront commission of 6% of the subscription amount. If the Subscriber redeems its Class A Trust Units prior to the fifth anniversary of their purchase, the following Deferred Sales Charge will be applied to the calculation of the Redemption Amount:

If Redeemed in 1st Year – 7%

If Redeemed in 2nd Year – 6.5%

If Redeemed in 3rd Year – 6.0%

If Redeemed in 4th Year – 5.0%

If Redeemed in 5th Year – 4.0%

Afterwards 0.0%

Option 2 – Low Load Option

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

If redeemed in 1st 18 months – 3.5%

If Redeemed in 2nd 18 Months – 3.0%

Option 3 – Front Load Option

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

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

Class F Trust Units*Fee Based Accounts Option*

Class F Trust Units are generally only available to Subscribers who have Fee-Based Accounts or who are purchasing directly from the Issuer. No commission and no trailers are paid. If the Subscriber redeems its Class F Trust Units in the first 6 months from the date of subscription, a Short Term Trading Fee of 3.0% will be applied to the calculation of the Redemption Amount. The Issuer permits investments from portfolio managers that are below the stated minimum subscription amount for reasons related to client portfolio allocations.

Direct Investment Option

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

Certain Class F Trust Unitholders may be eligible to exchange all or part of their Class F Trust Units for Class I Trust Units based on certain investment thresholds, as determined by the Issuer in its sole discretion. In the event investments in Class I Trust Units fall below certain thresholds, as determined by the Issuer in its sole discretion, then exchanged Class I Trust Units will revert back to Class F Trust Units. Class F Trust Unitholders should consult with their own tax advisors before exchanging their Class F Trust Units for Class I Trust Units.

Class I Trust Units

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

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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

The following summary has been provided by Grant Thornton LLP and management of the Issuer is of the view that it fairly presents the principal Canadian federal income tax considerations generally applicable to prospective subscribers of Trust Units pursuant to this Offering Memorandum who, for the purposes of the Tax Act, are resident in Canada, deal at arm's length with the Issuer and the Partnership and will hold their Trust Units as capital property. Generally, the Trust Units will be considered to be capital property to a Trust Unitholder provided that the Trust Unitholder does not hold the Trust Units in the course of carrying on a business and has not acquired them in a transaction considered to be an adventure in the nature of trade. Certain Trust Unitholders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" (as defined in the Tax Act) owned by them treated as capital property by making the irrevocable election under subsection 39(4) of the Tax Act.

This summary is of a general nature only and is based upon the facts set out in this Offering Memorandum, the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), the published administrative practices of the Canada Revenue Agency and the specific proposals to amend the Tax Act and Regulations (the "**Tax Proposals**") announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial tax legislation or considerations except as otherwise indicated. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurance can be given that this will be the case. Modification or amendment of the Tax Act and the Regulations or the Tax Proposals could significantly alter the tax status of the Issuer or the tax consequences of investing in Trust Units. This summary does not describe income tax considerations relating to the deductibility of interest on money borrowed to acquire Trust Units.

THIS SUMMARY IS NOT EXHAUSTIVE OF ALL POSSIBLE CANADIAN FEDERAL TAX CONSIDERATIONS APPLICABLE TO AN INVESTMENT IN TRUST UNITS. MOREOVER, THE INCOME AND OTHER TAX CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF TRUST UNITS WILL VARY DEPENDING ON THE TRUST UNITHOLDER'S PARTICULAR CIRCUMSTANCES. THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE TRUST UNITHOLDER. ACCORDINGLY, PROSPECTIVE TRUST UNITHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR ADVICE WITH RESPECT TO THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES. IN ADDITION, THIS SUMMARY IS NOT APPLICABLE TO (I) A TRUST UNITHOLDER THAT IS A "FINANCIAL INSTITUTION", AS DEFINED IN THE TAX ACT FOR THE PURPOSES OF THE MARK-TO-MARKET RULES, AND (II) A TRUST UNITHOLDER WHERE AN INTEREST IN SUCH TRUST UNITHOLDER WOULD BE A "TAX SHELTER INVESTMENT" FOR THE PURPOSES OF THE TAX ACT. THIS SUMMARY DOES NOT ADDRESS ANY CANADIAN FEDERAL INCOME TAX CONSIDERATIONS APPLICABLE TO NON-RESIDENTS. NON-RESIDENTS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF ACQUIRING AND HOLDING TRUST UNITS.

ALL DISTRIBUTIONS TO NON-RESIDENTS, WHETHER PAYABLE IN CASH OR ADDITIONAL TRUST UNITS, WILL BE NET OF ANY APPLICABLE WITHHOLDING TAXES.

Qualification as a Mutual Fund Trust

This summary assumes that the Issuer qualifies, and will continue to qualify, as a “mutual fund trust” under the provisions of the Tax Act at all relevant times. To qualify as a mutual fund trust, the Issuer must be a “unit trust” as defined by the Tax Act and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property) and (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) that is capital property of the Issuer or (iii) any combination of the activities described in (i) and (ii), and must have 150 Trust Unitholders each holding not less than 100 Trust Units which are qualified for distribution to the public and which have an aggregate fair market value of not less than \$500. The Issuer has advised that it does and will at all relevant times qualify as a mutual fund trust under the provisions of the Tax Act. In the event that the Issuer were not to qualify as a mutual fund trust, the Canadian federal income tax consequences described below would, in some aspects, be materially and adversely different.

If the Issuer has a Trust Unitholder that is a “designated beneficiary” within the meaning of the Tax Act at any time in a taxation year in which it does not qualify as a mutual fund trust for the purposes of the Tax Act throughout the year, it will be subject to a special tax at the rate of 36% under Part XII.2 of the Tax Act on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident under the Tax Act. If the Issuer is subject to tax under Part XII.2, the Issuer may make a designation so that, generally, Trust Unitholders who are not designated beneficiaries receive an appropriate refundable tax credit.

SIFT Rules

The Tax Act contains rules (the “**SIFT Rules**”) relating to the federal income taxation of publicly-listed or traded trusts and partnerships.

The SIFT Rules apply to a publicly-listed or traded trust that is a specified investment flow-through entity (a “**SIFT trust**”) and its investors. Certain distributions attributable to a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s income and the SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. Provided investments in the Issuer are not listed or traded on a stock exchange or other public market, the Issuer will not be subject to the SIFT Rules. The Issuer does not expect Trust Units or any interest in the Issuer or the Partnership to be so listed or traded. If investments in the Issuer or the Partnership become publicly listed or traded, there can be no assurances that the Issuer or the Partnership will not be subject to the SIFT Rules at that time. If the SIFT Rules were to apply to the Issuer or the Partnership, the income tax considerations would, in some respects, be materially and adversely different.

Taxation of Issuer

The Tax Act requires that the Issuer compute its income or loss for a taxation year as though it were an individual resident in Canada. The taxation year of the Issuer is the calendar year. In each taxation year, the Issuer will be subject to tax under Part I of the Tax Act on its taxable income for the year, including income allocated to it by the Partnership and net realized taxable capital gains less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Trust Unitholders and is otherwise deductible under the Tax Act. An amount will

not be considered to be payable to a Trust Unitholder in a taxation year unless the Trust Unitholder is entitled in that year to enforce payment of the amount.

In computing its income, the Issuer may deduct administrative costs, interest and other expenses incurred by it for the purpose of earning income, provided that they are reasonable in amount and are otherwise deductible under the Tax Act.

Pursuant to the Declaration of Trust, the Issuer intends to make sufficient distributions of its Trust Income and Net Realized Capital Gains so that the Issuer will generally not be liable in that year for income tax under Part I of the Tax Act other than such tax on Net Realized Capital Gains that will be recoverable by the Issuer in respect of such year by reason of the capital gains refund mechanism. Losses incurred by the Issuer cannot be allocated to Trust Unitholders but may be deducted by the Issuer subject to and in accordance with the Tax Act.

The Tax Act includes “loss restriction event” (“**LRE**”) rules that could potentially apply to the Issuer. In general, a trust is subject to a LRE if a person (or group of persons) acquires more than 50% of the fair market value of the units of the trust. If an LRE occurs (i) a trust will be deemed to have a year-end for tax purposes immediately before the LRE occurs, (ii) unless any Trust Income and Net Realized Capital Gains of the trust at such year-end is distributed or otherwise made payable to unitholders of the trust to the extent required for the trust not to be liable for income taxes, the trust would be subject to tax under Part I of the Tax Act, and (iii) the trust will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE.

Currently, one exception to these LRE rules is a trust which is considered to be an “investment fund”. On January 15, 2016, the Department of Finance released draft legislation to provide some relief from the LRE rules as they apply to certain trusts. The proposed amendments will revise the Tax Act’s definition of an “investment fund” to allow trusts that are investment funds to more readily establish whether they are in keeping with the definition. However, relief from the LRE rules would not be available under the draft legislation for a trust, which holds any “non-portfolio property”, including a significant interest in a partnership.

Taxation of the Partnership

The Partnership is not itself liable for income tax; however, it is required to compute its income or loss for each of its fiscal periods as if it were a separate person resident in Canada. The fiscal period of the Partnership ends on December 31 of each year.

In computing its income or loss the Partnership will be entitled to deduct expenses incurred by it in the fiscal period in which they are incurred to the extent such expenses are reasonable in amount and their deduction is permitted by the Tax Act. In some cases, outlays and expenses may have to be capitalized and added to the cost amount of its Property.

Taxation of Trust Unitholders

A Trust Unitholder is required to include in computing income for tax purposes in each year the portion of the amount of Trust Income and the taxable portion of Net Realized Capital Gains of the Issuer, determined for the purposes of the Tax Act, paid or payable to such Trust Unitholder in the year that the Issuer deducts in computing its income for tax purposes, whether that amount is received in cash, additional Trust Units, or otherwise. Income of a Trust Unitholder from the Trust Units will generally be considered to be income from property. The Issuer intends to

designate to the extent permitted by the Tax Act the portion of the Trust Distributable Income paid or payable to Trust Unitholders as may reasonably be considered to consist of Net Realized Capital Gains of the Issuer. Any such designated amount will be deemed for tax purposes to be received by Trust Unitholders in the year as a capital gain.

The Declaration of Trust provides that Trust Income and Net Realized Capital Gains for purposes of the Tax Act will be allocated to Trust Unitholders in the same proportion as distributions received by Trust Unitholders.

Based on the distribution policy, the amount distributed to Trust Unitholders in a year may exceed the Trust Income and Net Realized Capital Gains for that year. Such excess distributions in a year will not be included in computing the income of the Trust Unitholders for tax purposes. However, a Trust Unitholder is required to reduce the adjusted cost base to the Trust Unitholder of the Trust Units by the portion of any amount paid or payable to the Trust Unitholder by the Issuer (other than the non-taxable portion of certain capital gains) that was not included in computing income and will realize a capital gain in the year to the extent the adjusted cost base of the Trust Units would otherwise be a negative amount.

Upon the disposition or deemed disposition, whether on a redemption or otherwise, by a Trust Unitholder of a Trust Unit, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Trust Unit exceed (or are exceeded by) the aggregate of the adjusted cost base to the Trust Unitholder of the Trust Unit immediately before the disposition and any reasonable costs of the disposition. The adjusted cost base of a Trust Unit to a Trust Unitholder will include all amounts paid or payable by the Trust Unitholder for the Trust Unit, with certain adjustments. The cost to a Trust Unitholder of additional Trust Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Trust Units. The adjusted cost base to a Trust Unitholder of a particular class of a Trust Unit will be determined by averaging the cost base of all Trust Units of that class owned by a Trust Unitholder as capital property at a particular time. Generally, one-half of any capital gain (a "taxable capital gain") realized by a Trust Unitholder will be included in the Trust Unitholder's income for the year of disposition. One-half of any capital loss so realized (an "allowable capital loss") may generally be deducted against taxable capital gains of the Trust Unitholder for the year of disposition. Any excess of allowable capital losses over taxable capital gains of the Trust Unitholder for the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years to the extent and in the circumstances prescribed in the Tax Act.

Capital gains realized by an individual or trust, other than certain trusts, may give rise to alternative minimum tax under the Tax Act. A holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on taxable capital gains.

Eligibility for Investment by Deferred Income Plans

Provided that the Issuer qualifies as a "mutual fund trust" for purposes of the Tax Act at all times, the Trust Units will be qualified investments for trusts governed by registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), registered disability savings plans, registered education savings plans, deferred profit sharing plans, or tax-free savings accounts ("TFSA").

Generally, if the Issuer does not qualify or ceases to qualify as a mutual fund trust at any time, the Trust Units will not be, or will cease to be, qualified investments for Deferred Income Plans

at that time. Redemption Notes and Trust Property received as a result of distributions or redemptions of Trust Units may not be qualified investments for Deferred Income Plans. Where a Deferred Income Plan acquires a Redemption Note or a Trust Property that is not a qualified investment, or acquires or holds a Trust Unit that is not, or that ceases to be, a qualified investment, adverse tax consequences may arise to the Deferred Income Plan and the annuitant under the Deferred Income Plan. Accordingly, Deferred Income Plans that propose to invest in Trust Units should consult their own tax advisors before deciding to purchase Trust Units and again before deciding to exercise their redemption rights attached to such Trust Units.

Notwithstanding the foregoing, if the Trust Units are “prohibited investments” for a trust governed by a RRSP, RRIF or TFSA which acquired Trust Units pursuant to this Offering Memorandum, the annuitant or holder will be subject to a penalty tax in respect of such Trust Units. A Trust Unit will generally be a “prohibited investment” if the annuitant or holder does not deal at arm’s length with the Issuer for purposes of the Tax Act or has a significant interest (within the meaning of the Tax Act) in the Issuer. For these purposes, an annuitant or holder will have a significant interest in the Issuer at a particular time if the annuitant or holder, or the annuitant or holder together with persons or partnerships with which the annuitant or holder does not deal at arm’s length, holds at the time interests as a beneficiary of the Issuer that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Issuer. The Trust Units will generally not be a “prohibited investment” if the Trust Units are “excluded property” (as defined in the Tax Act) for trusts governed by an RRSP, RRIF or TFSA.

Trust Unitholders or annuitants should consult their own tax advisors with respect to whether Trust Units would be prohibited investments in their particular circumstances, including with respect to whether the Trust Units would be “excluded property”.

COMPENSATION PAID TO SELLERS AND FINDERS

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

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

For example, assuming \$10,000,000 of gross proceeds is realized on the sale of the Trust Units, the aggregate sales commissions to be paid to the Agent or sub-agent will vary based on the Class A Purchase Options selected by the Subscribers and number of Class F or Class I Trust Units subscribed to, the Issuer will incur Wholesale Costs of up to \$125,000, Dealer Fees of up to \$150,000, and a Fee of \$50,000.

The Issuer has agreed, subject to certain exceptions, to indemnify the Agent and their directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under Canadian securities legislation, and to contribute to any payments the Agent may be required to make in respect thereof.

RELATIONSHIP BETWEEN ISSUER, AGENT AND OTHER RELATED PARTIES

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

The Agent

Jason Roque, a Trustee of the Issuer, indirectly, through wholly owned Subsidiaries, controls the Agent and is a director and President of the Agent. In addition, Helen Hurlbut, a Trustee of the Issuer, is Chief Financial Officer of the Agent. As a result, the Agent is a Related Party to the Issuer.

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

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

The Asset Manager and Property Manager

The Asset Manager and Property Manager, Equiton Partners, is a Related Party to the Issuer because Jason Roque and Helen Hurlbut, both Trustees of the Issuer, are the President and Chief Financial Officer, respectively, of Equiton Partners and Jason is the sole director of Equiton Partners. Also, Mr. Roque indirectly, through wholly owned subsidiaries, controls Equiton Partners. In addition, pursuant to the Declaration of Trust, Equiton Partners is entitled to appoint up to four (4) Trustees. The Asset Manager may also be deemed a Related Party to the Issuer at any time, from time to time, that it holds 10% or more of the Voting Units.

The General Partner

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

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

RISK FACTORS

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

Investment Risk

Resale Restrictions

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

Liquidity of Trust Units

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

Redemption Risk

The Issuer may not be able to pay Trust Unitholders in cash, in which case the redemption price for Trust Units will be satisfied through the issuance of Redemption Notes, which will not be qualified investments for a Deferred Income Plan and may have adverse tax consequences if held

by a Deferred Income Plan. See “*Declaration of Trust*”. See “*Redemption of Trust Units*”. See “*Eligibility for Investment by Deferred Income Plans*.”

Redemption Rights

The Trust Units are redeemable upon demand of the Trust Unitholder. However, these redemption rights are subject to limitations, including a monthly limit of \$50,000 in respect of all Trust Units tendered for redemption. If the redemptions tendered in a calendar month exceed the foregoing limit, then the Issuer may satisfy the payment of the Redemption Amount, in part, by the issuance of Redemption Notes, which are promissory notes. Any Redemption Notes which may be received as a result of a redemption of Trust Units will not be qualified investments for a Deferred Income Plan and may have adverse tax consequences if held by a Deferred Income Plan. See “*Declaration of Trust*”. See “*Redemption of Trust Units*”. See “*Eligibility for Investment by Deferred Income Plans*.”

Use of Available Cash

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

Redemption Price

The Redemption Price will be to the Redemption Price times the number of Trust Units that a Trust Unitholder tenders for redemption, less the costs of implementing the redemption, any applicable Deferred Sales Charge, and any applicable Short Term Trading Fee. See “*Purchase Options*”. See “*Redemption of Trust Units*”.

Redemption Price Determination

The Redemption Price shall be based on the Market Value of the Trust Units, as determined by the Trustees in their sole discretion. There is a risk that the estimate of the Market Value of the Trust Units determined by the Trustees may not accurately reflect the true fair market value of the Trust and Trust Unitholders will have no recourse against the Trust or the Trustees in this respect.

Payment of Redemption Notes

In the event that the Issuer 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. In these circumstances it is possible that the Issuer may not have funds available to pay on maturity the principal balance and accrued unpaid interest under Redemption Notes issued.

Redemption Notes will be unsecured

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

Priority of Redemption Notes over Trust Units

Redemption Notes, if issued by the Issuer, may, in certain circumstances, have priority over Trust Units in the event of the liquidation of the assets of the Issuer. 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 Issuer in order to determine if such a priority exists.

Availability of Distributable Income

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

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

Structural Subordination of Trust Units

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

Trust Unitholder Liability

The Declaration of Trust provides that no Trust Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Trust Unit. In addition, legislation has been enacted in the Province of Ontario and certain other provinces and territories that is

intended to provide Trust Unitholders in those provinces and territories with limited liability. However, there remains a risk, which is considered by the Issuer to be remote in the circumstances, that a holder of Trust Units could be held personally liable for the obligations of the Issuer to the extent that claims are not satisfied out of the Trust Property. It is intended that the affairs of the Issuer will be conducted to seek to minimize such risk wherever possible.

Nature of Investment

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

Restrictions on Ownership of Trust Units

The Declaration of Trust imposes various restrictions on Trust Unitholders. Non-resident Trust Unitholders are prohibited from beneficially owning more than 49% of the Trust Units (on a non-diluted and a fully-diluted basis).

Tax Related Risks

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

To qualify as a mutual fund trust, the Issuer must be a “unit trust” as defined by the Tax Act and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property) and (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) that is capital property of the Issuer or (iii) any combination of the activities described in (i) and (ii), and must have 150 Trust Unitholders each holding not less than 100 Trust Units which are qualified for distribution to the public and which have an aggregate fair market value of not less than \$500. The Issuer must comply with these requirements on a continuous basis and the Issuer must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada. If the Issuer fails or ceases to qualify as a “mutual fund trust” for the purposes of the Tax Act, the tax consequences described under “*Canadian Federal Income Tax Considerations*” and “*Eligibility for Investment by Deferred Income Plans*” would in some respects be materially and adversely different. In such a case, the Trust Units will not be, or will cease to be, qualified investments for Deferred Income Plans at that time. Furthermore, the Issuer may be subject to a special tax under Part XII.2 of the Tax Act for such taxation year to the extent that its designated income is distributed to a designated beneficiary, including a non-resident person. In addition, Trust Unitholders may become subject to provincial taxes, such as Ontario Land Transfer Tax, in respect of their Trust Units.

The Tax Act imposes penalties on Deferred Income Plans or annuitants under Deferred Income Plans for the acquisition or holding of non-qualified investments. Even if the Trust Units are a qualified investment for a trust governed by a TFSA, RRSP or RRIF, the holder or annuitant will be subject to a penalty tax in respect of Trust Units held in a trust governed by such a Deferred Income Plan if such Trust Units are a “prohibited investment” for the purposes of the Tax Act. In

addition, certain Trust Property or Redemption Notes of the Issuer received as a result of a distribution or redemption of Trust Units may not be a qualified investment for Deferred Income Plans, which may give rise to adverse consequences to a Deferred Income Plan or the annuitant, holder or beneficiary thereunder.

Trust Unitholders may be required to include amounts in their taxable income even where they have not received a cash distribution in respect of such amounts. The Declaration of Trust provides that a sufficient amount of the Issuer's Trust Income and Net Realized Capital Gains will be distributed each year to Trust Unitholders or otherwise in order to eliminate the Issuer's liability for tax under Part I of the Tax Act. Where such amount of Trust Income and Net Realized Capital Gains of the Issuer in a taxation year exceeds the cash available for distribution in the year, such excess may be distributed to Trust Unitholders in the form of additional Trust Units.

If Trust Units or other investments in the Issuer become publicly listed or traded, there can be no assurances that the Issuer will not be subject to the SIFT Rules, as described under "*Canadian Federal Income Tax Considerations – SIFT Rules*", at that time. As such, adverse consequences could result.

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

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

Dilution

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

Nature of Trust Units

The Trust Units are not the same as shares of a corporation. As a result, the Trust Unitholders will not have the statutory rights and remedies normally associated with share ownership, such as the right to bring "oppression" or "derivative" actions.

Issuer Risk**Limited Track Record**

While the management of the Issuer and Partnership has deep experience in real estate, asset management, and finance, they have not managed third-party investor's funds prior to establishing the Partnership. As the Partnership is in the early start-up stage, the Partnership has yet to prove that it can achieve a stable cash flow profile on a sustained basis.

Future Property Acquisitions

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

Access to Capital

The real estate industry is highly capital intensive. The Partnership will require access to capital to maintain its Properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurance that the Partnership will have access to sufficient capital or access to capital on terms favourable to the Partnership for future property acquisitions, financing or refinancing of Properties, funding operating expenses or other purposes. Further, the Partnership may not be able to borrow funds due to the limitations set forth in the Declaration of Trust. In addition, global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. It is possible that financing which the Partnership may require in order to grow and expand its operations, upon the expiry of the term of financing, on refinancing any particular Property owned by the Partnership or otherwise, may not be available or, if it is available, may not be available on favourable terms to the Partnership. Failure by the Partnership to access required capital could adversely impact the Partnership's financial condition and results of operations and decrease the amount of cash available for distribution. As well, the degree of leverage could affect the Partnership's ability to obtain additional financing in the future.

Dependence on the Partnership

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

Dependence on Key Personnel

The management of the Issuer and the Partnership depends on the services of certain key personnel. The termination of employment by the Asset Manager or the Property Manager of any of these key personnel could have a material adverse effect on the Issuer and the Partnership.

Potential Conflicts of Interest

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

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

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

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

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

Internal Controls

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

Significant Influence by Jason Roque and Equiton Partners

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

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

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

Limited Ability of Unitholder to Elect Trustees

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

No Unitholder Approval of Auditor

Unitholders will have no opportunity to approve the auditor of the Issuer.

Dependence on the Asset Manager

The Partnership is dependent upon the Asset Manager for operational and administrative services relating to the Partnership's business. Should the Asset Manager terminate the Asset Management Agreement, the Partnership may be required to engage the exclusive services of

an external asset manager. The Partnership may be unable to engage an asset manager on acceptable terms, in which case the Partnership's operations and cash available for distribution may be adversely affected.

Litigation Risks

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

Assumption of Liabilities

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

Reliance on External Sources of Capital

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

Derivatives Risks

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

exchange imposed daily trading limits on options and futures contracts. If the Partnership is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on the Partnership's ability to use derivative instruments to effectively hedge its utility and interest rate risks.

Restrictions on Potential Growth and Reliance on Credit Facilities

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

Financing

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

Industry Risk

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for multi-unit residential premises, competition from other available residential premises and various other factors.

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

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Partnership were required to liquidate its real property investments, the proceeds to the Partnership might be significantly less than the aggregate value of its properties on a going concern basis.

The Partnership will be subject to the risks associated with debt financing, including the risk that mortgage indebtedness secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

Revenue Producing Properties

The Properties generate income through rental payments made by the tenants thereof. Residential tenant leases are relatively short, exposing the Partnership to market rental-rate volatility. Upon the expiry of any lease, there can be no assurance that such lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the Partnership than the existing lease. Unlike commercial leases which generally are “net” leases and allow a landlord to recover expenditures, residential leases are generally “gross” leases and the landlord is not able to pass on costs to its tenants.

Low Capitalization Rate

Capitalization rates for multi-family assets have continued to trend downward on a national basis, dropping to new lows to end 2018. With low capitalization rates, the Partnership will need to add value by increasing rents or reducing expenses to enhance profitability. In addition, property values are very sensitive to change in capitalization rates. If the capitalization rate were to increase by 25 basis points, the value of the Properties would decrease by approximately 4.6%.

Exposure to Secondary and Suburban Markets

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

Historic Results Not a Predictor of the Future Results

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

Competition for Real Property Investments

The Partnership competes for suitable real property investments with individuals, corporations and institutions (both Canadian and foreign) and other real estate investment trusts which are presently seeking, or which may seek in the future, real property investments similar to those desired by the Partnership. A number of these investors may have greater financial resources than those of the Partnership, or operate without the investment or operating guidelines of the Partnership or according to more flexible conditions. An increase in the availability of investment funds, and an increase in interest in real property investments, may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Competition for Tenants

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

Interest Rates

The Partnership may be subject to higher interest rates in the future, given the current economic climate. The Partnership may also be unable to renew its maturing debt either with an existing or a new lender, and if it's able to renew its maturing debt, significantly lower loan-to-value ratios may be used. The Partnership will seek to manage this risk by negotiating fixed interest rates where possible.

It is anticipated that the market price for the Trust Units at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the market price of the Trust Units. A decrease in interest rates may encourage tenants to purchase condominiums or other types of housing, which could result in a reduction in demand for rental properties. Changes in interest rates may also have effects on vacancy rates, rent levels, refurbishing costs and other factors affecting the Partnership's business and profitability.

General Economic Conditions

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

Insurance Renewals

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

General Uninsured Losses

The Partnership carries comprehensive general liability, fire, flood, extended coverage and rental loss with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis. The Partnership has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if economical to do so. Should an uninsured or underinsured loss occur, the Partnership could lose its investment in, and anticipated profits and cash flows from, one or more of its Properties, but the Partnership would continue to be obligated to repay any recourse mortgage indebtedness on such Properties.

Government Regulation

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

In addition to limiting the Partnership's ability to raise rental rates, provincial and territorial residential tenancy legislation provides certain rights to tenants, while imposing obligations upon the landlord. Residential tenancy legislation in the Province of Ontario prescribes certain procedures which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the respective administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months to terminate a residential lease, even where the tenant's rent is in arrears.

Under Ontario's rent control legislation, a landlord is entitled to increase the rent for existing tenants once every 12 months by no more than the "guideline amount" established by regulation. For the calendar year 2018, the guideline amount was established at 1.8%. This adjustment is meant to take into account the income of the building and the municipal and school taxes, the insurance bills, the energy costs, maintenance and service costs. Landlords may apply to the Ontario Rental Housing Tribunal for an increase above the guideline amounts if annual costs for heat, hydro, water or municipal taxes have increased significantly or if building security costs have increased. The landlord may also be entitled to a greater increase in rent for a suite under certain circumstances, including, for example, where extra expenses have been incurred as a result of a renovation of that suite. When a suite is vacated, however, the landlord is entitled to lease the suite to a new tenant at any rental amount, after which annual increases are limited to the applicable guideline amount.

On April 20, 2017, the Ontario provincial government introduced legislation ("**Provincial Housing Legislation**") that passed on May 18, 2017, and provides a number of changes with respect to the relationship between landlords and tenants, particularly, among other things, to expand rent control to all private rental units, including those built on or after November 1, 1991 (which were not previously subject to rent controls). The proposed rent control amendments cap rent increases at 2.5 per cent annually, even if the rate of inflation is higher. This change applies

to notices of rent increase given on or after April 20, 2017. In November 2018, the Ontario provincial government removed rent controls on new units that are being rented for the first time. Previously, rent control applied only to buildings built before 1991 but, the former Liberal Government extended rent control to all buildings in April 2017. Presently, any new unit that has not been occupied before November 15th, 2018, is not subject to rent control.

Since Provincial Housing Legislation can have an impact on its business, the Partnership will consider the Provincial Housing Legislation or any new legislation (as applicable) in future investment decisions.

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

Environmental Matters

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

REPORTING OBLIGATIONS

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

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

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

Additionally, pursuant to the Declaration of Trust, the Issuer must deliver to Unitholders a report of the Independent Trustees regarding their review and approval of any Conflict of Interest Matters during the prior fiscal year at the same time that the audited annual financial statements are delivered to Unitholders.

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

RESALE RESTRICTIONS

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

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

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

For Subscribers resident in British Columbia, Alberta, Saskatchewan, Québec, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, unless permitted under securities legislation, the Trust Units cannot be traded before the date that is four (4) months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada. For subscribers resident in Manitoba, unless permitted under securities legislation, a Trust Unitholder must not trade the Trust Units without the prior written consent of the regulator in Manitoba, unless the Trust has filed a prospectus with the regulator in Manitoba with respect to the Trust Units and the regulator in Manitoba has issued a receipt for that

prospectus, or the Trust Unit holder has held the Trust Units for at least 12 months. The regulator in Manitoba will consent to such a trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

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

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

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

SUBSCRIBERS' RIGHT OF ACTIONS

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

Two Day Cancellation Right for a Subscriber

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

Rights of Action for Misrepresentation

Securities legislation in certain provinces of Canada provides purchasers of Trust Units pursuant to this Offering Memorandum with a statutory right of action for damages or rescission in addition to any other rights they may have at law, in cases where this Offering Memorandum and any amendment to it contains a “Misrepresentation”. Where used herein, “Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by the Subscriber within the time limits prescribed and are subject to the defenses and limitations contained under the applicable securities legislation. Subscribers resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of actions and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Trust in connection with 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. Subscribers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Rights of Subscribers in Alberta

Section 204 of the *Securities Act* (Alberta) provides that if an offering memorandum contains a Misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation, if it was a Misrepresentation at the time of the purchase, and has a right of action (a) for damages against (i) the Issuer, (ii) every director of the Issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum, and (b) for rescission against the Issuer, provided that:

- (a) if the purchaser elects to exercise its right of rescission, it shall cease to have a right of action for damages against the person or company referred to above;
- (b) no person or company referred to above will be liable if it proves that the purchaser had knowledge of the Misrepresentation;
- (c) no person or company (other than the Issuer) referred to above will be liable if it proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
- (d) no person or company (other than the Issuer) referred to above will be liable if it proves that the person or company, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (e) no person or company (other than the Issuer) referred to above will be liable if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:
 - (i) there had been a Misrepresentation; or
 - (ii) the relevant part of the offering memorandum;
 - (A) did not fairly represent the report, opinion or statement of the expert, or
 - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (f) the person or company (other than the issuer) will not be liable if with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, and

- (ii) believed there had been a Misrepresentation;
- (g) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum;
- (h) the defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation;

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

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

Rights of Subscribers in British Columbia

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

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

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

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

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

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

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

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

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

Rights of Subscribers in Saskatchewan

Securities Act, 1988 (Saskatchewan), as amended (the “Saskatchewan Act”) provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a Misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

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

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

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

- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the Misrepresentation.

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

- (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered;
- (b) after the filing of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or the amendment to the offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable general notice of the person's or company's withdrawal and the reason for it;
- (c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

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

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a Misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

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

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

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

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

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

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

Rights of Subscribers in Manitoba

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

- (a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

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

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

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

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

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

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

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

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

Rights of Subscribers in Ontario

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

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the Issuer and the selling security holders, if any;
- (b) the Issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) the Issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) the Issuer will not be liable for a Misrepresentation in forward-looking information if the Issuer proves:
 - (i) that the offering memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Issuer has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

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

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:

- (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
- (ii) three years after the date of the transaction that gave rise to the cause of action.

Rights of Subscribers in Québec

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

Rights of Subscribers in Nova Scotia

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

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

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

- (a) the offering memorandum or amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

- (b) after delivery of the offering memorandum or amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum or amendment to offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

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

Rights of Subscribers in New Brunswick

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

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

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the Misrepresentation. However, there are various defences available to the Issuer and the selling security holder(s). In particular, no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation when the purchaser purchased the securities. Moreover, in

an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

Rights of Subscribers in Newfoundland and Labrador

The right of action for damages or rescission described herein is conferred by section 130.1 of the *Securities Act* (Newfoundland and Labrador). Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), contains a Misrepresentation, without regard to whether the purchaser relied upon the Misrepresentation, the purchaser has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer and, subject to certain additional defences, every director of the Issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser shall have no right of action for damages against the Issuer, directors of the Issuer or persons who have signed the offering memorandum, provided that, among other limitations:

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

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

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

Language of Documents

Upon receipt of this document, each investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of securities described herein (including for greater certainty any purchase confirmation or notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

ANCILLARY MATTERS

Legal Counsel

Certain legal matters in connection with this Offering will be passed upon by Miller Thomson LLP on behalf of the Issuer.

Auditor, Transfer Agent and Registrar

The Auditors of the Issuer is Grant Thornton LLP. Computershare Trust Company of Canada will act as the transfer agent, and SGGG Fund Services Inc. will act as the registrar of the Trust Units.

SCHEDULE "A" – Description of Properties

EXISTING PROPERTIES

City	Building	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
Brantford	2	-	33	66	5	-	104
Chatham	2	22	48	39	1	-	110
Kingston	3	1	49	78	40	2	170
Stratford	2	-	31	65	3	-	99
Totals	9	23	161	248	49	2	483



Stratford, Ontario

30 & 31 Campbell Court

Acquired: April 2016

Purchase Price: \$8,900,000

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	31	65	3	0	99

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

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



Brantford, Ontario

120, 126 and 130 St. Paul Avenue

Acquired: July 2016

Purchase Price: \$5,049,000 (Part of a portfolio purchase for \$11,475,000 July 2016)

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

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

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



Brantford, Ontario

19 Lynnwood Avenue

Acquired: July 2016

Purchase Price: \$6,426,000 (Part of a portfolio purchase for \$11,475,000 July 2016)

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	18	35	5	0	58

This property consists of a single 6-storey purpose-built building with elevator service. It is situated on approximately 1.7 acres of land and the building totals approximately 66,000 square feet of area.

Amenities include 53 surface parking spaces and laundry facilities. The property is within walking distance of public transportation, parks, shopping and restaurants. The property is also minutes from the city's main commercial corridor and Highway 403.



Chatham, Ontario

383-385 Wellington Street & 49 Lacroix Street

Acquired: December 2017

Purchase Price: \$4,050,000

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

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

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



Kingston, Ontario

760/780 Division Street & 2 Kirkpatrick Street

Acquired: March 2018

Purchase Price: \$12,150,000

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

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

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



Kingston, Ontario

1379 Princess Street

Acquired: May 2018

Purchase Price: \$3,900,000

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
1	19	12	0	2	34

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

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



Chatham, Ontario

75 & 87 Mary Street

Acquired: August 2018

Purchase Price: \$5,265,000

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

This property consists of two 2 ½ storey walk-up buildings. These buildings sit on approximately 1 acre of land and contain approximately 51,020 square feet of area.

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



Kingston, Ontario

252 & 268 Conacher Drive

Acquired: September 2018

Purchase Price: \$2,085,000

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

This property consists of two 2 ½ storey walk-up buildings. These buildings are situated on approximately 1 acre of land and have approximately 24,143 square feet of area.

Amenities include 25 surface parking spaces and laundry facilities. It is located close to public transportation, a hospital, Queen's University, a fire station, a police station, shopping and services, restaurants and Highway 401.

PURCHASES UNDER CONTRACT**Markham, Ontario**

65 Times Avenue

Closing Date: Scheduled for March 29, 2019**Conditional Period Expires:** March 5, 2019**Purchase Price:** \$21,000,000

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

The property consists of a single 5-storey building with elevator service. It is situated on approximately 0.17 acres of land and the building totals approximately 51,413 square feet of area.

Amenities include 64 parking spots (20 surface and 44 below ground), laundry facilities in each unit. The property is in a prime location and only minutes from shopping, restaurants, and amenities. It has easy access to Highway 407, Highway 404 and 7. It is also close to public transit including a GO station which provides convenient access to downtown Toronto.

**London, Ontario**

1355 Commissioners Rd. W

Closing Date: Scheduled for May 28, 2019**Conditional Period Expires:** April 5, 2019 (estimated)**Purchase Price:** \$17,100,000

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

The property consists of a single 5-storey building with elevator service. It is situated on approximately 1.31 acres of land and the building totals approximately 71,744 square feet of area.

Amenities include 65 parking spots, laundry facilities and storage in each unit, and 19 storage lockers for rent. The property is in a prime location and only minutes from shopping, restaurants, amenities and various colleges and Western University affiliates. It has easy access to Highway 401 and 402, as well as, public transit.

There are no assurances that the acquisitions will be completed. Additionally, the terms of any Agreement of Purchase and Sale for a pending acquisition may change prior to closing.

SCHEDULE “B” – SUMMARY INFORMATION ABOUT MORTGAGES

* Outstanding balance is as at December 31, 2018

Location	Purchase Price	Outstanding Mortgage at December 31, 2018	Maturity Date	Interest Rate
120, 126 and 130 St. Paul Avenue & 19 Lynnwood Avenue, Brantford Ontario	\$11,475,000	\$6,017,098	07/31/2026	3.91%
383-385 Wellington Street & 49 Lacroix Street, Chatham, Ontario	\$4,050,000	\$2,432,478	03/01/2028	3.31%
75 & 87 Mary Street, Chatham, Ontario	\$5,265,000	\$2,901,737	09/01/2028	3.80%
		\$457,440 (2nd mortgage)	08/31/2028	4.35%
252 & 268 Conacher Drive, Kingston, Ontario	\$2,085,000	\$1,351,226	10/01/2028	4.60%
760/780 Division Street & 2 Kirkpatrick Street, Kingston, Ontario	\$12,150,000	\$6,105,927 (Assumed Mortgage)	05/01/2025	2.44%
		\$1,064,177 (Top up)	05/01/2028	3.24%
1379 Princess Street, Kingston, Ontario	\$3,900.00	\$2,508,265	06/01/2028	3.50%

30 & 31 Campbell Court, Stratford, Ontario	\$8,900.00	\$4,703,958	09/01/2026	2.73%

SCHEDULE “C” – HISTORICAL DISTRIBUTIONS

Monthly Fund Statistics			
Month	Unit Price	Class A Distribution	Class F Distribution
Jun-16	\$10.00	\$0.041667	\$0.050000
Jul-16	\$10.00	\$0.041667	\$0.050000
Aug-16	\$10.00	\$0.041667	\$0.050000
Sep-16	\$10.00	\$0.041667	\$0.050000
Oct-16	\$10.00	\$0.041667	\$0.050000
Nov-16	\$10.00	\$0.041667	\$0.050000
Dec-16	\$10.00	\$0.041667	\$0.050000
Jan-17	\$10.00	\$0.041667	\$0.050000
Feb-17	\$10.00	\$0.041667	\$0.050000
Mar-17	\$10.00	\$0.041667	\$0.050000
Apr-17	\$10.00	\$0.041667	\$0.050000
May-17	\$10.00	\$0.041667	\$0.050000
Jun-17	\$10.00	\$0.041667	\$0.050000
Jul-17	\$10.00	\$0.041667	\$0.050000
Aug-17	\$10.00	\$0.041667	\$0.050000
Sep-17	\$10.00	\$0.041667	\$0.050000
Oct-17	\$10.00	\$0.041667	\$0.050000
Nov-17	\$10.00	\$0.041667	\$0.050000
Dec-17	\$10.00	\$0.043750	\$0.052083
Jan-18	\$10.00	\$0.043750	\$0.052083
Feb-18	\$10.00	\$0.043750	\$0.052083
Mar-18	\$10.00	\$0.045833	\$0.054167
Apr-18	\$10.00	\$0.045833	\$0.054167
May-18	\$10.00	\$0.045833	\$0.054167
Jun-18	\$10.00	\$0.045833	\$0.054167
Jul-18	\$10.05	\$0.046063	\$0.054438
Aug-18	\$10.05	\$0.046063	\$0.054438
Sep-18	\$10.05	\$0.048156	\$0.056531
Oct-18	\$10.10	\$0.048396	\$0.056813
Nov-18	\$10.10	\$0.048396	\$0.056813
Dec-18	\$10.10	\$0.048396	\$0.056813

Dated: March 1, 2019.

THIS OFFERING MEMORANDUM DOES NOT CONTAIN A MISREPRESENTATION.

ON BEHALF OF THE ISSUER

"Jason Roque"

"Helen Hurlbut"

Jason Roque
Chief Executive Officer

Helen Hurlbut
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES OF THE ISSUER

"Jason Roque"

"Helen Hurlbut"

Jason Roque
Trustee

Helen Hurlbut
Trustee

"David Hamilton"

"John Miron"

David Hamilton
Trustee

John Miron
Trustee

"C. Scot Caithness"

C. Scot Caithness
Trustee

ON BEHALF OF THE PROMOTER

EQUITON PARTNERS INC.

Per: *"Jason Roque"*

Jason Roque
President