



GVEST REAL ESTATE TRUST

Date: October 11, 2019

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GVEST REAL ESTATE TRUST (the "Trust")

Currently Listed or Quoted?	These securities do not trade on any exchange or market.
Reporting Issuer?	No.
SEDAR Filer?	No.
THE OFFERING:	
Securities Offered:	Common units (the " Common Units ") of the Trust. See Item 5 - <i>Securities Offered</i> .
Price per Security:	Common Units will be offered at the Fair Value (as defined herein) per Common Unit on each Closing Date (as defined herein) (the " Subscription Price ") as set forth in the Subscription Agreement (as defined herein) entered into between the Trust and a Person (as defined herein) acquiring Common Units under the Offering (each a " Subscriber ") with respect to the purchase of Common Units. See Item 5.3 - <i>Securities Offered - Determining Fair Value per Common Unit</i> for a description of how the trustees of the Trust (the " Trustees ") determine the Fair Value per Common Unit.
Minimum/Maximum Offering:	The offering of Common Units by way of private placement more as described herein (the " Offering ") is a continuous offering of Common Units. There is no minimum or maximum Offering. You may be the only Subscriber. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription Amount:	The Offering requires a minimum subscription of \$5,000 from each Subscriber. The Trustees may in their sole discretion, reduce the minimum subscription amount required per Subscriber. See Item 5.4 -

Securities Offered - Subscription Procedure.

- Offering Jurisdictions:** The Offering is made to Subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario (the “**Offering Jurisdictions**”) and other such jurisdictions as the Trustees may determine in accordance with applicable Securities Laws (as defined herein).
- Payment Terms:** Certified cheque, bank draft, or wire transfer.
- Proposed Closing Date(s):** Periodically, on such Closing Dates (as defined herein) as the Trustees may determine.
- Income Tax Consequences:** There are important tax consequences associated with acquiring, holding and disposing of the Common Units. The Trust has been advised that, based on the provisions of the Tax Act as of the date hereof, the Common Units will be qualified investments for the purposes of Plans (as defined herein), provided that the Trust qualifies as a “mutual fund trust” for the purposes of the Tax Act (as defined herein) at such time. It is intended that the Trust will qualify as a “mutual fund trust” pursuant to the Tax Act, however, the Trust will not be a mutual fund under applicable Securities Laws. You should consult your own professional tax advisors to obtain advice respecting any tax consequences applicable to you. See Item 6 – *Certain Canadian Federal Income Tax Considerations and Eligibility for RRSP’s and Other Registered Plans.*
- Selling Agents:** The Trust may, from time to time, appoint agents or sub-agents that are exempt market dealers registered under applicable Securities Laws, members of the Investment Industry Regulatory Organization of Canada or otherwise exempt from registration requirements under applicable Securities Laws. Compensation to appointed selling agents will be determined by the Trust at the time of appointment. Gracorp Capital Advisors Ltd. (the “**Advisor**”), in its capacity as a registered exempt market dealer may be appointed by the Trust to offer Common Units under the Offering. **If the Advisor were appointed in this capacity, the Trust would be considered a “connected issuer” under applicable Securities Laws with the Advisor, as in addition to any compensation paid to the Advisor in its capacity as a selling agent of Common Units, the Advisor would also be eligible to receive, in its capacity as advisor to the Trust, the Management Fee, the Acquisition Fee, the Disposition Fee, and the Financing Fee pursuant to the terms of the Administration and Advisory Agreement (all as defined herein). See Item 7 - Compensation Paid to Sellers and Finders. The Trust is also considered a “related party” under applicable Securities Laws with the Advisor as Tim Heavenor and Terry Freeman are Trustees of the Trust and directors and officers of the Advisor.**
- Resale Restrictions:** You will be restricted from selling your Common Units for an indefinite period. See Item 10 - *Resale Restrictions.*
- Subscriber’s Rights:** You have two Business Days (as defined herein) to cancel your Subscription Agreement (as defined herein) to purchase the Common Units. If there is a misrepresentation in this Offering Memorandum (as defined herein), you have the right to sue either for damages or to

cancel the agreement. See Item 11 – *Subscriber's Rights*.

No securities regulatory authority or regulator has assessed the merits of the Common Units or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 - *Risk Factors*.

PRELIMINARY NOTES

This Offering Memorandum is confidential. The information contained in this Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the Common Units offered hereby. By accepting a copy of this Offering Memorandum, you agree that neither you nor any of your representatives or agents will use this Offering Memorandum or the information contained herein for any other purpose or divulge it to any other party and will return all copies of this Offering Memorandum to the Trust promptly upon request.

Prospective investors should thoroughly review this Offering Memorandum and are advised to consult with their own legal and tax advisors concerning an investment in the Common Units.

This Offering Memorandum does not constitute, and may not be used for, or in conjunction with, an offer or solicitation of the Common Units by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized by the Trust or to any Person to whom it is unlawful to make such an offer or solicitation, and this Offering Memorandum is not, and under no circumstances, is to be construed as, a public offering or advertisement of the Common Units. You should inform yourself of and observe all legal requirements and restrictions of your jurisdiction of residence in respect of the acquisition, holding, and disposition of the Common Units offered under this Offering Memorandum.

The Common Units offered under the Offering will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation is authorized or may be relied upon as having been authorized by the Trust.

The Common Units have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”), or any applicable state securities laws. Accordingly, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and state securities laws, the Common Units may not be offered or sold within the United States or to, or for the account or benefit of, “**U.S. persons**” (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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ELIGIBILITY FOR INVESTMENT

Based on the provisions of the Tax Act as of the date hereof, the Common Units will be a qualified investment under the Tax Act for a Plan provided that the Trust meets certain requirements, including that it be a “mutual fund trust” for purposes of the Tax Act, as outlined in Item 6 – *Certain Canadian Federal Income Tax Considerations and Eligibility for RRSP’s and Other Registered Plans*. Notwithstanding the foregoing, if the Common Units are found to be “prohibited investments” of a Plan, the holder, annuitant or subscriber thereof, as the case may be, will be subject to a penalty tax as set out in the Tax Act. If the Trust ceases to qualify as a mutual fund trust, the Common Units may cease to be qualified investments for Plans which would have adverse tax consequences to Plans and their annuitants, holders, subscribers or beneficiaries, as applicable. See Item 6 – *Certain Canadian Federal Income Tax Considerations and Eligibility for RRSP’s and Other Registered Plans* and Item 8 - *Risk Factors*.

INVESTMENT NOT LIQUID

The Common Units offered under the Offering are subject to indefinite resale restrictions and a number of redemption restrictions. Until the indefinite restriction on trading expires, if ever, a holder of Common Units will not be able to trade the Common Units, unless the holder complies with very limited exemptions from the prospectus and registration requirements under applicable Securities Laws. As the Trust may never become a “reporting issuer” (as such term is defined under the Securities Act) in any jurisdiction in Canada, these trading restrictions may never expire. Consequently, holders of Common Units may not be able to liquidate their Common Units in a timely manner, if at all, or pledge their Common Units as collateral for loans. In addition, the Declaration of Trust contains certain redemption restrictions. Subject to such restrictions, a holder of Common Units may redeem the Common Units on the terms set out in the Declaration of Trust. See Item 10 - *Resale Restrictions* and Item 5.2 - *Securities Offered - Redemption of Common Units*.

MARKETING MATERIALS

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

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

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Memorandum are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “future”, “pro forma”, “target”, “potential”, “seek”, “continue”, “projects”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “should”, “can” or “will” be taken, occur or be achieved. In particular, forward-looking statements in this Offering Memorandum include, but are not limited to, statements with respect to:

- the amount to be raised under the Offering;

- the Subscription Price per Common Unit;
- how and when Fair Value per Common Unit will be calculated;
- the estimated costs and fees associated with the Offering;
- use of proceeds of the Offering;
- the business to be conducted by the Trust;
- the ability of the Trust to make, and the timing and payment of distributions to holders of Common Units;
- the ability of Real Properties to provide the Trust with a stable stream of income;
- payment of fees to the Trustees and the Advisor;
- the Trust's long term and short term business objectives including the estimated costs and target dates for completion of these objectives;
- treatment of the Trust under governmental regulatory regimes and tax laws;
- the ability of the Trust to minimize the risks associated with real estate ownership; and
- the financial and business prospects and financial outlook including the projected levels of income and cash distributions by the Trust to holders of Common Units.

With respect to forward-looking statements contained in this Offering Memorandum, the Trust has made assumptions regarding, among other things:

- the Trust's business strategy and operations;
- the ability of the Trust to raise adequate funds under the Offering;
- the ability of the Trust to achieve or continue to achieve its business objectives;
- the ability of the Trust to rely on the Advisor to find attractive investment opportunities of Real Properties not otherwise available for purchase in the marketplace;
- the Trust's expected financial performance, condition, and ability to generate distributions;
- factors and outcomes associated with the real estate sector in Canada and the United States, including competition and competitive conditions;
- operating in a single industry (being the real estate industry in Canada and/or the United States) that may result in the Trust's investments being less diversified;
- redemptions of Common Units;
- taxation of the Trust;
- the impact on the Trust of future changes in applicable legislation;
- application of legislation and regulations applicable to the Trust; and
- availability of and dependence upon certain key employees of the Advisor.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although the Trust

believes that the expectations reflected in such forward-looking statements are reasonable and represent the Trust's expectations and belief at this time, such statements involve known and unknown risks and uncertainties that may cause the Trust's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, in addition to no guaranteed return, resale restrictions, restrictions on the redemption of common units, dilution, status of the trust, the rights of holders of common units, no assurance of achieving objectives, leverage of the trust, indemnification, recourse to trust property, common units not insured, lack of independent experts representing subscribers, no regulatory review, changes in tax status, changes in tax laws, application of the SIFT Rules, distributions and allocations, general real estate ownership risks, financing risks, acquisitions risks, conflicts of interest, reliance on the Advisor, revenue shortfalls, reliance on key personnel, appraisals, valuation of the Trust's investments, capital expenditures and fixed costs, development risks, competition for Real Property investments, tenancy risks, single tenant Real Property risks, uninsured losses, the current economic environment, geographic concentration, changes in applicable laws, regulations and political conditions, fluctuations in capitalization rates, environmental matters, general litigation and cybersecurity and any other factors discussed or referenced in Item 8 - *Risk Factors*. These factors should not be considered exhaustive. Many of these risk factors are beyond the Trust's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Trust's assessment of all information available at that time.

The forward-looking statements made herein relate only to events or information as of the date of this Offering Memorandum and are expressly qualified by this cautionary statement. Except as required by law, the Trust undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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

OTHER CAUTIONARY LANGUAGE

No Person is authorized to give any information or to make any representation not contained in this Offering Memorandum and, if given or made, such information or representation should not be relied upon as having been authorized.

Information contained in this Offering Memorandum is given as of October 11, 2019 unless otherwise specifically stated.

GLOSSARY:

The following terms used in this Offering Memorandum have the respective meanings ascribed to them below. Unless the context otherwise requires, any reference in this Offering Memorandum to any agreement, instrument, indenture or other document will mean such, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future:

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

“**Acquisition Agreement**” means the acquisition agreement dated January 1, 2016 between GIT and the Trust, pursuant to which the Trust acquired the ARGL Interests from GIT;

“**Acquisition Fee**” has the meaning ascribed thereto in Item 2.7.4 - *Business of the Issuer - Administration and Advisory Agreement – Advisor’s Fees*;

“**Administration and Advisory Agreement**” means the administration and advisory agreement dated December 31, 2015 between the Trust and the Administrator;

“**Advisor**” means Gracorp Capital Advisors Ltd., a corporation incorporated under the laws of the Province of Alberta;

“**affiliate**” means an “**affiliated entity**” within the meaning of NI 45-106, as replaced or amended from time to time (including any successor rule or policy thereto);

“**AR GL LP**” means AR GL Limited Partnership, a limited partnership formed under the laws of the Province of Manitoba pursuant to the AR GL LP LPA;

“**AR GL LP GP**” has the meaning ascribed thereto in Item 2.1.3 - *Business of the Issuer - Structure – AR GL LP*;

“**AR GL LP Units**” means limited partnership units of AR GL LP;

“**Artis REIT**” has the meaning ascribed thereto in Item 2.1.3 - *Business of the Issuer - Structure – AR GL LP*;

“**Auditor**” means the firm of chartered accountants appointed as the auditors of the Trust from time to time in accordance with the Declaration of Trust;

“**AX LP**” has the meaning ascribed thereto in Item 2.1.3 - *Business of the Issuer - Structure – AR GL LP*;

“**Board**” or “**Board of Trustees**” means the board of Trustees of the Trust as elected in accordance with the Declaration of Trust;

“**Business Day**” means any day on which Canadian chartered banks are open for business in Calgary, Alberta and Toronto, Ontario, other than a Saturday, a Sunday, or a statutory holiday;

“**Closing**” means a closing of the sale of Units pursuant to the Offering;

“**Closing Date**” means the date of a Closing;

“**commercial real estate**” means, collectively, office, retail, industrial and multifamily real estate properties intended to generate a profit, either from capital gain or rental income across Canada and the United States;

“**CRA**” has the meaning ascribed thereto in Item 6.2 – *Certain Canadian Federal Income Tax Considerations and Eligibility for RRSP’s and Other Registered Plans – Certain Canadian Federal Income Tax Considerations*;

“**Declaration of Trust**” has the meaning ascribed thereto in Item 2.1.1 - *Business of the Issuer - Structure – The Trust*;

“**Disposition Fee**” has the meaning ascribed thereto in Item 2.7.4(c) - *Business of the Issuer - Material Agreements - Administration and Advisory Agreement – Advisor’s Fees*;

“**Distribution Period**” has the meaning ascribed thereto in Item 5.1 – *Securities Offered - Terms of Securities*;

“**Distribution Record Date**” has the meaning ascribed thereto in Item 5.1 – *Securities Offered - Terms of Securities*;

“**Financing Fee**” has the meaning ascribed thereto in Item 2.7.4(d) - *Business of the Issuer - Administration and Advisory Agreement – Advisor’s Fees*;

“**GAAP**” means generally accepted accounting principles in Canada, including IFRS, as applicable, determined with reference to The Handbook of the Chartered Professional Accountants of Canada, as amended from time to time;

“**GGL**” means Graham Group Ltd., a corporation existing under the laws of the Province of Alberta;

“**GIT**” means Graham Income Trust, a trust formed under the laws of the Province of Alberta;

“**Gross Book Value**” has the meaning ascribed thereto in Item 2.2.1(c) - *Business of the Issuer – Current Business of the Trust – Operating Policies*;

“**IFRS**” means international financial reporting standards in Canada as recommended from time to time in the CPA Canada Handbook;

“**Joint Venturers**” has the meaning ascribed thereto in Item 2.2.1 - *Business of the Issuer – Current Business of the Trust – Investment Guidelines*;

“**Master LP**” has the meaning ascribed thereto in Item 2.1.1 - *Business of the Issuer - Structure – The Trust*;

“**Mortgage**” means any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness, in each case which is directly or indirectly secured by Real Property;

“**misrepresentation**” has the meaning ascribed thereto in Item 11.2 – *Subscriber’s Rights - Statutory Rights of Action in the Event of a Misrepresentation*;

“**NI 45-106**” means National Instrument 45-106 Prospectus Exemptions adopted by the Canadian Securities Administrators;

“**Notes**” means the promissory notes, bonds, debentures, debt securities or similar evidence of indebtedness issued by a Person, any of which may be created to be convertible into Units;

“**Offering**” means the offering of Common Units by way of private placement as described herein;

“**Offering Memorandum**” means this confidential offering memorandum dated as of October 11, 2019, as may be amended or restated from time to time;

“**Ordinary Resolution**” has the meaning ascribed thereto in Item 2.7.11 – *Business of the Issuer – Material Agreements – Declaration of Trust*;

“**Person**” includes an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law;

“**Plans**” has the meaning ascribed thereto in Item 6.2.6 – *Certain Canadian Federal Income Tax Considerations and Eligibility for RRSP’s and Other Registered Plans - Eligibility for Investment*;

“**Preferred Units**” means the First Preferred Units and Second Preferred Units;

“**Preferred Unitholders**” mean the holders of Preferred Units, from time to time;

“**Real Property**” has the meaning ascribed thereto in Item 2.1.1 - *Business of the Issuer - Structure – The Trust*;

“**Monthly Redemption Limit**” has the meaning ascribed thereto in Item 5.2.2 - *Securities Offered – Unitholder Redemption Right*;

“**Property LPs**” has the meaning ascribed thereto in Item 2.1.1 - *Business of the Issuer - Structure – The Trust*;

“**Property LPAs**” means the limited partnership agreements governing the Property LPs;

“**Redemption Date**” has the meaning ascribed thereto in Item 5.2.2 - *Securities Offered – Unitholder Redemption Right*;

“**Securities Act**” means the *Securities Act* (Alberta), including the rules and regulations promulgated thereunder, as may be amended from time to time;

“**Securities Laws**” means as applicable, the securities laws, regulations, rules, rulings and orders in each of the Offering Jurisdictions, and the applicable policy statements issued by the securities regulators in each of the provinces and territories of Canada, having application over this Offering and including those laws in the jurisdiction in which the Subscriber is ordinarily resident.

“**Selling Agents**” means registered dealers, including registered exempt market dealers, financial advisors, sale persons or other eligible persons under applicable Securities Laws who agree to sell Common Units on behalf of the Trust under the Offering;

“**Settlor**” means Daryl S. Fridhandler, an individual residing in the City of Calgary, in the Province of Alberta;

“**Special Resolution**” means a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present, which resolution is passed by the affirmative votes of the holders of at least two-thirds of the Units represented at the meeting in person or by proxy and voted upon such resolution;

“**Subscriber**” means a Person acquiring Units pursuant to the Offering described herein;

“**Subscription Agreement**” means the subscription agreement to be completed by Subscribers;

“**Subscription Price**” means the Fair Value per Unit on each applicable Closing Date;

“**Subscription Proceeds**” means the gross monies received by the Trust in consideration for the issuance of Common Units;

“**Subsidiary**” means, with respect to any Person, a Person who is a “**subsidiary**” of that first mentioned Person as that term is defined in NI 45-106;

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

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

“**Trust**” means Gvest Real Estate Trust, a trust created pursuant to the Declaration of Trust;

“**Trust’s Primary Activities**” has the meaning ascribed thereto in Item 2.1.1 - *Business of the Issuer - Structure – The Trust*;

“**Trustees**” has the meaning ascribed thereto in Item 2.1.1 - *Business of the Issuer - Structure – The Trust*;

“**Trustees’ Regulations**” means the regulations adopted by the Board of Trustees in accordance with the Declaration of Trust;

“**Trust Property**” has the meaning ascribed thereto in Item 2.2.1 - *Business of the Issuer – Current Business of the Trust – Investment Guidelines*;

“**TSX**” has the meaning ascribed thereto in Item 2.1.3 - *Business of the Issuer - Structure – AR GL LP*;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**Unit**” means, collectively, the Common Units and the Preferred Units;

“**Unitholder**” means a registered holder of one or more Units; and

“**U.S. Securities Act**” has the meaning ascribed thereto under the heading “*Preliminary Notes*”.

REPORTING CURRENCY AND FINANCIAL INFORMATION

Unless otherwise indicated, "\$" refers to Canadian dollars.

All financial statements and financial data derived therefrom included in this Offering Memorandum pertaining to the Trust have been prepared in accordance with IFRS.

INTERPRETATION

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

CONFIDENTIAL OFFERING MEMORANDUM

GVEST REAL ESTATE TRUST

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Funds

The following table discloses the net proceeds of the Offering after deduction of the costs associated with the Offering on an illustrative basis:

		Assuming minimum Offering ⁽¹⁾	Assuming maximum Offering ⁽¹⁾
A.	Amount to be raised by this Offering	Nil	\$20,000,000
B.	Selling commissions and fees	Nil	\$1,600,000 ⁽²⁾
C.	Estimated costs (legal, accounting and audit)	Nil	\$150,000
D.	Available funds D=A – (B+C)	Nil	\$18,250,000
E.	Additional sources of funding required ⁽³⁾	Nil	\$30,000,000
F.	Working capital deficiency	Nil	Nil
G.	Total: G= (D+E) - F	Nil	\$48,250,000

Notes:

- (1) There is no minimum or maximum Offering. The sum of \$20,000,000 is provided for illustrative purposes.
- (2) The Advisor, in its capacity as a registered exempt market dealer may be appointed by the Trust to offer Common Units under the Offering. Additionally, the Advisor may appoint a registered exempt market dealer as a sub-agent to offer Common Units under the offering. If this occurs, the Advisor may receive compensation directly and may pay an amount to sub-agents up to a maximum of 8% of the gross proceeds of the Offering for acting as selling agent of the Common Units. In addition, pursuant to the terms of the Administration and Advisory Agreement, the Advisor is eligible to receive the Management Fee, the Acquisition Fee, the Disposition Fee, and the Financing Fee. The Trust is considered a “related party” under applicable Securities Laws with the Advisor as Tim Heavenor and Terry Freeman are Trustees of the Trust and directors and officers of the Advisor.
- (3) The Trust does not anticipate having any direct debt. However, the Advisor intends to secure or assume Mortgage loans through a Property LP to finance a portion of a Real Property such that the overall leverage for the purchase of such Real Property maintains a conservative overall loan-to-value ratio for the portfolio of not more than 60% of Gross Book Value (or 65% of Gross Book Value including convertible indebtedness). The Mortgages will be used by the Master LP to finance a portion of the Real Properties.

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

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Trust will use the available funds:

Description of intended use of available funds listed in order of priority	Assuming minimum Offering ⁽¹⁾	Assuming \$20,000,000 Offering ⁽¹⁾
Acquisition of conditionally contracted targeted properties	Nil	\$14,700,000
Due diligence and transaction related costs, selling commissions and fees	Nil	\$1,750,000
Allocation of funds to process redemption requests	Nil	\$1,000,000

Acquisition of future properties	Nil	\$30,800,000
Total: Equals G in the Funds table above	Nil	\$48,250,000

Notes:

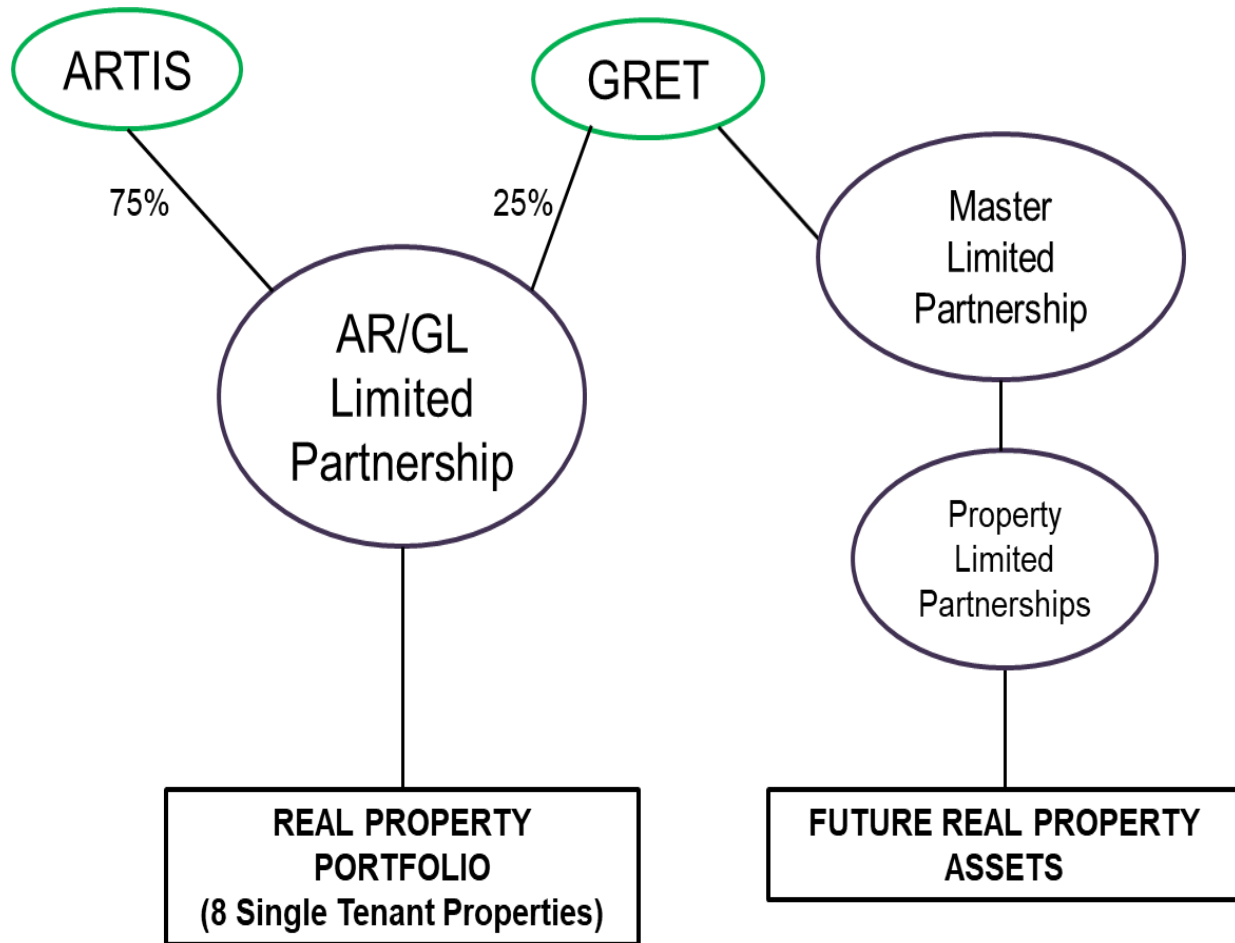
- (1) There is no minimum or maximum Offering. The sum of \$20,000,000 is provided for illustrative purposes.

1.3 Reallocation

The amounts set out herein are estimates only and will be reallocated as needed. The Trust intends to spend the proceeds of the Offering as stated and the Trust will reallocate funds only for sound business reasons, as determined at the discretion of the Trustees.

ITEM 2 – BUSINESS OF THE ISSUER

2.1 Structure



Note: The Master LP and the Property LPs have not yet been created but will be created by the Trust when needed in order to achieve its business objectives.

2.1.1 The Trust

The Trust is an unincorporated open-ended, limited purpose trust settled and governed by the laws of the Province of Alberta pursuant to the declaration of trust made as of December 31, 2015 among Daryl S. Fridhandler, an individual residing in the City of Calgary, in the Province of Alberta (the “**Settlor**”) and Tim Heavenor, Terry

Freeman, and Blair Forster, being the trustees of the Trust pursuant to the Declaration of Trust (the “**Trustees**”), as may be further amended or restated from time to time (the “**Declaration of Trust**”).

The rights and obligations of the holders of Common Units and the Trustees are governed by the Declaration of Trust, the laws of the Province of Alberta, and the laws of Canada applicable thereto.

The Trust was formed to offer Common Units for sale and to use the net proceeds of the Common Units to participate directly or indirectly in income producing property which in law is real property and includes whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common joint tenancy, co-ownership, partnership, joint venture or otherwise), any interest in any of the foregoing and securities of corporations, trusts, or partnerships whose sole or principal purpose and activity of which is to invest in, hold and deal in real property (“**Real Property**”) and related assets, consistent with the focus of the activities of the Trust; being primarily focused on the acquisition, developing, holding, maintaining, leasing, managing or otherwise dealing with income producing Real Property (directly and indirectly) exclusively in Canada and the United States and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the investment guidelines of the Trust (the “**Trust’s Primary Activities**”).

The Trust, through a limited partnership to be created by the Trust, of which the Trust will hold all of the limited partnership units (the “**Master LP**”) will acquire Real Properties or participating interests in Real Properties directly, or indirectly through one or more limited partnerships that directly or indirectly hold Real Property (each, a “**Property LP**”).

The Trustees

Tim Heavenor and Terry Freeman, individuals resident in the Province of Alberta, and Blair Forster, an individual resident in the Province of Saskatchewan, appointed pursuant to the terms of the Declaration of Trust, are the Trustees of the Trust. The Trustees are responsible for the general control and management of the Trust. The Declaration of Trust provides for a minimum of three and a maximum of seven Trustees. Subject to certain exceptions provided for in the Declaration of Trust, at all times the majority of Trustees, (including the Chairman) must be “independent” for the purposes of National Instrument 58-101 - *Disclosure of Corporate Governance Practices and Non-Residents* (“**NI 58-101**”). Tim Heavenor, Terry Freeman, and Blair Forster are all “independent” of the Trust. Any increase or decrease to the maximum or minimum number of Trustees must be approved by a Special Resolution. The Trustees shall be elected at each annual meeting of the Unitholders for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and shall be eligible for re-election. The Trustees may, subject to compliance with the Declaration of Trust, between annual meetings of the Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders; provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders (rounding to the nearest whole number).

The Advisor

Gracorp Capital Advisors Ltd. (the “**Advisor**”), a corporation incorporated under the ABCA acts as advisor and administrator to the Trust and is responsible for providing administrative and advisory services to the Trust pursuant to the terms of the Administration and Advisory Agreement. The officers of the Advisor are Tim Heavenor, Bruce Black, Jill Brimacombe, Novy Cheema and Nick Pyra. The directors of the Advisor are Tim Heavenor and Terry Freeman. The responsibilities of the Advisor are set forth in the Administration and Advisory Agreement. See Item 2.7.4 – Administration and Advisory Agreement.

2.1.2 Master LP

The Trust will hold all of the limited partnership units of the Master LP and the Master LP will be controlled by a general partner that is an affiliate of the Trust. The Master LP will acquire Real Properties or participating interests in Real Properties directly, or through one or more Property LPs. The Master LP will distribute all of its distributable cash to the Trust as the sole holder of limited partnership units of the Master LP. Such distributable cash will, subject to the rights of Preferred Unitholders under any Preferred Unit Terms, form part of the Common

Unit Cash Flow and will be distributed to holders of Common Units on Distribution Record Dates, as determined by the Trustees in their sole discretion.

2.1.3 AR GL LP

AR GL LP is a limited partnership under the laws of the Province of Manitoba pursuant to an amended and restated limited partnership agreement dated December 31, 2015 between AR GL General Partner Ltd. (the “**AR GL LP GP**”) as general partner, and AX L.P., a limited partnership under the laws of the Province of Manitoba (“**AX LP**”) and controlled by Artis Real Estate Investment Trust (“**Artis REIT**”), a real estate investment trust listed on the Toronto Stock Exchange (the “**TSX**”) and the Trust as general partners as may be amended or restated from time to time (the “**AR GL LP LPA**”).

The Trust owns 25% of the AR GL LP Units and 75% of the AR GL LP Units are owned by AX LP. The Trust owns 25% of the voting securities of AR GL LP and 75% of the voting securities of AR GL LP are owned by AX LP.

AR GL LP owns the following Real Property:

- (a) 10840-27th Street SE, Calgary, Alberta;
 - (b) 10909-27th Street SE, Calgary, Alberta;
 - (c) 8404 McIntyre Road, Edmonton, Alberta;
 - (d) 1903 Turvey Road, Regina, Saskatchewan;
 - (e) 4015 Thatcher Avenue, Saskatoon, Saskatchewan;
 - (f) 850-56 Street East, Saskatoon, Saskatchewan;
 - (g) 875-57 Street East Saskatoon, Saskatchewan;
 - (h) 7216 Brown Street, Delta British Columbia,
- (collectively, the “**Initial Portfolio**”).

2.1.4 10840-27th Street SE, Calgary, Alberta



CURRENT USE:	Graham Group Ltd. and Gracorp Capital Advisors Ltd. Corporate Head Office		
SITE AREA:	8.72 acres		
RENTABLE AREA:	66,954 sq. ft. (44,502 sq. ft. main office floor with 22,452 sq. ft. basement office)		
YEAR BUILT:	2008		
PARKING:	Approximately 213 stalls (3.26 stalls per 1,000 sq. ft.) located on a surface parking facility situated south and east of the office building		
LOADING:	Approximately 154,000 sq. ft., asphalt-finished, secured excess land for the storage of vehicles, equipment and materials		
FOUNDATION:	Reinforced concrete spread footings with a partial basement and slab-on-grade for the balance of the site		
SUPERSTRUCTURE:	Two-storey, conventionally-reinforced concrete and steel frame. Suspended slabs comprised of poured-in-place concrete over steel 'Q'-deck		
ENVELOPE:	Glazed curtain wall panels and tinted vision panels interspersed with an aluminium spandrel panel, a brick veneer base and piers		
ROOF:	Ethylene propylene diene monomer (EPDM) roof membrane with a gravel ballast laid over rigid insulation for the north and south main roof sections, with a standing-seam metal roof over the atrium area and mechanical penthouses		
HVAC:	Rooftop-mounted heat/cool units and two boilers located in a basement mechanical room. The building incorporates radiant ceiling panels, with ceiling-mounted troffers delivering conditioned air to occupied areas		
ELECTRICAL:	1,200-Ampere, 347/600-volt, 3-phase, 4-wire system		
VERTICAL TRANSPORTATION:	One Tac 20 hydraulic passenger elevator, having a rated capacity of 2,500 lbs. and an operating speed of 100 feet per minute, and one Tac 20 hydraulic freight elevator, having a rated capacity of 10,000 lbs. and an operating speed of 55 feet per minute		
INTERIOR FINISHES:	Conventional office design to a high standard featuring a combination of carpet tile and slate tile floor finishes, vinyl and paint-finished walls, full-height solid wood doors and a combination of T-bar or dropped drywall ceilings and open ceilings with a paint-finished roof deck and joist treatment. The main entrance area features a steel and glass-paneled stairway in a large atrium area. Interior lighting includes a combination of fluorescent lighting, recessed pot lamps and wall-mounted accent lighting sconces. The building includes a fitness area and a rooftop patio		
LEASE TERMS:	Commencement Date:	July 23, 2015	
	Maturity Date:	July 22, 2034	
	Lease Rate(s):	Year 1-5:	\$25.00/sf main office floor space \$14.00/sf basement office floor space
		Year 6-10:	\$27.19/sf main (8.75% increase) \$15.23/sf basement
		Year 11-15:	\$29.57 sf main (8.75% increase) \$16.56/sf basement

Year 16-19: \$32.15 sf main (8.75% increase)
 \$18.01/sf basement

2.1.5 10909-27th Street SE, Calgary, Alberta



- CURRENT USE:** Graham Group Ltd. Southern Alberta Regional Operations Office
- SITE AREA:** 4.29 acres
- RENTABLE AREA:** 10909 27th Street SE: 24,097 sq. ft. office
 10835 27th Street SE: 7,072 sq. ft. industrial shop / 468 sq. ft. mezzanine
- YEAR BUILT:** 1999, expanded in 2001
- PARKING:** Approximately 83 stalls (3.56 per 1,000 sq. ft.) in a surface parking facility located to the south of the office building
- LOADING:** 1.25-acre, secured gravel yard for vehicle, equipment and material storage with a 6,997 sq. ft., pre-fabricated corrugated steel building featuring 5 drive-in doors, all located to the north of the office building
- FOUNDATION:** Reinforced concrete spread footings with slab-on-grade
- SUPERSTRUCTURE:** Single-storey conventional steel-frame construction with steel 'Q'-deck roof deck supported by open-web steel joists
- ENVELOPE:** Pre-engineered, insulated corrugated metal panels interspersed with a brick veneer base and a piers inset with strip windows
- ROOF:** Modified bituminous styrene-butadiene-styrene (SBS) roof membrane laid over insulation and base sheet
- HVAC:** Rooftop-mounted heat/cool units and two Saturn boilers. The building incorporates perimeter radiation units, with ceiling-mounted troffers delivering conditioned air to occupied areas
- ELECTRICAL:** 800-Ampere, 347/600-volt, 3-phase, 4-wire system

INTERIOR FINISHES: Conventional office design to a high standard featuring a combination of carpet tile and slate tile floor finishes, vinyl and paint-finished walls, full-height solid wood doors and a combination of T-bar or dropped drywall ceilings and open ceilings with a paint-finished roof deck and joist treatment. Interior lighting includes a combination of fluorescent lighting and recessed pot lamps.

LEASE TERMS:

Commencement Date:	July 23, 2015
Maturity Date:	July 22, 2034
Lease Rate(s):	Year 1-5: \$19.00/sf main office floor space \$15.00/sf industrial/mezzanine floor space
	Year 6-10: \$20.66/sf main (8.75% increase) \$16.31/sf industrial
	Year 11-15: \$22.47 sf main (8.75% increase) \$17.74/sf industrial
	Year 16-19: \$24.44 sf main (8.75% increase) \$19.29/sf industrial

2.1.6 8404 McIntyre Road, Edmonton, Alberta



CURRENT USE: Graham Group Ltd. Northern Alberta Regional Operations Office

SITE AREA: 8.91 acres

RENTABLE AREA: Main Office East – 40,812 sq. ft.
Main Office West – 28,196 sq. ft.
Industrial/Mezzanine - 13,049 sq. ft.

YEAR BUILT: 2001, with addition in 2013

- PARKING:** Approximately 216 stalls (3.15 per 1,000 sq. ft.) in a surface parking facility located southwest of the office building addition
- LOADING:** Secure, gravel yard area comprising approximately 202,000 sq. ft. of excess land for the storage of vehicles, equipment and materials. The yard includes a 12,830 sq. ft. maintenance building with 6 drive-in doors
- FOUNDATION:** Reinforced concrete grade beam and piles with slab-on-grade
- SUPERSTRUCTURE:** Two-storey conventional steel-frame construction with steel 'Q'-deck roof deck supported by open-web steel joists
- ENVELOPE:** The original office building is comprised of concrete block, face brick and stucco cladding with strip windows. The office addition is comprised of glazed curtain wall panels and tinted vision panels interspersed with an aluminum spandrel panels and accents and a brick veneer base. The maintenance building is a pre-fabricated metal building. The Property also includes a temporary Quonset building comprised of a steel frame overlaid with a synthetic fabric skin
- ROOF:** Ethylene propylene diene monomer (EPDM) roof membrane with a gravel ballast laid over rigid insulation for the original office building, with a synthetic rubber roof membrane for the office addition. The maintenance building features a standing seam metal roof
- HVAC:** Rooftop-mounted heat/cool units and hydronic boilers. Heat to the office areas is provided by way of in-floor hydronic radiant heating, with supplemental heating provided by heat coil units, with ceiling-mounted troffers delivering conditioned air to occupied areas
- ELECTRICAL:** 400-Ampere, 600-volt, 3-phase, 4-wire system
- VERTICAL TRANSPORTATION:** One hydraulic passenger elevator
- INTERIOR FINISHES:** Conventional office design to a high standard featuring a combination of carpet tile, stone and ceramic tile floor finishes, vinyl and paint-finished walls, full-height solid wood doors and a combination of T-bar, synthetic panel or dropped drywall ceilings and open ceilings with a paint-finished roof deck and joist treatment. The main entrance area features a steel and glass stairway with stone wall fascias. Interior lighting includes a combination of fluorescent lighting and recessed pot lamps.
- LEASE TERMS:**
- | | |
|--------------------|--|
| Commencement Date: | July 23, 2015 |
| Maturity Date: | July 22, 2034 |
| Lease Rate(s): | Year 1-5: \$19.00/sf main office east floor space
\$26.00/sf main office west floor space
\$9.00/sf industrial/mezzanine floor space |
| | Year 6-10: \$20.66/sf main office east (8.75% increase)
\$28.28/sf main office west
\$9.79/sf industrial |
| | Year 11-15: \$22.47/sf main office east (8.75% increase)
\$30.75/sf main office west
\$10.64/sf industrial |
| | Year 16-19: \$24.44/sf main office east (8.75% increase)
\$33.44/sf main office west |

\$11.58/sf industrial

2.1.7 1903 Turvey Road, Regina, Saskatchewan



- CURRENT USE:** Graham Group Ltd. Saskatchewan Regional Operations Office
- SITE AREA:** 9.00 acres
- RENTABLE AREA:** 22,305 sq. ft. office building with a 9,863 sq. ft. maintenance shop building
- YEAR BUILT:** 2012
- PARKING:** Approximately 62 stalls (3.18 per 1,000 sq. ft. of office) in a surface parking facility located south of the office building addition
- LOADING:** Secure, gravel yard area to the west of the office building comprising approximately 123,000 sq. ft. of excess land for the storage of vehicles, equipment and materials. The Property includes a 9,856 sq. ft. maintenance building with 5 drive-in doors
- FOUNDATION:** Reinforced concrete spread footings with a partial basement and slab-on-grade for the balance of the site
- SUPERSTRUCTURE:** Two-storey, conventionally-reinforced concrete and steel frame. Suspended slabs are comprised of poured-in-place concrete over steel composite floor decks
- ENVELOPE:** Pre-finished insulated wall panels with an aluminum spandrel panel and punched windows, a brick veneer base and stone accent piers. The main office entrance and the northeast frontage corner includes a glazed curtain wall panels with tinted vision and spandrel panels set in clear anodized aluminum frames. The maintenance building utilizes pre-fabricated metal panels
- ROOF:** Synthetic rubber roof membrane laid over rigid insulation for office building, with a standingseam metal roof over the maintenance building
- HVAC:** Rooftop-mounted heat/cool units and hydronic boilers. Heat to the office areas is provided by way of in-floor hydronic radiant heating, with supplemental heating provided by heat coil units with ceiling-mounted troffers delivering conditioned air to occupied areas. The maintenance building is also provided with heat by way of in-floor hydronic radiant heating in the shop, with the office area heated and cooled by forced air

ELECTRICAL: 600-Ampere, 347/600-volt, 3-phase, 4-wire system in the office and a 400-Ampere, 600-volt, 3-phase, 4-wire system in the maintenance shop

INTERIOR FINISHES: Conventional office design to a high standard featuring a combination of carpet tile and slate tile floor finishes, paint-finished walls with a sandstone accent wall, full-height rolling doors and a combination of T-bar, wood slat or dropped drywall ceilings and open ceilings with an unfinished galvanized steel floor deck. Interior lighting includes a combination of fluorescent lighting and recessed pot lamps. The basement includes a fitness facility.

LEASE TERMS:

Commencement Date:	July 23, 2015
Maturity Date:	July 22, 2034
Lease Rate(s):	Year 1-5: \$24.00/sf office floor space \$12.00/sf industrial/mezzanine floor space
	Year 6-10: \$26.10/sf office (8.75% increase) \$13.05/sf industrial/mezzanine
	Year 11-15: \$28.38/sf office (8.75% increase) \$14.19/sf industrial/mezzanine
	Year 16-19: \$30.87/sf office (8.75% increase) \$15.43/sf industrial/mezzanine

2.1.8 4015 Thatcher Avenue, Saskatoon, Saskatchewan



CURRENT USE: Graham Group Ltd. Welding Shop

SITE AREA: 5.99 acres

RENTABLE AREA: 5,713 sq. ft. Office Premises / 11,209 sq. ft. Industrial Premises

YEAR BUILT: 1984

PARKING: Approximately 36 stalls (2.14 stalls per 1,000 sq. ft.) in 2 surface parking facilities located north and east of the building

LOADING: Secure, gravel yard area to the west of the office building comprising approximately 204,000 sq. ft. of excess land for the storage of vehicles, equipment and materials. The industrial warehouse/shop component of the building includes 3 drive-in doors. The building features 2 overhead cranes

FOUNDATION: Reinforced concrete grade beam with slab-on-grade

SUPERSTRUCTURE: Single-storey conventional steel-frame and concrete block construction with steel 'Q'-deck roof deck supported by open-web steel joists

ENVELOPE: Pre-fabricated, insulated metal panels

ROOF: Standing seam metal roof

HVAC: Heat is provided by way of in-floor hydronic heating while cooling to the office area is provided by rooftop-mounted units

ELECTRICAL: 400-Ampere, 600-volt, 3-phase, 4-wire system

INTERIOR FINISHES: Office component features vinyl tile and carpeted floor finishes, wood-paneled, vinyl-clad and paint-finished walls and T-bar ceilings. Interior lighting includes a combination of fluorescent and incandescent lighting

LEASE TERMS:

Commencement Date:	July 23, 2015
Maturity Date:	July 22, 2034
Lease Rate(s):	Year 1-5: \$9.00/sf office floor space \$9.00/sf industrial floor space
	Year 6-10: \$9.78/sf office (8.75% increase) \$9.78/sf industrial
	Year 11-15: \$10.64/sf office (8.75% increase) \$10.64/sf industrial
	Year 16-19: \$11.58/sf office (8.75% increase) \$11.58/sf industrial

2.1.9 850-56 Street East, Saskatoon, Saskatchewan



CURRENT USE:	Graham Group Ltd. Saskatoon Operations Base
SITE AREA:	1.99 acres
RENTABLE AREA:	25,592 sq. ft.
YEAR BUILT:	1984 with an addition in 1994
PARKING:	Approximately 6 stalls (3 per 1,000 sq. ft.) in 2 surface parking facilities located east and west of the building
LOADING:	Secure, gravel yard area to the west of the office building comprising approximately 51,000 sq. ft. for the storage of vehicles, equipment and materials. The warehouse/shop component of the building includes 2 dock-height and 3 drive-in doors
FOUNDATION:	Reinforced concrete grade beam with slab-on-grade
SUPERSTRUCTURE:	Single-storey conventional steel-frame construction with steel 'Q'-deck roof deck supported by open-web steel joists
ENVELOPE:	Pre-fabricated, insulated metal panels with brick veneer accent panels and storefront glazing set in bronze anodized aluminum frames
ROOF:	Standing seam metal roof
HVAC:	Heat to the office area is provided by 2 forced air furnaces
ELECTRICAL:	400-Ampere, 600-volt, 3-phase, 4-wire system
INTERIOR FINISHES:	Office component features vinyl tile and carpet floor finishes, paint-finished walls and T-bar ceilings. Interior lighting comprises fluorescent lighting
LEASE TERMS:	Commencement Date: July 23, 2015
	Maturity Date: July 22, 2034
	Lease Rate(s): Year 1-5: \$9.00/sf floor space

Year 6-10:	\$9.79/sf floor space (8.75% increase)
Year 11-15:	\$10.64/sf floor space (8.75% increase)
Year 16-19:	\$11.58/sf floor space (8.75% increase)

2.1.10 875-57 Street East, Saskatoon, Saskatchewan



CURRENT USE:	Graham Group Ltd. Saskatoon Headquarters
SITE AREA:	5.63 acres
RENTABLE AREA:	22,237 sq. ft. office building with a 12,198 sq. ft. industrial maintenance shop
YEAR BUILT:	1982 with additions in 1988, 1989, 1993, 1999, 2005 and 2007
PARKING:	Approximately 83 stalls (3.80 per 1,000 sq. ft. of office) in 5 visitor parking facilities located northeast and northwest of the office component
LOADING:	Secure, gravel yard area to the west of the office building comprising approximately 147,000 square feet for the storage of vehicles, equipment and materials. The warehouse component includes 8 drive-in doors and the building features 2 overhead cranes
FOUNDATION:	Reinforced concrete grade beam with slab-on-grade
SUPERSTRUCTURE:	Single-storey conventional steel-frame construction with steel 'Q'-deck roof deck supported by open-web steel joists
ENVELOPE:	Pre-fabricated, insulated metal panels with brick veneer base panels and strip glazing set in bronze anodized aluminum frames. The main entrance façade features stone veneer panels surrounding a glazed storefront entryway
ROOF:	Office component features conventional built-up design and the warehouse/shop facility utilizes a standing seam metal roof
HVAC:	Heat and cooling to the office area is rooftop-mounted heat/cool units
ELECTRICAL:	400-Ampere, 600-volt, 3-phase, 4-wire system

INTERIOR FINISHES: Office component features ceramic tile and carpet floor finishes, vinyl-clad and paint-finished walls and T-bar ceilings. Interior lighting includes a combination of fluorescent and incandescent lighting

LEASE TERMS:

Commencement Date:	July 23, 2015
Maturity Date:	July 22, 2034
Lease Rate(s):	Year 1-5: \$15.00/sf office floor space \$10.00/sf industrial floor space
	Year 6-10: \$16.31/sf office (8.75% increase) \$10.88/sf industrial
	Year 11-15: \$17.74/sf office (8.75% increase) \$11.83/sf industrial
	Year 16-19: \$19.29/sf office (8.75% increase) \$12.86/sf industrial

2.1.11 7216 Brown Street, Delta British Columbia



CURRENT USE: Graham Group Ltd. British Columbia Regional Headquarters

SITE AREA: 5.21 Acres

RENTABLE AREA: 21,995 sq. ft. new office, 5,177 sq. ft. of original office with a 7,203 sq. ft maintenance building

YEAR BUILT: 1991 with addition in 2008

PARKING: Approximately 76 stalls (3.56 per 1,000 sq. ft. of office) in a surface parking facility located to the east of the office building addition

LOADING: Secure, paved asphalt yard area comprising approximately 147,000 sq. ft. of excess land for the storage of vehicles, equipment and materials. 7,241 sq. ft. maintenance building with 4 drive-in doors

FOUNDATION: Reinforced concrete spread footings with slab-on-grade

SUPERSTRUCTURE: Single-storey conventional steel-frame construction with steel 'Q'-deck roof deck supported by open-web steel joists. Two-storey addition comprised of a steel frame with steel 'Q'-deck roof deck supported by open-web steel joists

ENVELOPE: Original building comprised of concrete block walls. The two-storey addition includes prefinished tilt-up concrete with punch-out windows finished with face brick in contrasting colours. The main building office entrance and frontage corner includes a glazed curtain wall panels with tinted vision panels and spandrel panels set in clear anodized aluminum frames

ROOF: Ethylene propylene diene monomer (EPDM) roof membrane with a gravel ballast laid over rigid insulation for the main office building addition. The roofs for the original buildings are comprised of conventional built-up roofs with a gravel ballast

HVAC: Rooftop-mounted heat/cool units and two boilers. The building incorporates perimeter radiation units, with variable air volume (VAV) boxes delivering conditioned air to occupied areas via ceiling-mounted troffers

ELECTRICAL: 400-Ampere, 600-volt, 3-phase, 4-wire system

VERTICAL TRANSPORTATION: One hydraulic passenger elevator

INTERIOR FINISHES: Conventional office design to a high standard featuring a combination of carpet tile and slate tile floor finishes, vinyl and paint-finished walls, full-height solid wood doors and a combination of T-bar or dropped drywall ceilings and open ceilings with a paint-finished roof deck and joist treatment. The main entrance area features a steel stairway in an atrium finished with a stone wall fascia. Interior lighting includes a combination of fluorescent lighting and recessed pot lamps.

LEASE TERMS:

Commencement Date:	July 23, 2015	
Maturity Date:	July 22, 2034	
Lease Rate(s):	Year 1-5:	\$13.00/sf newer office floor space \$7.50/sf original office floor space \$7.50/sf industrial floor space
	Year 6-10:	\$14.14/sf newer office (8.75% increase) \$8.16/sf original office \$8.16/sf industrial
	Year 11-15:	\$15.37/sf newer office (8.75% increase) \$8.87/sf original office \$8.87/sf industrial
	Year 16-19:	\$16.72/sf newer office (8.75% increase) \$9.65/sf original office \$9.65/sf industrial

2.2 Our Business

2.2.1 Current Business of the Trust

The Trust was established for the primary purposes of indirectly acquiring Real Properties or interests in Real Properties indirectly through the Master LP and Property LPs in accordance with the Trust's Primary Objectives.

Throughout this Offering Memorandum reference is be made to the Trust acquiring Real Properties. Notwithstanding that reference, potential Subscribers should note that Real Properties will not be acquired directly

by the Trust. Legal title to Real Properties will be held through the Master LP by a Property LP or a bare-trust owned by a Property LP with respect to each Real Property acquired. If such Real Property is acquired by a bare-trust, it will be owned beneficially by a Property LP. In certain circumstances, the Trust may not acquire 100% of the interest in a Real Property and may acquire the Real Property in conjunction with related parties or unrelated third parties through joint ventures or partnerships. The proceeds of the Offering will be used to acquire limited partnership units in the Master LP that will in turn acquire limited partnership units in Property LPs that will hold Real Properties.

In addition, the Trust currently owns 25% of the AR GL LP Units, and accordingly holds a 25% interest in the Initial Portfolio.

Stable Cash Yield through Quarterly Distributions

The Trust intends to pay quarterly cash distributions derived from indirect investments in Property LPs on each Distribution Record Date for the Distribution Period. The Trust is targeting distributions of approximately \$0.13 per Common Unit commencing on October 15, 2019. The historical net asset value of each Common Unit and corresponding distributions per Unit are highlighted in the table below:

	NAV per Unit ⁽¹⁾	Distributions per Unit
2019		
Q4	-	-
Q3	-	-
Q2	\$11.86	\$0.13
Q1	\$11.74	\$0.13
2018	\$10.98	\$0.52
2017	\$10.67	\$0.56
2016	\$10.20	\$0.68
Q4 2015 – (Initial offering)	\$10.00	-

⁽¹⁾ The NAV is exclusive of distributions.

Subject to the rights of Preferred Unitholders under any Preferred Unit Terms, the Trustees shall, on or before each Distribution Record Date, declare payable to the holders of Common Units on such Distribution Record Date, all or any part of the Common Unit Cash Flow for the Distribution Period. Each holder of Common Units shall have a share of the Common Unit Cash Flow (or portion thereof declared payable) in an amount equal to the proportionate share for each Common Unit of the amount of such Common Unit Cash Flow (or portion thereof declared payable) multiplied by the number of Common Units owned of record by each such holder of Common Units on such Distribution Record Date. Subject to the Declaration of Trust, Common Unit Cash Flow declared to be payable to holders of Common Units in respect of a Distribution Period shall be paid in cash, Common Units, or any combination of cash and Common Units, as determined by the Trustees in their sole discretion, on the Distribution Payment Date in respect of such Distribution Period.

When the Trustees determine that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution that has been declared payable, or otherwise made payable on the due date of such payment, the payment may, at the option of the Trustees include or consist entirely of the issuance of additional Common Units having a fair market value as determined by the Trustees equal to the difference between the amount of such distribution declared to be payable and the amount of cash that has been determined by the Trustees to be available for the payment of such distribution.

In addition, the Trustees may declare to be payable and make distributions to holders of Common Units, from time to time, out of:

- (a) Common Unit Income;

- (b) Common Unit Net Realized Capital Gains;
- (c) the capital of the Trust; or otherwise,

in any year, in such amount or amounts, and on such dates as the Trustees may determine. See Item 5.1 - Terms of Securities.

Commercial Real Estate Investment Overview

By investing in the Trust, individual investors may pool their funds to allow them to invest in the same types of medium to large scale, revenue-producing real estate opportunities as are available to institutional investors, pension plans, insurance companies, and high net worth individuals.

The Real Properties targeted for acquisition by the Trust may consist of office buildings, retail shopping centres or strip malls, multi-tenanted business parks and light industrial buildings, multi-unit residential apartment buildings and/or industrial properties with a range of users and lease expiries. In the case of commercial properties, including office, retail and industrial assets, these properties would be leased to a variety of tenants in different specialties and industry segments and often having a range of lease expiry dates to minimize vacancies. One of the objectives of owning multi-tenanted commercial and residential properties such as those targeted to be purchased by the Trust is to minimize the risk of vacancy and provide a stable cash flow while preserving the capital invested. Further, real estate as an asset class may provide diversification to a Subscriber's portfolio and may increase the risk adjusted return of a portfolio over the long term. Historically, real estate values have been positively correlated with general market inflation over the long term, providing a hedge against inflation.

The total return on real estate investments includes current income, which is leasing income net of operating expenses and any capital expenditures, as well as the increase or decrease in the value of the underlying asset. For revenue producing properties, a large portion of the investment return is typically generated by current income. As a general principle, the consistent and stable cash flow expected from revenue producing properties is expected to provide the ability to pay interest on the debt incurred to purchase such properties while reducing the mortgage principal, thereby increasing an investor's net equity interest in such properties over time. Excess cash flow would then be distributed to an investor or utilized to pay down the mortgage debts on such properties.

Well-located properties with strong real estate fundamentals have historically appreciated in value over time, which is one of the primary benefits of real estate ownership. Today's continued low interest rate environment enables real estate owners to obtain historically low mortgage rate financing when conservative loan-to-value ratios are employed. This low interest rate mortgage financing, when combined with the acquisition of properties at capitalization rates above the mortgage interest rate, provides investors in commercial real estate assets with attractive levered yields not available in many other investment alternatives.

Real estate investment may also provide an opportunity for greater returns through capital appreciation and increases in a property's current income. At times, properties can be acquired at an attractive price as a result of market inefficiencies, sub-optimal management practices or incompatibility with the current owner's investment strategy, but which, through proper management, can generate higher returns over time. Such value can be exploited through the use of a variety of techniques including restructuring, refinancing, re-merchandising in the case of a retail property, re-leasing space and re-negotiating existing leases, change of use, capital improvements, renovations or anticipating market shifts (location, demographic or otherwise).

Global investors continue to see commercial real estate in Canada as a safe haven for their capital. The Advisor believes the Canadian commercial real estate sector will provide continued opportunities to acquire quality income producing assets for those organizations with the expertise, experience and capital to take advantage of such opportunities.

The operational platform currently implemented by the Advisor in developing other commercial real estate assets, and as a subsidiary of a well-established and vertically integrated general construction company, will provide a competitive advantage to the Trust to obtain access to otherwise unavailable non-marketed real estate assets. The Advisor's ability to identify problems and source corrective measures efficiently and economically is enhanced by its hands-on management style employed at other assets within the portfolio. Furthermore, the Advisor is actively

engaged in asset and property management, providing it with an insight into operational challenges and proven methods of maximizing asset value.

Canadian Real Estate Offers Diversification

A private real estate trust (a “**Private RET**”) may be a viable investment alternative for investors seeking to diversify their portfolios. Share values of publicly-traded real estate investment trusts (“**REITs**”) often deviate from the net asset value of the underlying real estate due to stock market fluctuations unconnected to real estate. This deviation causes such shares to trade at a discount or premium to the net asset value of the underlying real estate (defined as the aggregate fair value of the assets of a REIT, less the aggregate fair value of the liabilities of a REIT). A Private RET is also a tax efficient form of indirect real estate ownership as it may offer tax deferred cash flow with growth taxed at the lower capital gain rate when realized. However, although a Private RET may not be subject to stock market volatility and a deviation from the net asset value of the underlying real estate due to stock market fluctuations unconnected to real estate that a public REIT is, there are other factors that a prospective investor may wish to consider when investing in a Private RET such as a restriction on a Private RET unitholder’s ability to liquidate their investment or that they may only be able to liquidate such investment after lengthy delays.

The Advisor is of the opinion that real estate is an excellent example of an asset class that can be upgraded, repositioned and managed to create value for investors. Canadian commercial real estate is an alternative asset class that has posted a strong track record relative to both bonds and equities over the past ten years.¹

Investment Guidelines

Any and all of the assets of the Trust, including all proceeds therefrom (the “**Trust Property**”) may be invested, directly or indirectly, and only in accordance with the following restrictions (the “**Investment Guidelines**”):

- (d) the focus of the Trust will be on the focus of the Trust’s Primary Activities;
- (e) the Trust shall not make any investment or do anything that would result in:
 - (i) the Trust not qualifying as a "mutual fund trust" or a "unit trust" both within the meaning of the Tax Act; or
 - (ii) Common Units not qualifying as qualified investments for Plans;
- (f) the Trust may, directly or indirectly, make such investments, do all such things, and carry out all such activities as are necessary or desirable in connection with the conduct of its activities provided they are not otherwise specifically prohibited by the Declaration of Trust;
- (g) unless otherwise specifically prohibited by the Declaration of Trust, the Trust may invest in freehold, leasehold, or other interests in property (real, personal, moveable or immovable);
- (h) the Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more Persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited) and limited liability companies;
- (i) the Trust will not invest directly in operating businesses unless such investment is incidental to a transaction:
 - (i) where revenue will be derived, directly or indirectly, principally from Real Property,
or

¹ Source: MSCI, J.P. Morgan.

- (ii) that principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of Real Property (in each case as determined by the Trustees); and
- (j) the Trust may invest in a joint venture arrangement only if:
 - (i) the Trust has a right of first offer or right of first refusal to buy the interests of the other Joint Venturers; and
 - (ii) the joint venture arrangement provides an appropriate buy-sell mechanism to enable a Joint Venturer to purchase the other Joint Venturers' interests or to sell its interest, provided that, notwithstanding the foregoing, the Trust may from time to time enter into any joint venture arrangement that do not comply with either of the foregoing subparagraphs (i) or (ii) if the Trustees determine that the investment is desirable for the Trust and is otherwise in compliance with the investment restrictions and the operating policies established in accordance with the Declaration of Trust and in effect at such time.

In the event that the Trust becomes listed on a public stock exchange and at such time, additional restrictions will apply as provided in the Declaration of Trust, and such restrictions shall form part of the Investment Guidelines.

“**Joint Venturers**” means an arrangement pursuant to which the Trust holds an interest in Real property jointly or in common with others either directly or through the ownership of securities of a corporation or other entity as co-owners and not as partners;

Operating Policies

In addition to the Investment Guidelines, the operations and affairs of the Trust are to be conducted in accordance with, and the Trust shall not permit any of its Subsidiaries to conduct its operations and affairs other than in accordance with, the following policies (the “**Operating Policies**”):

- (a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for this purpose, the term "hedging" has the meaning given by National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”);
- (b) any written instrument creating an obligation which is or includes the granting by the Trust of a Mortgage; and (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of Real Property;
- (c) the Trust will not invest in any interest in a single Real Property if, after giving effect to the proposed investment, the cost to the Trust of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed 60% of at any time the total assets of the Trust as shown in its then most recent consolidated balance sheet (the “**Gross Book Value**”) at the time the investment is made;

- (d) the Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the Trust would be more than 60% of Gross Book Value (or 65% of Gross Book Value including convertible indebtedness);
- (e) the Trust may engage in construction or development of Real Property that is capital property to the Trust to maintain its Real Properties in good repair or to improve the income producing potential of properties in which the Trust has an interest;
- (f) the Trust may not engage in construction or development of new properties unless such new properties will be capital properties of the Trust on completion and the aggregate value of the investments of the Trust in such properties under development (which shall be inclusive of any investments in raw land as provided under (g), after giving effect to the proposed investment in the construction or development, shall not exceed 25% of Gross Book Value;
- (g) title to each Real Property shall be held by and registered in the name of the Trust, the Trustees or a Person wholly owned, directly or indirectly, by the Trust or jointly owned, directly or indirectly, by the Trust, with Joint Venturers or by any other Persons in such manner as the Trustees consider appropriate;
- (h) the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any Person unless such guarantee: (i) is given in connection with or incidental to an investment that is otherwise permitted by the Investment Guidelines; (ii) has been approved by the Trustees; and (iii) (A) would not disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act; and (B) would not result in the Trust losing any other status under the Tax Act that is otherwise beneficial to the Trust and its Unitholders;
- (i) the Trust shall directly or indirectly obtain and maintain at all times, property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors, including the practice of owners of comparable properties;
- (j) the Trust shall have obtained an appraisal of each Real Property that it intends to acquire and an engineering survey with respect to the physical condition thereof, in each case, by an independent and experienced consultant, unless the requirement for such an appraisal or engineering survey is waived by the independent Trustees; and
- (k) the Trust shall obtain and be entitled to rely on, in each case by an independent and experienced environmental consultant, either (i) a Phase I environmental site assessment or (ii) a Phase I environmental site assessment dated no earlier than 24 months prior to receipt by the Trust, of each Real Property to be acquired by it.

2.3 Development of Business

The Trust was organized and formed on December 31, 2015. In December 2015, the Trust issued Common Units at a price of \$10.00 per Unit for gross proceeds of approximately \$11.8 million. Proceeds from the issuance of Units were utilized to acquire a 25% beneficial interest in the Initial Portfolio as referred to in Item 2.1.3. The Initial Portfolio has performed according to expectations and provides the Trust with a stable and growing source of rental income generated from leases that have a term of 19 years, commencing in 2015.

On December 31, 2015, the Trust and the Advisor entered into the Administration and Advisory Agreement.

Additionally, the Trust has continued to reduce its proportionate balances of mortgages outstanding, thereby creating additional increases to net asset value.

2.4 Long Term Objectives

The Trust's long term objectives are to:

- (a) invest in a diversified portfolio of high-quality commercial industrial, retail and office Real Properties across Canada and the United States with positive cash flow;
- (b) manage our investments to provide stable, sustainable and growing cash flow distributions to holders of Common Units; and
- (c) create long-term growth of capital through value added enhancements and organic growth in rental rates with respect to Real Properties indirectly acquired by the Trust as well as increases in the value of the Real Properties at the time the Trust disposes of the Real Properties or its interest in the Real Properties.

The costs associated with achieving the Trust’s long term objectives include customary costs incurred in connection with the acquisition, financing and operation of real property such as the short term costs set out below and fees payable to the Advisor.

The Trust cannot guarantee that its long term objectives will be met. Results will vary and are subject to numerous risks. A holder of Common Units may experience a complete loss of its investment. See Item 8 - *Risk Factors*.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Trust’s objectives over the next 12 months are to complete the Offering and raise sufficient funds to complete the acquisition of limited partnership units of the Master LP, indirectly acquiring limited partnership units of the Property LP’s, and acquiring interests in various Real Properties.

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
Completion of initial Offering and raising sufficient capital to expand and diversify the Initial Portfolio	6 months	\$15,000,000
Raise additional capital sufficient to eliminate backlog of redemption requests from current Unitholders	6 months	\$1,000,000
Actively manage Initial Portfolio and additional Real Properties acquired to improve operating performance	12 months	\$1,250,000
Entering into definitive purchase agreements and completing additional Real Property acquisitions	12 months	\$31,000,000

2.6 Insufficient Proceeds

The Trust expects the proceeds of this Offering to be sufficient to accomplish all of the Trust’s proposed objectives. However, as there is no minimum Offering, the proceeds of this Offering may not be sufficient to accomplish all of the Trust’s proposed objectives and there is no assurance that alternative financing will be available or, if available, may be obtained by the Trust on reasonable terms.

2.7 Material Agreements

The material agreements of the Trust are:

- (a) the Declaration of Trust;
- (b) the AR GL LP LPA;
- (c) the Option Conversion Agreement; and
- (d) the Administration and Advisory Agreement.

In addition, once entered into, it is anticipated that the limited partnership agreement in respect of the Master LP and the Property LPAs will be material agreements of the Trust depending on the value of the Real Properties indirectly acquired by the trust through a Property LP.

2.7.1 Declaration of Trust

Declaration of Trust

The Trust is an unincorporated open-ended, trust formed in the Province of Alberta on December 31, 2015 pursuant to the Declaration of Trust. Tim Heavenor and Terry Freeman, individuals resident in the Province of Alberta, and Blair Forster, an individual resident in the Province of Saskatchewan, are the Trustees of the Trust. The Trustees anticipate that the Trust will meet the required conditions to be a “mutual fund trust” for the purposes of the Tax Act. The legal ownership of Trust Property, including the AR GL Units, the limited partnership units of the Master LP, and indirectly, limited partnership units in the Property LP’s and various Real Properties held by the Trust, and the right to conduct affairs of the Trust are vested exclusively in the Trustees.

Powers and Duties of Trustees

Pursuant to the Declaration of Trust, the Trustees may exercise the following powers and authorities in their sole judgment and discretion:

- (a) retain, invest, and re-invest the capital or other funds of the Trust in real or personal property of any kind, and possess and exercise all the rights, powers and privileges appertaining to the ownership of the Trust Property;
- (b) increase the capital of the Trust at any time by the issuance of additional Units (or other securities convertible to or exchangeable for Units) for such consideration as they deem appropriate;
- (c) for such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or other property or through the issuance of Units or through the issuance of Notes, or other obligations or securities of the Trust and hold for investment Notes, units or other obligations or securities of any Person;
- (d) sell, rent, lease, hire, exchange, release, partition, assign, Mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the Trust Property by deeds, trust deeds, assignments, bills of sale, transfers, leases, Mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust or the Trustees;
- (e) enter into leases, contracts, obligations and other agreements for a term extending beyond the term of office of the Trustees and beyond the possible termination of the Trust or for a lesser term, and perform the obligations of the Trust thereunder;
- (f) issue any type of debt securities or convertible debt securities and borrow money from or incur indebtedness to any Person, and guarantee, indemnify or act as surety with respect to payment or performance of obligations of wholly-owned Subsidiaries, enter into other obligations on behalf of the Trust; and assign, convey, transfer, Mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the Trust Property to secure any of the foregoing;
- (g) lend money, whether secured or unsecured;

- (h) complete the transactions contemplated by the Acquisition Agreement and, without limitation, enter into and perform the Trust's direct and/or indirect obligations thereunder and under the agreements addressed therein;
- (i) maintain records and provide reports to Unitholders;
- (j) establish systems to monitor the qualification of the Trust as a "mutual fund trust", a "unit trust" and, at such time as the Trust may be listed on a stock exchange, a "real estate investment trust", within the meaning of the Tax Act;
- (k) pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustees in connection with the Trust Property;
- (l) incur and pay out of the Trust Property any charges or expenses and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the affairs of the Trust;
- (m) deposit funds of the Trust in banks or trust companies, whether or not such deposits will earn interest;
- (n) possess and exercise all the rights, powers and privileges appertaining to the ownership of or interest in all or any mortgages or securities, issued or created by, or interest in, any Person, forming part of the Trust Property;
- (o) exercise any conversion privilege, subscription right, warrant or other right or option available in connection with any Trust Property at any time held by it and to make payments incidental thereto;
- (p) elect, appoint, engage or employ officers or other Persons for the Trust, who may be removed or discharged at the discretion of the Trustees, such officers or other Persons to have such powers and duties, and to serve such terms as may be prescribed by the Trustees or by the means the regulations adopted by the Board of Trustees in accordance with the Declaration of Trust (the "**Trustees' Regulations**");
- (q) collect, sue for and receive sums of money coming due to the Trust, and engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the Trust Property or the Trust's affairs, enter into agreements therefor whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (r) renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;
- (s) purchase and pay for, out of the Trust Property, insurance contracts and policies insuring the Trust Property against any and all risks and insuring the Trust and/or any or all of the Trustees, the Unitholders or officers or employees of the Trust against any and all claims and liabilities of any nature asserted by any Person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees, the Unitholders or the officers of the Trust;
- (t) cause legal title to any of the Trust Property to be held by and/or in the name of the Trustees or, except as prohibited by law, by and/or in the name of the Trust or one or more of the Trustees or any other Person, on such terms, in such manner, with such powers in such Person as the Trustees may determine;
- (u) determine conclusively the allocation to capital, income or other appropriate accounts for all receipts, expenses, disbursements and Trust Property;

- (v) issue Units and other securities of the Trust from time to time and, if necessary or desirable to prepare, sign and file or cause to be prepared, signed and filed a prospectus, offering memorandum, or similar document and any amendment thereto and all agreements contemplated therein or ancillary thereto relating to or resulting from any offering of the Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto out of the Trust Property whether or not such offering is or was of direct benefit to the Trust or those Persons (if any) who were Unitholders immediately prior to such offering;
- (w) make or cause to be made application for the listing on any stock exchange of any Units or other securities of the Trust, and to do all things which in the opinion of the Trustees may be necessary or desirable to effect or maintain such listing or listings;
- (x) determine conclusively the value of any or all of the Trust Property from time to time and, in determining such value, to consider such information and advice as the Trustees, in their sole judgment, may deem material and reliable;
- (y) subject to obtaining all required regulatory approvals, establish one or more distribution reinvestment plans, Unit purchase plans, Unit option plans, deferred Unit plans, restricted Unit plans, performance unit plans or any other Unit compensation, incentive plan or similar plan with respect to the Units;
- (z) to the extent permitted by law, indemnify, or enter into agreements with respect to the indemnification of any Person with whom the Trust has dealings including the Trustees, any directors or trustees of any Subsidiary of the Trust, officers or employees of the Trust or of any Subsidiary, the depositary, registrar, transfer agent or any escrow agent, to such extent as the Trustees shall determine;
- (aa) do all such acts and things and to exercise such powers which are delegated to the Trustees by any Person who co-owns Real Property with the Trust;
- (bb) vote in favour of the Trust's nominees to serve as directors or trustees, as applicable, of any Subsidiary of the Trust and to otherwise exercise the rights attached to any securities held by the Trust or any Subsidiary of the Trust; and
- (cc) do all such other acts and things as are incidental to the foregoing, and to exercise all powers that are necessary or useful to carry on the activities of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of the Declaration of Trust.

Appointment of Trustees

The Declaration of Trust provides for a minimum of three and a maximum of seven Trustees. Subject to certain exceptions provided for in the Declaration of Trust, at all times the majority of Trustees, (including the Chairman) must be "independent" for the purposes of NI 58-101. Any increase or decrease to the maximum or minimum number of Trustees must be approved by a Special Resolution. The Trustees are elected at each annual meeting of the Unitholders for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and shall be eligible for re-election. The Trustees may, subject to compliance with the Declaration of Trust, between annual meetings of the Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders; provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders (rounding to the nearest whole number).

If at any time a majority of Trustees are not resident Canadians because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was a resident Canadian, the remaining Trustees, whether or not they constitute a quorum, shall appoint a sufficient number of resident Canadian Trustees to comply with this requirement. If at any time a majority of Trustees are not "independent" (as defined in NI 58-101) because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an "independent" Trustee, this requirement shall not be applicable for a period

of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of “independent” Trustees to comply with this requirement.

Resignation and Removal of Trustees

A Trustee may resign at any time by an instrument in writing signed by him or her and delivered or mailed to the Chairman or, if there is no Chairman, the Chief Executive Officer of the Trust or, if there is no Chief Executive Officer, the other Trustees then serving. A Trustee may be removed at any time with or without cause by an means a resolution proposed to be passed as an ordinary resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present, which resolution is passed by the affirmative votes of a majority of the Units represented at the meeting in person or by proxy and voted upon such resolution (an “**Ordinary Resolution**”) or with cause by a resolution passed by an affirmative vote of not less than two-thirds of the other Trustees. Upon the resignation or removal of any Trustee, or he or she otherwise ceasing to be a Trustee, he or she shall cease to have the rights, privileges and powers of a Trustee provided under the Declaration of Trust.

Liability of Trustees

None of the Trustees shall be liable to the Trust or to any Unitholder, or any other Person for the acts, omissions, receipts, neglects, or defaults of any Person, firm or corporation employed or engaged by them, or for joining in any receipt or act of conformity or for any loss, damage or expense caused to the Trust through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any Person, firm or corporation with whom or which any monies, securities or Trust Property shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustees, or for any other loss, damage or misfortune which may happen in the execution by the Trustees of their duties under the Declaration of Trust, except to the extent the Trustees have not acted honestly and in good faith with a view to the best interests of the Trust and the Unitholders and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee did not have reasonable grounds for believing his or her conduct was lawful.

Characteristics of Units

The beneficial interests in the Trust are divided into three classes: Common Units, First Preferred Units, and Second Preferred Units. The Common Units are the only class of Units offered for sale under this Offering Memorandum.

Common Units

Holders of Common Units are entitled to receive notice of and to attend and voting at all meetings of Unitholders except meetings of holders of another class of Units. Each Common Unit entitles the holder thereof to one vote. Subject to preferences accorded to holders of First Preferred Units, Second Preferred Units and any other Units ranking senior to the Common Units, with respect to the payment of dividends, holders of Common Units shall be entitled to receive, if, as, and when declared by the Trustees, such dividends as may be declared by the Trustees from time to time.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Trust, or any other distribution of its assets among its Unitholders for the purpose of winding-up its affairs (such event referred to herein as a “**Dispersal**”), holders of Common Units shall be entitled, subject to the preferences accorded to holders of the First Preferred Units, Second Preferred Units, and any other Units of the Trust ranking senior to the Common Units from time to time with respect to payment on a Dispersal, to share equally, Unit for Unit, in the remaining property of the Trust.

First Preferred Units

The Trustees may at any time and from time to time issue first preferred units (the “**First Preferred Units**”) in one or more series, each series to consist of such number of First Preferred Units as may, before the issuance thereof, be determined by the Trustees. The First Preferred Units shall not carry the right to more than one vote per First

Preferred Unit at any meeting of Unitholders and, then only if those voting First Preferred Units are issued at a price of no less than the Fair Value of Common Units at the time of issue.

The Trustees may from time to time fix, before issuance, the designation, rights, privileges, restrictions, and conditions attaching to each series of First Preferred Units including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a Dispersal, the extent, if any, of further participation on a Dispersal, voting rights, if any, and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

In the event of a Dispersal, holders of each series of First Preferred Units shall be entitled, in priority to holders of Common Units, Second Preferred Units and any other Units of the Trust ranking junior to the First Preferred Units from time to time with respect to payment on a Dispersal, to be paid rateably with holders of each series of First Preferred Units the amount, if any, specified as being payable preferentially to the holders of such series on a Dispersal.

Second Preferred Units

The holders of each series of First Preferred Units shall be entitled, in priority to holders of Common Units, Second Preferred Units, and any other Units of the Trust ranking junior to the First Preferred Units from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of First Preferred Units, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

The Trustees may at any time and from time to time issue second preferred units (the “**Second Preferred Units**”) in one or more series, each series to consist of such number of Second Preferred Units as may, before the issuance thereof, be determined by the Trustees. The second Preferred Units shall not carry the right to more than one vote per Second Preferred Unit at any meeting of Unitholders and, then only if those voting Second Preferred Units are issued at a price of no less than the Fair Value of Common Units at the time of issue

The Trustees may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Second Preferred Units including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a Dispersal, the extent, if any, of further participation on a Dispersal, voting rights, if any, and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

In the event of a Dispersal, holders of each series of Second Preferred Units shall be entitled, subject to the preference accorded to holders of First Preferred Units but in priority to holders of Common Units, and any other Units of the Trust ranking junior to the Second Preferred Units from time to time with respect to payment on a Dispersal, to be paid rateably with holders of each other series of Second Preferred Units the amount, if any, specified as being payable preferentially to the holders of such series on a Dispersal.

The holders of each series of Second Preferred Units shall be entitled, subject to the preference accorded to the holders of First Preferred Units but in priority to holders of Common Units, and any other Units of the Trust ranking junior to the Second Preferred Units from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of Second Preferred Units, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

Liability of Unitholders

No Unitholder shall be held to have any personal liability, and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever, in tort, contract, or otherwise, to any Person in connection with the Trust Property or the affairs of the Trust, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such (“**Trust Liability**”) but rather the Trust Property only is intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each Unitholder shall be entitled to be reimbursed out of the Trust Property in respect of any payment of such Trust Liability made by such Unitholder.

Conflict of Interest

Trustees or officers of the Trust shall disclose to the Trustees the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Trust or any of its Subsidiaries, if the Trustee or officer:

- (a) is a party to the contract or transaction;
- (b) is a director, officer, employee, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

A Trustee shall not vote on any resolution to approve such contract or transaction unless the contract or transaction:

- (a) relates primarily to his or her remuneration as a Trustee, officer, employee, or agent of the Trust or Subsidiary; or
- (b) is for indemnity under the Declaration of Trust or the purchase of liability insurance.

Compulsory Acquisition of Units on a Take Over Bid thereof

If within 120 days after the date of a Take-Over Bid (as such term is defined in the *Securities Act*), the Take-over Bid is accepted by the holders of not less than 90% of a class of Units (including Units of the class issuable upon the surrender or exchange of Securities convertible into Units), other than Units held at the date of the Take-over Bid by or on behalf of the offeror, the offeror shall be entitled, on complying with the Declaration of Trust, to acquire the Units of that class held by Unitholders who do not accept the Take-over Bid.

Financial Statements

Prior to each annual and special meeting of Unitholders, the Trustees shall provide the Unitholders (along with notice of such meeting and a form of proxy) information similar to that required to be provided to shareholders of a public corporation governed by the ABCA and as required by applicable tax and applicable Securities Laws.

Fiscal Year

The fiscal year-end of the Trust is on December 31 in each year.

Fees and Expenses of Trustees

The Trust shall pay out of the Trust Property all expenses incurred in connection with the administration and management of the Trust and its investments including the compensation, remuneration and expenses of the Trustees.

Auditor

The Auditors are appointed at each annual meeting of Unitholders by an Ordinary Resolution. If at any time a vacancy occurs in the position of Auditors where the Trust carries on business, the Trustees may appoint a firm of chartered accountants qualified to practise in all provinces of Canada to act as the Auditors until the next annual meeting of the Unit holders. The Auditors shall report to the Trustees and the Unitholders on the annual financial statements of the Trust and shall fulfil such other responsibilities as they may properly be called upon by the Trustees to assume. The Auditors shall have access to all records relating to the affairs of the Trust. The Auditors shall receive such remuneration as may be approved by the Trustees.

Subject to applicable laws, the Auditors may at any time be removed and new Auditors appointed by a majority of the Trustees.

Amendments

The Declaration of Trust may be amended only by Ordinary Resolution, provided that the Declaration of Trust may be amended by a majority of the Trustees without the consent, approval or ratification of the Unitholders or any other Person in the following circumstances in order to:

- (a) ensure continuing compliance with applicable laws (including the Tax Act and maintaining the status of the Trust as a “unit trust”, “mutual fund trust” and, if listed on a stock exchange, a “real estate investment trust” under the Tax Act) regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees; (ii) the Trust, or (iii) the distribution of Units;
- (b) provide additional protection or added benefits, which are, in the opinion of the Trustees, necessary to maintain the rights of the Unitholders set out in the Declaration of Trust;
- (c) remove any conflicts or inconsistencies in the Declaration of Trust or make corrections, including the rectification of any ambiguities, defective provisions, errors, mistakes or omissions, which are, in the opinion of the Trustees necessary or desirable and not prejudicial to the Unitholders;
- (d) make amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;
- (e) make amendments which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation or other laws or accounting standards from time to time that may affect the Trust or the Unitholders to ensure the Units qualify as equity for purposes of GAAP;
- (f) make amendments which, in the opinion of the Trustees are necessary or desirable to enable the Trust to implement a Unit option or purchase plan or a distribution reinvestment plan for the Unitholders;
- (g) make amendments deemed necessary or advisable to ensure that the Trust has not been established nor maintained primarily for the benefit of persons who are not resident Canadians; or
- (h) make an amendment for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable.

Matters Requiring Approval by Special Resolution

The following amendments to the Declaration of Trust shall require approval by a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present, which resolution is passed by the affirmative votes of the holders of at least two-thirds of the Units represented at the meeting in person or by proxy and voted upon such resolution (a “**Special Resolution**”):

- (a) any amendments amending those matters requiring Special Resolution;
- (b) any increase or decrease to the minimum or maximum number of Trustees required or permitted to serve on the Board;
- (c) an exchange, reclassification or cancellation of all or part of the Units other than as permitted in the Declaration of Trust;
- (d) the change or removal of the rights, privileges, restrictions or conditions attached to the Units;
- (e) the creation of new rights or privileges attaching to Units;

- (f) any change to the existing constraints on the issue, transfer or ownership of the Units except as provided in the Declaration of Trust;
- (g) the sale of all or substantially all of the Trust Property as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the Trust Property including by way of the transfer of Trust Property or assets or property of the Subsidiaries of the Trust as approved by the Trustees);
- (h) the combination, amalgamation or arrangement of any of the Trust or its Subsidiaries with any other entity that is not the Trust or a Subsidiary of the Trust (other than as part of an internal reorganization as approved by the Trustees); and
- (i) any other matter expressly required by the terms of the Declaration of Trust to require approval by Special Resolution including amendment of the Investment Guidelines, and policies (a), (d), (h), (j), and (k) comprised in the definition of "Operating Policies".

Termination of Trust and Liquidation of Assets

The Trust may be terminated by a Special Resolution at a meeting of the Unitholders duly called by the Trustees for the purpose of considering the termination of the Trust. Upon termination of the Trust, the liabilities of the Trust shall be discharged with commercially reasonable speed, the net assets of the Trust shall be liquidated and the proceeds distributed to the Unitholders in accordance with their entitlements as provided for in the Declaration of Trust.

Investment Guidelines

The Trust Property may be invested, directly or indirectly, and only in accordance with the Investment Guidelines. See Item 2.1.1-*Our Business-Current Business of the Trust-Investment Guidelines*.

Operating Policies

In addition to the Investment Guidelines, the operations and affairs of the Trust are to be conducted in accordance with, and the Trust shall not permit any of its Subsidiaries to conduct its operations and affairs other than in accordance with, the Operating Policies. See Item 2.1.1-*Our Business-Current Business of the Trust-Operating Policies*.

Meetings of Unitholders

An annual meeting of the Unitholders shall be held at such time and place and for such purposes as the Trustees shall determine for the purpose of electing Trustees, appointing or changing the Auditors, presenting the financial statements of the Trust, and transacting such other business as the Trustees may determine or as may be properly brought before the meeting.

The Trustees shall have the power to call special meetings of Unitholders at such time and place as the Trustees may determine.

Unitholders holding in the aggregate of not less than 25% of the votes attaching to all Units then outstanding may requisition the Trustees to call a special meeting of the Unitholders for the purposes stated in the requisition.

At any meeting of Unitholders, a quorum will consist of two or more individuals present either holding personally or representing proxies in the aggregate not less than 10% of the votes attached to all outstanding Units.

A resolution signed in writing by Unitholders holding a proportion of the outstanding Units equal to or greater than the proportion required to vote in favour thereof at a meeting of the Unitholders to approve that resolution is as valid as if it has been passed at a meeting of Unitholders.

2.7.2 AR GL LP LPA

AR GL LP is a limited partnership formed in the Province of Manitoba pursuant to the AR GL LP LPA.

Business of the Partnership

AR GL LP was formed to acquire, hold, improve, develop, redevelop, own, operate, lease, transfer, swap, and otherwise dispose of, the beneficial interest in the Initial Portfolio and to engage in all activities necessary, or ancillary or incidental to any of the foregoing activities (collectively, the “**Partnership Business**”).

Classes of Units

The authorized capital of AR GL LP consists of the interest of AR GL LP GP, as general partner of AR GL LP, being 0.0000001% of AR GL LP, and an unlimited number of common limited partnership units (“**AR GL LP Units**”). Each AR GL LP Unit ranks equally with all other AR GL LP Units and, subject to certain rights and conditions applicable to the New Securities (as defined herein) and certain conversion rights and conditions applicable to the GGL Units (as defined in the Option Conversion Agreement), entitle the holder to the same rights and obligations as the holder of any other AR GL LP Unit and no limited partner of AR GL LP (each, a “**Limited Partner**”) is entitled to any privilege, priority, or preference in relation to any other Limited Partner holding AR GL LP Units.

Capital Contributions

AR GL LP GP owns one AR GL LP Unit.

The Trust owns 25% of the AR GL LP Units and 75% of the AR GL LP Units are owned by AX LP.

Mandatory Additional Capital Contributions

The Limited Partners must contribute to AR GL LP capital contributions equal to their respective ownership percentages to fund AR GL LP’s acquisition expenses and annual expenses (the “**Mandatory Additional Capital Contributions**”). No additional AR GL LP Units are issued for Mandatory Additional Capital Contributions, with such amounts being added to the capital account of the Limited Partner on making such contributions.

Failure to Make Mandatory Additional Capital Contributions

If any Limited Partner does not make a Mandatory Additional Capital Contribution, then no Limited Partner will make such Mandatory Additional Capital Contribution, and any non-defaulting Limited Partner (the “**Lending Partner**”) may, as long as AR GL LP continues to require such additional funds, provide a loan (the “**Non Pro-Rata Partner Loan**”) in the required amount bearing interest at a rate of 14% per annum, calculated and compounded monthly.

Additional Advances to Partnership

If AR GL LP requires additional funds, AR GL LP GP will send a notice to each Limited Partner (the “**Additional Funding Notice**”) setting forth the required funds, and each Limited Partner’s pro rata share thereof and the dates such funds are required. If any Limited Partner declines to make such loan, the other Limited Partners may fund the entire loan. Making such a loan does not increase the capital contribution of the Limited Partner but is deemed to be a loan (a “**Partner Loan**”). The amounts of any such Partner Loan in addition to such Limited Partner’s capital contribution is a debt of AR GL LP to the Limited Partner with interest at a rate of 10% per annum, calculated and compounded monthly.

Restriction on Transfers

No Limited Partner may sell, assign, mortgage, pledge, charge, hypothecate, encumber, grant a security interest in, cause AR GL LP to redeem or otherwise dispose of or transfer (or permit any of the foregoing to occur) whether voluntarily or involuntarily or by operation of law or otherwise of its AR GL LP Units without the prior written approval of the AR GL LP GP.

Requirements for Transfer

Subject to the Option Conversion Agreement, no transfer of AR GL LP Units is effective except upon delivery to the transfer agent appointed by AR GL LP (the “**Transfer Agent**”) of:

- (a) the certificates representing such AR GL LP Units and a stock power of attorney duly endorsed for transfer by the transferor to the transferee;
- (b) such assurance or evidence of signatures, identifications or authority to transfer the AR GL LP Units as the Transfer Agent may prescribe;
- (c) acknowledgment in writing from the transferee agreeing to be bound by the terms of the AR GL LP LPA, the Option Conversion Agreement and the unanimous shareholders agreement among AR GL LP, AR GL LP GP, AX LP, and GGL dated as of July 23, 2015, as may be amended and restated from time to time (the “USA”), assuming all obligations of the transferor under the AR GL LP LPA, the Option Conversion Agreement, and the USA that pertain to the AR GL LP Units being transferred, and granting a power of attorney to AR GL LP GP as contemplated in this Agreement;
- (d) evidence that the transferee is an eligible person in accordance with the AR GL LP LPA acceptable to AR GL LP GP; and
- (e) confirmation that the provisions of all applicable securities legislation were complied with.

Pre-emptive Right

If AR GL LP wishes to develop or re-develop the Initial Portfolio and requests additional capital contributions from the Limited Partners, each Limited Partner may purchase its pro rata portion of any AR GL LP Units to be issued by AR GL LP (the “**New Securities**”) that AR GL LP may propose to issue or sell to any party and such Limited Partners shall have a pre-emptive right to purchase the New Securities on a pro rata basis relevant to the number of AR GL LP Units held (the “**Pre-Emptive Right**”). In the event that other Limited Partners do not exercise their full eligible amount of their Pre-Emptive Right, other Limited Partners may purchase all or a portion of the New Securities not purchased by other Limited Partners in accordance with their Pre-Emptive Right.

GGL New Securities Put Option

At any time during April 1 and April 30th of each calendar year, commencing the year after any New Securities are issued, GGL may, upon written notice to AX LP, elect to sell to AX LP any or all of the New Securities issued to GGL (the “**GGL New Securities**”) for a purchase price equal to the value of the GGL New Securities calculated in accordance with the AR GL LP LPA.

AX LP New Securities Call Option

At any time during (a) April 1 and April 30th of each calendar year, commencing the year after any New Securities are issued; (b) the period that is concurrent with the exercise period of any Call Right (as defined in the Option Conversion Agreement); or (c) the period that is simultaneous to the Automatic Call Event (as defined in the Option Conversion Agreement), AX LP may, upon written notice to the GGL, elect to require the holders of the GGL Units to sell to AX LP any or all of the GGL New Securities for a purchase price equal to the value of the GGL New Securities calculated in accordance with the AR GL LP LPA.

Tag-Along Rights

If holders of AR GL LP Units holding 75% or more of the issued and outstanding AR GL LP Units (the “**Selling Unitholders**”) propose to sell all of their AR GL LP Units and shares of AR GL LP GP (collectively, the “**Offered Interest**”) to a bona fide arm’s length third party purchaser, then the Selling Unitholders must provide notice to the other holders of AR GL LP Units, and such holders are entitled to require that the third party purchasing the Offered Interest to purchase all of the AR GL LP Units and shares of AR GL LP GP held by such other holders of AR GL LP Units.

Drag-Along Rights

If holders of AR GL LP Units holding 85% or more of the issued and outstanding AR GL LP Units (the “**Drag Along Unitholders**”) desire to sell all of their AR GL LP Units and shares of AR GL LP GP (collectively, the “**Drag-Along Offered Interest**”) to a third party who desires to purchase all of the Drag-Along Interest, then the Drag Along Unitholders may provide written notice of such decision to the remaining holders of AR GL LP Units and may oblige such holders to sell all of their AR GL LP Units and shares in AR GL LP GP on the same terms and conditions as those proposed for sale with respect to the Drag-Along Offered Interest.

GGL Full Put Option

At any time after the fifth anniversary date of effective date of the AR GL LP LPA, all the holders of the GGL Units, and all the holders of any GGL New Securities may, upon written notice to AX LP, elect to sell to AX LP all of the GGL Units and GGL New Securities for a purchase price calculated in accordance with the AR GL LP LPA.

Distribution of Distributable Cash

AR GL LP GP will determine on a monthly basis, the distributable cash for that period, and distribute such amount to AX LP, GGL, and AR GL LP GP (the “**Partners**”) of record no later than the 10th day of the month following the determination of the distributable cash by AR GL LP GP (the applicable “**AR GL LP Unit Payment Date**”), to the extent available, as follows:

- (a) such amount to the Lending Partner as is required to pay accrued and unpaid interest and principal on any Non Pro-Rata Partner Loans, which Non-Pro-Rata Partner Loans will be paid down in the order in which they were made first as to interest and second as to principal; then
- (b) such amount to the applicable Limited Partner as is required to pay accrued and unpaid interest and principal on Partner Loans made by a Limited Partner which additional Partner Loans will be paid down in the order in which they were made first as to interest and second as to principal; and then
- (c) such amount as is distributable to the holders of the AR GL LP Units in accordance with their respective ownership percentage of AR GL LP Units held.

Distributable cash may be estimated by AR GL LP GP whenever the actual amount has not been fully determined. Such estimates shall be adjusted as of a subsequent AR GL LP Unit Payment Date when the amount of distributable cash has been determined by AR GL LP GP.

Attributes of AR GL LP Units

The AR GL LP Units have the following rights and privileges and are subject to the following restrictions, conditions and limitations:

- (a) are issuable solely to the Limited Partners;
- (b) on a distribution of AR GL LP assets in the event of the liquidation, dissolution or winding-up of AR GL LP, or any other distribution of the assets of AR GL LP among the Partners for the purpose of winding-up its affairs, the holders of AR GL LP Units are entitled to share pro rata in the distribution of AR GL LP assets;
- (c) the rights, privileges, restrictions and conditions attaching to the AR GL LP Units may not be added to, altered, abrogated, changed or removed without the consent of the holder;
- (d) the AR GL LP Units shall have such additional rights, privileges, restrictions and conditions as may be determined pursuant to the Option Conversion Agreement, the application of which being considered attributes of the AR GL LP Units governed by the AR GL LP LPA; and

- (e) the holders of the AR GL LP Units are entitled to one vote for each AR GL LP Unit held on any resolution of AR GL LP which is proposed by AR GL LP GP and shall not otherwise have any voting rights. It is not intended that AR GL LP will have regular or annual meetings.

Liability of General Partner and Limited Partners

AR GL LP GP has unlimited liability for the debts, liabilities and obligations of AR GL LP. AR GL LP GP will not be liable to the Limited Partners for any mistakes or errors in judgment in good faith, or for any act or omission believed by it in good faith to be within the scope of the authority conferred upon it by the AR GL LP LPA other than an act or omission which is in contravention of the AR GL LP LPA or which results from or arises out of negligence or wilful misconduct in the performance of, or wilful disregard of, the obligations or duties of AR GL LP GP under the AR GL LP LPA or for any loss or damage to any of the property of AR GL LP attributable to an event beyond the control of AR GL LP GP or its affiliates.

Subject to applicable law, and certain exceptions provided in the AR GL LP LPA, the liability of each Limited Partner for the undertakings, liabilities and obligations of AR GL LP will not extend beyond such Limited Partner's capital contributions plus such Limited Partner's share of undistributed income of AR GL LP.

Each Limited Partner will indemnify and hold harmless AR GL LP, AR GL LP GP, and each other Limited Partner from and against all losses, liabilities, expenses and damages suffered or incurred by AR GL LP, AR GL LP GP, or the other Limited Partners by reason of misrepresentation or breach of any of the representations, warranties or covenants of such Limited Partner.

Indemnity of Limited Partners

AR GL LP GP will indemnify and hold harmless each Limited Partner from any and all losses, liabilities, expenses, and damages suffered by such Limited Partner where the liability of such Limited Partner is not limited, provided that such loss of limited liability was caused by fraud or negligence or wilful misconduct by AR GL LP GP in the performance of, or wilful disregard or breach by AR GL LP GP of, the obligations or duties of AR GL LP GP under the AR GL LP LPA. Such indemnity will apply only with respect to losses in excess of the capital contributions of the Limited Partner. AR GL LP GP will also indemnify and hold harmless AR GL LP from any costs, damages, liabilities, expenses or losses suffered or incurred by AR GL LP resulting from or arising out of fraud, negligence, or wilful misconduct by AR GL LP GP in the performance of, or wilful disregard or breach by AR GL LP GP of, the obligations or duties of AR GL LP GP.

The amount of any such indemnity is limited to the extent of the assets of AR GL LP GP and will under no circumstance include the assets of any AR GL LP GP's parent corporation or trustee or any affiliate of AR GL LP GP.

Special Approvals

Unless otherwise set forth in the AR GL LP LPA, the following matters may only be undertaken by AR GL LP GP on behalf of AR GL LP with the approval by a resolution passed by:

- (a) all of the board of directors AR GL LP GP if GGL or a permitted transferee is entitled to a nominee on the board of directors of AR GL LP GP pursuant to the USA, or 100% of the Limited Partners at a duly called meeting of the Limited Partners or a resolution in writing signed by all Limited Partners;
 - (i) issuing or entering into any agreement to issue any securities of any class of AR GL LP or AR GL LP GP or any securities convertible into any securities of any class of AR GL LP or AR GL LP GP or grant any option or other right to purchase any such securities or securities convertible into any such securities of AR GL LP or AR GL LP GP;
 - (ii) increasing, reducing, converting, subdividing, or consolidating the capital of AR GL LP except in accordance with the AR GL LP LPA;

- (iii) materially changing the nature or scope of the Partnership Business or any action which may lead to or result in such material change;
 - (iv) consolidating, merging, or amalgamating AR GL LP or AR GL LP GP with any other person;
 - (v) declaring or paying of any dividend or distribution by AR GL LP other than in an amount equal to the net income of AR GL LP except in accordance with the AR GL LP LPA;
- (b) holders of 85% of the AR GL LP Units at a duly called meeting of the Limited Partners or a resolution in writing signed by the requisite Limited Partners:
- (i) directly or indirectly, borrowing money from any person or incurring indebtedness, liabilities or obligations to any person, including agreeing to guarantee, indemnify or act as surety with respect to the payment or performance of any indebtedness, liabilities or obligation of any kind to any person not at arm's length to AR GL LP;
 - (ii) making any loan to any person not at arm's length, including a limited partner or an affiliate of any such person;
 - (iii) incurring or assuming any debt, if after giving effect to such incurred or assumed debt, the total debt of AR GL LP would exceed seventy-five percent (75%) of net value of AR GL LP (determined annually);
 - (iv) development or redevelopment of the Initial Portfolio, where the capital costs of such proposed development to be incurred exceeds \$500,000;
 - (v) disposing or acquiring any asset, property or undertaking of AR GL LP, including inventory through the disposition of any securities, outside the ordinary course of business where the value of such disposition or acquisition exceeds \$100,000 or constitutes all or substantially all of the assets, property and undertaking of AR GL LP in a province; or
 - (vi) entering into any contract, liability or commitment which is of a term of in excess of two years or which could involve an obligation or a liability for expenditure in excess of \$100,000, except to the extent contemplated in any annual budget or as otherwise may be required pursuant to any lease entered into by AR GL LP.

Rights, Powers and Obligations of General Partner

Subject to special approval, AR GL LP GP, as general partner of AR GL LP has the following powers and authority:

- (a) to negotiate, enter into, execute and carry out all agreements which require execution by or on behalf of AR GL LP involving matters or transactions which are within the ordinary course of the Partnership Business;
- (b) to open and manage bank accounts in the name AR GL LP and to name signing officers for these accounts and to borrow funds in the name of AR GL LP and execute loan, credit and security agreements on behalf of AR GL LP and to spend the capital of AR GL LP in the exercise of any right or power possessed by AR GL LP GP. AR GL LP GP has the right to secure a line of credit with established financial institutions for the benefit of AR GL LP;
- (c) to manage, control and develop all the activities of AR GL LP and to take all measures necessary or appropriate for the Partnership Business or ancillary thereto;
- (d) to conclude agreements with third parties so that services may be rendered to AR GL LP in the normal course of its affairs;

- (e) to manage, administer, conserve, develop, operate and dispose of (subject to the dissolution provisions in the AR GL LP LPA) any and all AR GL LP assets and in general to engage in any and all phases of the Partnership Business;
- (f) to employ, retain, engage, appoint or dismiss such persons necessary or appropriate to carry out the business of AR GL LP and affairs of AR GL LP and/or to assist it in the exercise of its powers and the performance of its duties and to pay such fees, expenses, salaries, wages and other compensation to such persons as AR GL LP GP in its sole discretion determines;
- (g) to make any and all expenditures and payments which, in its sole discretion, AR GL LP GP deems necessary or appropriate in connection with the management of the affairs of AR GL LP and the carrying out of its obligations and responsibilities under the AR GL LP agreement, including:
 - (i) all legal, accounting and other related expenses incurred in connection with the organization and financing of AR GL LP; and
 - (ii) the fees payable to AR GL LP GP;
- (h) to file or execute on behalf of AR GL LP, any and all returns and other documents, instruments or elections, designations and determinations for tax or other purposes of any kind, including but not limited to any income tax and annual returns required by any governmental or like authority;
- (i) to keep adequate books and records reflecting the activities of AR GL LP;
- (j) subject to the provisions of the AR GL LP LPA, to admit any person as a Limited Partner;
- (k) to appoint and rescind the appointment of agents of AR GL LP and grant and revoke powers of attorney of AR GL LP;
- (l) to commence and/or defend any and all actions and/or proceedings in connection with AR GL LP;
- (m) to retain legal counsel, experts, advisors or consultants as AR GL LP GP considers appropriate and to rely upon the advice of such persons;
- (n) to execute any and all deeds, documents and instruments and to do all acts as may be necessary or desirable, in the opinion of AR GL LP GP, to carry out the intent and purpose of the AR GL LP agreement;
- (o) to borrow and lend money in the name of AR GL LP, without limitation or regard to the amount, cost or conditions of repayment of such loan;
- (p) to calculate distributable cash and pay out as necessary the distributions;
- (q) to give guarantees in the name of AR GL LP in respect of the present and future indebtedness, liabilities and obligations of any of its direct or indirect subsidiaries or affiliates to any third party;
- (r) to mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in or otherwise encumber any or all of the property, assets and undertaking of AR GL LP, whether now owned or hereafter acquired, to secure any present and future borrowings and related expenses of AR GL LP or any one or more guarantees given by AR GL LP and to sell all or any of such property pursuant to a foreclosure under or other realization upon the foregoing encumbrances;
- (s) to provide to any person holding any property or assets, or any interest therein, as trustee or agent for and on behalf of AR GL LP any and all consents, authorizations and directions on behalf of AR GL LP as may be necessary or desirable in connection with the granting of any mortgage, charge, assignment, hypothecation, pledge or other encumbrance of or security interest in any or all of such property or assets as are held in such capacity for and on behalf of AR GL LP;

- (t) to purchase liability insurance, and other insurance that AR GL LP GP considers necessary or appropriate; and
- (u) to do all such other acts and things AR GL LP GP deems necessary and desirable to carry out the intent and purpose of the AR GL LP agreement or the Partnership Business.

Indemnification

AR GL LP will indemnify AR GL LP GP against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by it if:

- (a) AR GL LP GP acted honestly, in good faith and in a manner that is in the best interests of AR GL LP and in accordance with its fiduciary obligations to AR GL LP; and
- (b) the conduct of AR GL LP GP does not constitute fraud, negligence or wilful misconduct.

Events of Dissolution

AR GL LP will follow the procedure for dissolution prescribed in the AR GL LP LPA upon the occurrence of any of the following events or dates:

- (a) the passage of a written resolution consented to in writing by AR GL LP GP and by Limited Partners holding a minimum of 85% of the ownership percentage in AR GL LP (“**Extraordinary Resolution**”) to dissolve AR GL LP; or
- (b) the sale, exchange or other disposition of all or substantially all of the property of AR GL LP (other than pursuant to an internal reorganization), if approved by an Extraordinary Resolution.

In the event of AR GL LP ceasing to have any general partner, a new general partner will be appointed as provided in the AR GL LP LPA.

2.7.3 Option Conversion Agreement

The option conversion agreement was entered into among Artis REIT, AX LP, Artis General Partner Ltd. (“**AX GP**”), AR GL LP, AR GL LP GP, and GGL as at July 23, 2015 (the “**Option Conversion Agreement**”) pursuant to which Artis REIT granted the Exchange Right (as defined herein) to GGL or certain permitted transferees and GGL granted the Call Right (as defined herein) to Artis REIT. Simultaneous with the exercise of the Exchange Right, the exercise of any Call Right, or an Automatic Call Event (as defined herein) an equal number of common shares of AR GL LP GP held by GGL (the “**GGL Common Shares**”) that is equal to the number of AR GL LP Units being transferred pursuant to the Exchange Right, Call Right, or Automatic Call Event (the “**Pro-Rata Number of Common Shares**”) will be transferred to Artis REIT, or if directed by Artis REIT, to AX LP for nominal consideration.

Grant of the Exchange Right

Subject to certain restriction, and upon satisfaction of certain conditions precedent as set forth in the Option Conversion Agreement (the “**Exchange Conditions Precedent**”) to the exchange of AR GL LP Units for participating trust units of Artis REIT (the “**REIT Units**”) Artis REIT granted to GGL the right (the “**Exchange Right**”), exercisable at any time between April 1 and April 30 of each calendar year, commencing April 1, 2020 (the “**Exercise Period(s)**”), to require Artis REIT to acquire, subject to the Minimum Exchange Amount and the Maximum Exchange Amount, AR GL LP Units (the “**GGL Units**”) held by GGL or its permitted transferee (the “**GGL Unitholder**”) in exchange for REIT Units or a cash payment.

“**Maximum Exchange Amount**” means the number of GGL Units that is equal to, or not more than 20% of the 12,339,025 AR GL LP Units owned by GGL (the “**Initial GGL Units**”) issued pursuant to the AR GL LP LPA (i.e. 2,467,805 GGL Units) being the maximum number of GGL Units which may be exchanged for REIT Units in respect of any Exercise Period, unless otherwise agreed to by Artis REIT.

“**Minimum Exchange Amount**” means that number of GGL Units that is equal to, but not less than 10% of the Initial GGL Units issued pursuant to the AR GL LP LPA (i.e. 1,233,902 GGL Units), being the minimum number of GGL Units which may be exchanged for REIT Units in respect of any Exercise Period, unless otherwise agreed to by Artis REIT.

Applicable Number of REIT Units or Cash Payment

Subject to certain restrictions, upon the valid exercise of the Exchange Right, the applicable GGL Unitholder is entitled to receive as of and with effect from the exchange date:

- (a) in the event the volume weighted average trading price of the REIT Units on the TSX on the Business Day prior to: (i) the commencement date of the applicable Exercise Period; or (ii) the date or deemed date of the Call Event or Automatic Call Event as applicable, provided that in the event REIT Units are not then listed or trading for such period, and (x) the REIT Units have been exchanged for other securities, then the aforesaid calculation for those other securities; or (y) if the REIT Units or substituted securities are not trading, a price reflecting the fair market value of the substituted securities for the REIT Units, as determined by the trustees of the REIT or their successors, acting reasonably; (the “**30-Day VWAP REIT Unit Price**”) is equal to or greater than \$15.75 (the “**Floor Price**”), the number of REIT Units calculated as follows:
 - (i) the value of the GGL Units subject to the Exchange Right;divided by:
 - (ii) the 30-Day VWAP REIT Unit Price; or
- (b) if the 30-Day VWAP REIT Unit Price is less than the Floor Price a cash payment equal to the value of the GGL Units subject to the Exchange Right.

The exchange of REIT Units and GGL Common Shares for GGL Units will be effected on the applicable exchange date in accordance with Option Conversion Agreement, subject to the satisfaction of the Exchange Conditions Precedent.

Call Right

Each of the GGL Unitholders granted Artis REIT the irrevocable right (the “**Call Right**”) to purchase (either directly or through AX LP) from such GGL Unitholders all, but not less than all, of the issued and outstanding GGL Units held by such GGL Unitholders upon the occurrence of any one of the following events (a “**Call Event**”):

- (a) receipt by Artis REIT or AX LP of confirmation from AR GL LP GP that there are fewer than 25% of the Initial GGL Units issued and outstanding (i.e. fewer than 3,084,756 GGL Units outstanding);
- (b) the public announcement by Artis REIT of a transaction (a “**Control Transaction**”) involving a merger or business combination involving Artis REIT which Artis REIT reasonably believes in good faith will close, in which case, provided that Artis REIT first determines, in good faith and in its sole discretion, that either (i) it is not in the best interest of Artis REIT or the holders of REIT Units for the GGL Units to remain outstanding, or (ii) the exchange of the outstanding GGL Units is necessary to enable the completion of the proposed transaction;
- (c) the public announcement of a take-over bid for REIT Units by an offeror who, as a result of the completion of the take-over bid (a “**90% Transaction**”), would be entitled to acquire REIT Units pursuant to the fourth amended and restated declaration of trust of Artist REIT dated August 2, 2012, as supplemented and as the same may be amended, restated or supplemented from time to time (the “**Artis REIT Declaration of Trust**”) and which take-

over bid AR GL LP GP reasonably believes in good faith will be completed and result in the offeror being entitled to acquire REIT Units pursuant to the Artis Declaration of Trust; or

- (d) receipt of an opinion from counsel to Artis REIT that the outstanding GGL Units and/or the rights provided under the Option Conversion Agreement, or the structure or existence of AR GL LP or the GGL Units, results in or is likely to result in Artis REIT or AR GL LP becoming subject to pay tax as a “specified investment flow through” or similar tax.

The Call Right is exercisable at any time and supersedes any exercised Exchange Right that has not been completed due to the applicable Exchange Date not having yet occurred.

Automatic Call Event

Each of the GGL Unitholders covenants and agrees to give Artis REIT written notice of any event which would result in such GGL Unitholder becoming a “non-resident” of Canada for the purposes of the Tax Act (a “**Non-Resident**”), as soon as practicable, and in any event at least 30 days prior to the anticipated effective date of any such event. On and as of the fifth Business Day prior to the date (the “**Change of Residency Date**”) on which a GGL Unitholder will become or be deemed to become a Non-Resident, all of the then outstanding GGL Units held by such GGL Unitholder must be automatically exchanged for REIT Units issued by Artis REIT (the “**Automatic Call Event**”). The Automatic Call Event supersedes any exercised Exchange Right that has not been completed or any exercised Call Right that has not yet been completed.

To effect such automatic exchange, Artis REIT will be deemed to purchase on or as of the fifth Business Day prior to the Change of Residency Date, each GGL Unit and GGL Common Share then outstanding and held by such GGL Unitholder and such GGL Unitholder will be deemed to sell all of the GGL Units and GGL Common Shares held by it at such time for cash or the applicable number of REIT Units, depending on whether the 30-Day VWAP REIT Unit Price is more or less than the Floor Price, on the fifth Business Day prior to the Change of Residency Date.

In the event that a GGL Unitholder fails to give Artis REIT written notice at least 30 days prior to any event which would result in such GGL Unitholder becoming a Non-Resident or if, in any other case, AR GL LP becomes aware that a GGL Unitholder is a Non-Resident, the automatic exchange or cash payment in lieu thereof provided above will be deemed to have occurred as of the Change of Residency Date and any distributions made by AR GL LP on the GGL Units which are the subject of any automatic exchange will be deemed to have been distributions made by Artis REIT on the REIT Units issuable upon such exchange in any equivalent amount.

2.7.4 Administration and Advisory Agreement

The Advisor is appointed as advisor and administrator of the Trust pursuant to the terms of the Administration and Advisory Agreement. The Trust is considered a “related party” under applicable Securities Laws with the Advisor as Tim Heavenor and Terry Freeman are Trustees of the Trust and directors and officers of the Advisor.

Pursuant to the terms of the Administration and Advisory Agreement, the Advisor is responsible for:

- (a) assisting the Trustees in making all determinations necessary for the discharge of the Trustees’ obligations under or performing any matters required by the terms of the Declaration of Trust to be performed by the Trustees, and generally providing all other services as may be necessary or as requested by the Trustees for the administration of the Trust;
- (b) providing the services of members of Advisor’s senior management team to act as Trustee executives;
- (c) providing advisory, consultation, valuation and investment management services, and monitoring financial performance;
- (d) advising the Trustees and the Trust on strategic matters, including potential acquisitions, dispositions, financings, and market developments;

- (e) identifying evaluating, recommending, and assisting in the structuring of acquisitions, dispositions, financings, and other transactions;
- (f) advising and assisting with borrowings, issuances of securities and other capital requirements, including assistance in dealings with banks and other lenders, investment dealers, institutions and investors;
- (g) assisting the Trustees in preparing all returns, filings and documents and make all determinations necessary for the discharge of the Trustees' obligations under the Declaration of Trust;
- (h) assisting the Trustees in monitoring, on behalf of the Trustees, of the transfer agent and other organizations serving the Trust;
- (i) making payments on behalf of the Trust, upon authorization by the Trustees, of operation expenses incurred on behalf of the Trust and assistance in the negotiation of contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors, and printers);
- (j) providing office space, telephone, office equipment, facilities, supplies and secretarial and clerical services;
- (k) providing administrative support for dealing with banks and other institutional lenders, including, without limitation, in respect of (i) maintaining bank records; (ii) negotiating and securing bank financing or refinancing of one or more credit or debt facilities, hedging or swap facilities or other ancillary facilities in respect of the Trust or any entity in which the Trust holds any direct or indirect interest; and (iii) granting security interests to secure such facilities or arrangements by or in respect of the Trust or any entity in which the Trust holds any direct or indirect interest;
- (l) assisting the Trustees in preparing and providing the Unitholders annual audited financial statements of the Trust, and if required by the Trustees, in-house quarterly unaudited financial statements of the Trust, as well as relevant tax information, provided such information has been approved by the Trustees;
- (m) submitting all income tax returns and filings to the Trustees in sufficient time prior to the dates upon which they must be filed so that the Trustees have a reasonable opportunity to review them, execute them and return them to the Advisor, and assisting the Trustees in arranging for their filing within the time required by applicable tax law;
- (n) assisting the Trustees in computing, determining and making on the Trust's behalf distributions to Unitholders of distributions properly payable by the Trust and administering on behalf of the Trust such distribution reinvestment plans and other similar plans as the Trust may establish from time to time;
- (o) assisting the Trustees in ensuring compliance by the Trust with, and enforcing all rights of the Trust under, all agreements entered into by the Trust;
- (p) assisting the Trustees in ensuring compliance by the Trust with all applicable securities legislation;
- (q) assisting the Trustees in preparing on behalf of the Trust, for approval by the Trustees, any circular or other disclosure document required under applicable securities legislation with respect to an offer to acquire securities of another person or in response to an offer to purchase Units;
- (r) providing investor relations services to the Trust;
- (s) providing administrative services for the Trustees to call and hold any meetings of Unitholders pursuant to the Declaration of Trust as well as preparing and arranging for the distribution of all materials (including notices of meetings and information circulars) in respect thereof;

- (t) providing services as transfer agent for the Units, on the basis prescribed in the Declaration of Trust;
- (u) assisting the Trustees preparing and providing or causing to be provided to Unitholders on a timely basis all information to which Unitholders are entitled under the Declaration of Trust, as approved by the Trustees;
- (v) attending to all administrative matters to complete the issuance of securities of the Trust;
- (w) attending to all administrative matters arising in connection with any redemptions of Units;
- (x) assisting the Trustees obtaining and maintaining appropriate liability insurance for the benefit of the Trustees and any directors or officers of the Trust, the Advisor, and its affiliates;
- (y) assisting the Trustees in making elections under the Tax Act;
- (z) assisting the Trustees undertaking, managing, and prosecuting any and all proceedings from time to time before or in respect of governmental authorities on behalf of the Trust;
- (aa) attending to all administrative matters to prepare any prospectus, offering memorandum or comparable documents of the Trust to qualify the sale of securities of the Trust from time to time; and
- (bb) promptly notifying the Trust of any event that might reasonably be expected to have a material adverse effect on the affairs of the Trust.

Pursuant to the terms of the Administration and Advisory Agreement, the Trust shall pay the Advisor:

- (a) a base management and administration fee (the “**Management Fee**”) equal to 0.5% per annum of the fair market value of Real Properties, being the most current acquisition cost of the Real Properties owned by the Trust or the independent appraisal value of the Real Properties owned by the Trust as adjusted pro rata for Real Property acquisitions and dispositions during the subject period, determined at the end of each period for which payment is due, calculated and payable on a quarterly basis and in arrears payable not later than 30 days following receipt of an invoice issued by the Advisor after the last day of each calendar quarter provided that the Management Fee shall be a minimum of \$10,000 for each quarter and, further, provided that the Advisor may elect by written notice to the Trust to take all or a portion (indicated in the notice as percentage thereof or a fixed amount) of its Management Fees in Units at the Redemption Price in effect as at and for the quarter that the Management Fees relate. An election to take Management Fee payments in Units shall remain in effect unless or until revoked or amended in writing by notice from the Advisor to the Trust;
- (b) an acquisition fee (the “**Acquisition Fee**”) equal to:
 - (i) 2.00% of that portion of the purchase price paid by the Trust or one or more affiliates of the Trust for the purchase of any Real Property, or interest therein, other than the Initial Properties, acquired, directly or indirectly, by the Trust or any of its affiliates (each, a “New Property”) acquired in each acquisition transaction that is less than or equal to \$10,000,000;
 - (ii) 1.50% of that portion of the purchase price paid by the Trust or one or more affiliates of the Trust for the purchase of any New Property acquired in each acquisition transaction that is greater than \$10,000,000 but less than or equal \$25,000,000; and
 - (iii) 1.00% of that portion of the purchase price paid by the Trust or one or more affiliates of the Trust for the purchase of any New Property acquired in each acquisition transaction that is greater than \$25,000,000;

and such Acquisition Fee shall be due and payable upon the completion of the purchase of each such New Property. The Acquisition Fee will be paid in cash.

No Acquisition Fee was paid in respect of the acquisition of the AR GL LP Units, and indirectly, the Initial Portfolio by the Trust pursuant to an agreement with GIT as of January 1, 2016; and

- (c) a disposition fee (the “**Disposition Fee**”) equal to:
 - (i) 2.00% of that portion of the purchase price received by the Trust or one or more affiliates of the Trust for the sale of any Real Property in each disposition transaction that is up to \$10,000,000;
 - (ii) 1.50% of that portion of the purchase price received by the Trust or one or more affiliates of the Trust for the sale of any Real Property in each disposition transaction that is greater than \$10,000,000 but less than or equal to \$25,000,000; and
 - (iii) 1.00% of that portion of the purchase price received by the Trust or one or more affiliates of the Trust for the sale of any Real Property in each fiscal year that is greater than \$25,000,000;
- (d) a financing fee (the “**Financing Fee**”) equal to 0.50% of any debt financing transactions completed for the Trust, reduced to 0.35% in the event a third party other than the financial institution is due a fee of 0.15% or more of such transaction,

in each case, plus any applicable taxes.

In addition, the Advisor shall be reimbursed by the Trust for such of the expenses incurred by the Advisor carrying out its obligations or duties under the Administration and Advisory Agreement as are reasonably allocable respectively thereto.

2.7.5 Master LPA

It is anticipated that the Master LPA will be a material agreement when entered into when the Master LP is created.

2.7.6 Property LPAs

It is anticipated that the Property LPAs will be material agreements of the Trust depending on the value of the relevant Real Property acquired indirectly by the Trust through a Property LP.

ITEM 3 – INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The Trust does not have directors or officers. The following table sets forth for each Trustee, the offices they hold with the Trust, the date they obtained that position, the compensation paid in the most recently completed financial year and the compensation anticipated to be paid in the current financial year as well as the number, type, and percentage of securities of the Trust held by such Trustee that may be held by the Trustees. There is no Promoter of the Trust and no Person who directly or indirectly, beneficially owns or controls 10% or more of the Common Units.

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by the Trust or related party 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 Trust held after completion of \$20,000,000 raised under the Offering ⁽¹⁾
Tim Heavenor Cochrane, Alberta	Trustee, and Chairman of the Board of Trustees December 31, 2015	2018 – Nil 2019 - Nil	18,221 Units
Terry Freeman Edmonton, Alberta	Trustee December 31, 2015	2018 - \$12,000 2019 - \$12,000	Nil
Blair Forster Regina, Saskatchewan	Trustee December 31, 2015	2018 - \$12,000 2019 - \$12,000	Nil
Gracorp Capital Advisors Ltd. ⁽²⁾	Advisor, as of December 31, 2015 and potentially selling agent for Common Units on behalf of the Trust	2018 - \$80,877 2019 – \$91,678 ⁽³⁾	Nil

Notes:

- (1) There is no minimum or maximum Offering. \$20,000,000 is provided for illustrative purposes.
- (2) The Trust is considered a “related party” under applicable Securities Laws with the Advisor as Tim Heavenor and Terry Freeman are Trustees of the Trust and directors and officers of the Advisor.
- (3) This figure does not include any Acquisition Fees, Disposition Fees or Financing Fees as a result of any Real Property acquisitions, dispositions or debt financings, and does not take into consideration any additional Management Fees as a result of any increase in the Trust’s assets under management.

3.2 – Management Experience

The following table sets forth for each Trustee their occupation and relevant experience in a business similar to the business of the Trust.

Name	Principal occupation and related experience
Tim Heavenor, Trustee	Mr. Heavenor is the Senior Vice President, Finance and Chief Financial Officer for the Graham Group Ltd. and President of Graham subsidiary, Gracorp Capital Advisors Ltd. Tim contributes nearly 30 years of experience in major project development, team building, strategic planning, private equity, business development and corporate finance.
Terry Freeman, independent Trustee	Mr. Freeman is the former Managing Director of Northern Plains Capital Ltd., where he was responsible for sourcing investments and investors, driving strategy, value creation, corporate governance and eventual exits for investments. He is currently Chairman and Chief Executive Officer of Corrosion and Abrasion Solutions Ltd., and has served on the board of directors of numerous public and privately held companies. Mr. Freeman is a Trustee of Graham Income Trust, which is the administrator of Graham Group Ltd.
Blair Forster, independent Trustee	Mr. Forster is the President and Founder of Forster Projects Inc., which manages a development portfolio comprising 800 acres of residential and commercial mixed-use projects. He has 30 years of experience in the real estate development industry where he has specialized in development management, project management, financing and leasing of residential and commercial projects.

3.3 – Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions that have been in effect during the last ten years or any cease trade order that has been in effect for a period of more than 30 consecutive days during the last ten years against the Trustees, or any senior officer or control person of the Trust or against a company of which any of the foregoing was a director, senior officer, or control person at the time. No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten years with regard to those individuals or any companies of which any of those individuals was a director, officer or control person.

3.4 – Loans

There are no loans due to or from the directors, management, promoters and principal holders of the Trust as of the date of this Offering Memorandum.

ITEM 4 – CAPITAL STRUCTURE

4.1 Capital

The following table sets out the capital structure of the Trust as at the dates indicated:

Description of Security	Number authorized to be issued	Price per Security	Number outstanding as at July 31, 2019	Number outstanding assuming completion of maximum Offering ⁽¹⁾
Common Units	Unlimited	\$12.10 ⁽²⁾	1,082,683 ⁽³⁾	2,735,575
First Preferred Units	Unlimited	Nil	Nil	Nil
Second Preferred Units	Unlimited	Nil	Nil	Nil

Notes:

- (1) There is no minimum or maximum Offering. \$20,000,000 is provided for illustrative purposes. This figure assumes a price per Security of \$12.10 per Common Unit.
- (2) The Subscription Price per Common Unit at any time will be equal to the Fair Value per Common Unit on each applicable Closing Date. See Item 5.3 -*Securities Offered-Determining Fair Value per Unit*. This figure represents the Fair Value per Common Unit as at July 31, 2019.
- (3) See Item 4.3 -*Capital Structure-Prior Sales and Redemption*.

4.2 Long-Term Debt Securities

As of the date of this Offering Memorandum, the Trust has no long term debt and has not issued any debt securities.

4.3 Prior Sales and Redemptions

A total of 1,082,683 Common Units are issued and outstanding as of the date of this Offering Memorandum. There have been no sales of Common Units within the past 12 months of the date of this Offering Memorandum.

A total of 96,138 Common Units have been redeemed by holders of Common Units from July 31, 2016 to the date of this Offering Memorandum. Details of the Common Units redeemed are specified below:

Date of Redemption	Type of Security Redeemed	Number of Securities Redeemed	Redemption Price per Security	Total Funds Returned
July 31, 2016	Common Units	44,398	\$10.57	\$ 469,286.86
August 31, 2016	Common Units	3,721	\$10.26	\$ 38,177.46
September 30, 2016	Common Units	1,356	\$10.19	\$ 13,817.64
October 31, 2016	Common Units	1,415	\$10.11	\$ 14,305.65
November 30, 2016	Common Units	4,639	\$10.28	\$ 47,688.92
December 31, 2016	Common Units	2,083	\$10.34	\$ 21,538.22
January 31, 2017	Common Units	684	\$10.28	\$ 7,031.52
February 28, 2017	Common Units	7,208	\$10.36	\$ 74,674.88
March 31, 2017	Common Units	6,559	\$10.44	\$ 68,475.96
April 30, 2017	Common Units	482	\$10.36	\$ 4,993.52
May 31, 2017	Common Units	479	\$10.44	\$ 5,000.76
June 30, 2017	Common Units	474	\$10.52	\$ 4,986.48
July 31, 2017	Common Units	480	\$10.45	\$ 5,016.00
August 31, 2017	Common Units	476	\$10.50	\$ 4,998.00
September 30, 2017	Common Units	473	\$10.58	\$ 5,004.34
October 31, 2017	Common Units	470	\$10.63	\$ 4,996.10
November 30, 2017	Common Units	467	\$10.71	\$ 5,001.57
December 31, 2017	Common Units	463	\$10.81	\$ 5,005.03
January 31, 2018	Common Units	5,942	\$10.74	\$ 63,817.08
February 28, 2018	Common Units	462	\$10.82	\$ 4,998.84
March 31, 2018	Common Units	459	\$10.90	\$ 5,003.10
April 30, 2018	Common Units	461	\$10.85	\$ 5,001.85
May 31, 2018	Common Units	457	\$10.93	\$ 4,995.01
June 30, 2018	Common Units	454	\$11.01	\$ 4,998.54
July 31, 2018	Common Units	456	\$10.96	\$ 4,997.76
August 31, 2018	Common Units	453	\$11.05	\$ 5,005.65
September 30, 2018	Common Units	449	\$11.13	\$ 4,997.37
October 31, 2018	Common Units	457	\$10.95	\$ 5,004.15
November 30, 2018	Common Units	453	\$11.03	\$ 4,996.59
December 31, 2018	Common Units	450	\$11.11	\$ 4,999.50
January 31, 2019	Common Units	6,753	\$11.71	\$ 79,077.63
February 28, 2019	Common Units	424	\$11.79	\$ 4,998.96
March 31, 2019	Common Units	421	\$11.87	\$ 4,997.27
April 30, 2019	Common Units	423	\$11.82	\$ 4,999.86
May 31, 2019	Common Units	420	\$11.91	\$ 5,002.20
June 30, 2019	Common Units	417	\$11.99	\$ 4,999.83
Total	Common Units	96,138	\$10.64	\$ 1,022,890.10

ITEM 5 – SECURITIES OFFERED

5.1 Terms of Securities

General

The securities offered pursuant to the Offering are Common Units. The Trust is authorized to issue an unlimited number of Common Units. Holders of Common Units are entitled to receive notice of and to attend and vote at all meetings of Unitholders except meetings of holders of another class of Units. Each Common Unit entitles the holder thereof to one vote. Subject to preferences accorded to holders of First Preferred Units, Second Preferred Units, and any other Units ranking senior to the Common Units, with respect to the payment of dividends, holders of Common Units shall be entitled to receive, if, as and when declared by the Trustees, such dividends as may be declared thereon by the Trustees from time to time.

Subscribers purchasing Common Units must pay the Subscription Price.

Distributions

Subject to the rights of Preferred Unitholders under any Preferred Unit Terms, the Trustees shall, on or before each date as may be determined from time to time by the Trustees, except that December 31 of each year shall in all cases be a distribution record date (each, a “**Distribution Record Date**”) during each calendar year whether or not such day is a Business Day (each, a “**Distribution Period**”), declare payable to the holders of Common Units on such Distribution Record Date all or any part of the Common Unit Cash Flow for the Distribution Period which includes such Distribution Record Date as determined by the Trustees in their sole discretion. Each holder of Common Units shall have a share of the Common Unit Cash Flow (or portion thereof declared payable) in an amount equal to the proportionate share for each Common Unit of the amount of such Common Unit (or portion thereof declared payable) multiplied by the number of Common Units owned of record by each such holder of Common Units on such Distribution Record Date. Subject to the Declaration of Trust, Common Unit Cash Flow that has been declared to be payable to holders of Common Units in respect of a Distribution Period shall be paid in Common Units, cash or any combination of Common Units and cash, as determined by the Trustees in their sole discretion, in respect of a Distribution Period, a Business Day on or about the 90th day following the Distribution Period or such date as may be determined from time to time by the Trustees (each, a “**Distribution Payment Date**”) in respect of such Distribution Period.

Where the Trustees determine that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution that has been declared payable, or otherwise made payable on the due date of such payment, the payment may, at the option of the Trustees include or consist entirely of the issuance of additional Common Units having a fair market value as determined by the Trustees equal to the difference between the amount of such distribution declared to be payable and the amount of cash that has been determined by the Trustees to be available for the payment of such distribution.

The Trustees may deduct or withhold all payments or distributions required by applicable law with respect to any distributions.

“**Common Unit Cash Flow**” means for, or in respect of, any Distribution Period, an amount equal to the sum of:

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

less the sum of:

- (d) all costs and expenses of the Trust which, in the opinion of the Trustees, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued or deducted in determining the Common Unit Cash Flow in such prior period;
- (e) all amounts which relate to the redemption of Units, including any portion of income of the Trust paid to the redeeming Unitholder, and which have become payable in cash by the Trust in such Distribution Period;
- (f) all debt repayments and interest costs and expenses, if any, incurred by the Trust between distributions;
- (g) all costs and expenses of the Trust relating to capital expenditures of the Trust which, in the opinion of the Trustees, may reasonably be considered to have accrued and become owing during such Distribution Period or a prior Distribution Period if not accrued or deducted in such prior period;
- (h) all amounts contributed or loaned, or which the Trustees reasonably expect to contribute or loan, to an associate or affiliate of the Trust; and
- (i) a any other amounts (including taxes) required by law or under the Declaration of Trust to be deducted, withheld or paid by or in respect of the Trust in such Distribution Period;

In addition, the Trustees may declare to be payable and make distributions to holders of Common Units, from time to time, out of:

- (a) Common Unit Income;
- (b) Common Unit Net Realized Capital Gains; and
- (c) the capital of the Trust; or otherwise,

in any year, in such amount or amounts, and on such dates as the Trustees may determine.

For the purposes of this section:

“Common Unit Income” means for any year, the income of the Trust for that year computed in accordance with the provisions of the Tax Act provided however, that capital gains and capital losses shall be excluded and provided further that:

- (a) the portion of the Trust's income comprised of taxable dividends received from corporations resident in Canada shall be calculated on the basis that the amount included in the Trust's income is the actual amount of the dividend received, which excludes the gross-up adjustment provided in sub-section 82(1)(b) of the Tax Act;
- (b) no amount is deductible in respect of amounts paid or payable to Unitholders in their capacity as Unitholders;
- (c) the Trust shall claim the maximum amount of deductions available to it in computing the Common Unit Income for the year, without generating a loss and after taking into account all losses (other than net capital losses) of the Trust for prior years that may be deducted in computing the Trust's taxable income under the Tax Act for that year; and
- (d) no amount shall be included in the Common Unit Income for that year if such amount is designated by the Trust as capital gains realized by the Trust in connection with an in specie

redemption of Common Units or income of the Trust to the redeeming Unitholders or any Preferred Unit Terms.

“**Common Unit Net Realized Capital Gains**” for any taxation year of the Trust shall be determined as the amount, if any, calculated after taking into account the provisions provided for in the Preferred Unit Terms and the rights, privileges and restrictions thereunder, by which the aggregate of the capital gains of the Trust, for the year exceeds:

- (a) the aggregate of the capital losses of the Trust for the year;
- (b) any capital gains which are realized by the Trust as a result of a redemption of Units; and
- (c) the amount determined by the Trustees in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable capital gains of the Trust for the year.

“**Preferred Unit Terms**” means the designation, rights, privileges, restrictions, and conditions attaching to each series of Preferred Units, as may be established and/or amended by resolution of the Trustees, from time to time.

5.2 Redemption of Common Units

5.2.1 Redemption Price

Holders of Common Units may exercise the Redemption Right (as defined herein) and in exchange for the Common Units tendered for redemption, the holder thereof is entitled to receive a redemption price per Common Unit in cash, equal to (the “**Redemption Price**”):

- (a) the Fair Value per Common Unit as at the most recently completed quarterly fiscal period of the Trust immediately preceding the Redemption Date (the “**Unit Value**”);
- (b) if deemed necessary by the Trustees in their sole discretion, acting reasonably, a value greater than the Unit Value, reflecting changes in the marketplace during the applicable period; or
- (c) if deemed necessary or desirable by the Trustees in their sole discretion, acting reasonably, a value less than the Unit Value, reflecting changes in the marketplace during the applicable period.

In the event that the Common Units become listed on a stock exchange, the Redemption Price will be determined in accordance with the Declaration of Trust.

5.2.2 Unitholder Redemption Right

Each holder of Common Units may redeem Common Units at any time or from time to time after the date that the Common Units were issued to the holder (each date, the “**Redemption Date**”) at the demand of such holder of Common Units all or any part of the Common Units registered in the name of such holder of Common Units at Redemption Price per Common Unit (the “**Redemption Right**”).

In order to exercise the Redemption Right, the holder of Common Units must deliver a duly completed and properly executed notice of redemption (the “**Redemption Notice**”), in a form acceptable to the Trustees specifying the identity, capacity, or authority of the person giving such notice, and number of Common Units to be so redeemed and the Certificate(s) representing the Common Units to be redeemed. The Redemption Notice and the Certificate(s) must be delivered to the head office of the Trust. The Trustees may request such further information or evidence, as they deem necessary, acting reasonably, in order to honour such Redemption Notice.

Upon receipt by the Trust of a properly completed Redemption Notice, the holder of Common Units shall thereafter cease to have any rights with respect to the Common Units to be redeemed, including the right to receive any distributions thereon that are declared payable to the holders of Common Units of record on a date that is subsequent to the day of receipt by the Trust of such Redemption Notice other than to receive the Redemption Price,

The Trust is not required to honour the Redemption Right if the accumulative Redemption Prices paid in respect of all Common Units tendered for redemption in a month exceed: (i) \$5,000 so long as the annualized pro forma cash flow of the Trust projected by the Trustees is less than \$2,000,000; and (ii) \$10,000 so long as the annualized pro forma cash flow of the Trust projected by the Trustees is determined by the Trustees and authorized by the Unitholders is in excess of \$2,000,000 or such greater monthly amount as the Trustees may determine and upon the Trust providing notice of such determination to Unitholders (the “**Monthly Redemption Limit**”). The Monthly Redemption Limit may be waived in the sole discretion of the Trustees.

5.2.3 Trust Redemption Right

The Trust, may redeem Common Units at any time and from time to time at the Redemption Price, upon determination by the Trustees that to do so would be in the best interests of the Trust, and such redemption need not be pro rata amongst holders of Common Units, but may be of one or more holders in such number of Common Units as the Trustees so determine (the “**Trust Redemption Right**”).

In order to exercise the Trust Redemption Right, the Trust must provide a duly completed and properly executed notice of redemption (the “**Trust Redemption Notice**”) to the holder of Common Units specifying the number of Common Units to be so redeemed, to be sent by the Trust to the holder's address for notice provided in their Subscription Agreement.

Upon receipt by the relevant holder of Common Units of a properly completed Trust Redemption Notice, the holder of Common Units shall thereafter cease to have any rights with respect to the Common Units to be redeemed, including the right to receive any distributions thereon that are declared payable to the holders of Common Units of record on a date that is subsequent to the day of receipt by the holders of Common Units such Trust Redemption Notice other than to receive the Redemption Price,

5.2.4 Satisfaction of Redemptions

The Redemption Price payable in respect of the Common Units properly redeemed upon exercise of the Redemption Right or the Trust Redemption Right during any calendar month shall be satisfied by way of payment on or before the last day of the month after the calendar month when Redemption Date occurred. Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque drawn on a Canadian chartered bank or a trust company in lawful money of Canada, in a postage prepaid envelope addressed to the former Unitholder unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holder of Common Units in respect of the Common Units so redeemed.

The Trustees may deduct or withhold all payments or distributions required by applicable law with respect to satisfaction of the Redemption Price.

5.2.5 In Specie Redemption

Common Units tendered for redemption in any calendar month in which the total amount payable by the Trust exceeds the Monthly Redemption Limit will be redeemed subject to all necessary regulatory approvals, by a distribution *in specie*:

- (a) by the Trust by distributing:
 - (i) promissory notes, bonds, debentures, debt securities, or similar evidence of indebtedness issued by a Person, any of which may be created to be convertible into Common Units of the Trust issued pursuant to a Note indenture (“Trust Notes”) having such commercially reasonable terms as the Trustees may prescribe, subject to a maximum term of 14 years from the date of issue, or other assets held by the Trust, as determined in the sole discretion of the Trustees; or
 - (ii) by any combination of Trust Notes or other assets held by the Trust;
- (b) on the election of such holder of Common Units, to be registered on a list of Common Units tendered for redemption, and to be redeemed during the next succeeding calendar months in order

of priority of the time originally tendered for redemption, subject always to the Monthly Redemption Limit and the discretion of Trustees to waive the Monthly Redemption Limit; provided that, unless and until the Redemption Price is paid, such holders of Common Units shall retain all rights associated with the Common Units for which redemption has been deferred.

5.3 Determining Fair Value Per Common Unit

The Trust uses the Fair Value Per Common Unit for:

- (a) determining the Subscription Price of the Common Units offered to Subscribers under the Offering;
- (b) determining the Redemption Price when a holder of Common Units exercises the Redemption Right and the Trust satisfies such redemption; and
- (c) determining the Redemption Price when the Trust exercises the Trust Redemption Right and the Trust satisfies such redemption.

“**Fair Value**” means:

- (a) with respect to Common Units, an amount per outstanding Common Unit as most recently determined by resolution of the Trustees, in their discretion, based upon various real estate valuation methodologies, including but not limited to one or a combination of, book value, discounted cash flow, income yield or comparable transaction methodologies, as may be considered appropriate by the Trustees in their sole discretion, which determination will be made by the Trustees no less than quarterly (failing which the most recent determination so made will apply), less the value of any distributions declared in cash or in kind since the prior determination, less an amount attributable to any Preferred Unit, and subject further to increases or decreases reflecting changes affecting Common Unit value not therein reflected in the aforesaid determination, as considered necessary or desirable by the Trustees in their discretion; and
- (b) with respect to Preferred Units, “unit value” as may be defined in the relevant Preferred Unit Terms.

5.4 Subscription Procedure

The Common Units are conditionally offered subject to the acceptance of a subscription for Common Units by the Trust. There is no minimum or maximum Offering. The Subscription Price provided by a Subscriber for Common Units will be held in trust by the Trust until a Closing Date. The Trustees have the discretion to reject any subscription request. If a subscription request is rejected, any Subscription Price received by the Trust with the request will be refunded without interest or deduction.

Subscribers who wish to subscribe for Common Units are required to enter into a Subscription Agreement. The Subscription Agreement contains, amongst other things, representations and warranties required to be made by the Subscriber that it is duly authorized to purchase the Common Units, that it is purchasing Common Units for investment and not with a view for resale and as to its corporate status or other qualifications to purchase Common Units on a “private placement” basis on an exempt basis from applicable Securities Laws. The Subscription Agreement will also set out the Subscription Price. See Item 5.3 - *Securities Offered - Terms of Securities - Determining Fair Value Per Common Unit* for details on how the Subscription Price is calculated.

The purchase of Common Units by a Subscriber is contingent upon:

- (a) the execution of a Subscription Agreement by the Subscriber and the Trust;
- (b) the Subscriber delivering the Subscription Price to the Trust via certified cheque, bank draft, or by wire in accordance with the instructions set for in the Subscription Agreement; and
- (c) the delivery of (a) and (b) to the Trust in accordance with the instructions set forth in the Subscription Agreement.

The Trust anticipates that there will be multiple Closings on multiple Closing Dates. The Trust may close any part of this Offering on any Closing Date as it may determine in its sole discretion.

Subscribers will receive certificates representing the number of Common Units purchased pursuant to their respective Subscription Agreement. (each, a “**Certificate**”).

5.4.1 Exemptions from Prospectus Requirements Canada

Pursuant to the Offering, the Common Units are offered in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario (the “**Offering Jurisdictions**”). The sale of Common Units is being made pursuant to the following prospectus exemptions:

- (a) section 2.3 of NI 45-106 [accredited investor];
- (b) sections 2.5, 2.6, and 2.6.1 of NI 45-106 [family, friends and business associates];
- (c) section 2.9 of NI 45-106 [offering memorandum]; and
- (d) section 2.10 of NI 45-106 [minimum amount investment].

Such prospectus exemptions relieve the Trust from provisions under applicable Securities Laws requiring the Trust to file a prospectus and therefore Subscribers do not receive the benefits associated with a subscription for securities issued pursuant to a prospectus, including the review of material by a securities commission or similar authority.

The sale of Common Units pursuant to this Offering Memorandum may also be made in jurisdictions other than the Offering Jurisdictions provided that the Subscriber provides the Trust the full particulars of the exemption from the registration and prospectus requirements under applicable Securities Laws and the securities laws of the resident of the Subscriber not resident in any of the Offering Jurisdictions being relied on and evidence of the Subscriber’s qualifications thereunder.

Each Subscriber should consult their own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing Common Units pursuant to such exemption.

ITEM 6 – CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS AND ELIGIBILITY FOR RRSP’S AND OTHER REGISTERED PLANS

6.1 Tax Advice

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

6.2 Certain Canadian Federal Income Tax Considerations

This summary is of a general nature only and is not intended to be, nor should it be, construed to be legal or tax advice to any particular investor. Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition, holding, and disposition of Common Units under this Offering Memorandum.

The following summary outlines, as of the date hereof, certain of the Canadian federal income tax considerations generally applicable to a subscriber who acquires Common Units and who, at all relevant times and for the purposes of the Tax Act, is resident or is deemed to be a resident in Canada, deals at arm’s length and is not affiliated with the Trust and will hold the Common Units as capital property (in each case, for purposes of the Tax Act). Generally, Common Units will be considered to be capital property to a holder of Common Units provided that the holder does not hold the Common Units in the course of carrying on a business and has not acquired them in a transaction considered to be an adventure or concern in the nature of trade. Certain holder of Common Units who might not otherwise be considered to hold their Common Units as capital property may, in certain circumstances, be entitled to have such Common Units and all other “Canadian securities” (as defined in the Tax Act), owned by such holder of Common Units, in the taxation year and in subsequent years, deemed to be capital property by making the

irrevocable election under subsection 39(4) of the Tax Act. Holders of Common Units interested in making this election should consult their own tax advisors regarding their particular circumstances.

This summary is of a general nature only and is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act, which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). This summary assumes that the Tax Proposals will be enacted substantially as proposed, although no assurance in this regard can be given. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice, whether by judicial, regulatory, governmental, administrative or legislative decision or action nor does it take into account provincial, territorial or foreign tax legislation or considerations which may differ significantly from those discussed in this summary.

THIS SUMMARY IS NOT APPLICABLE TO A UNITHOLDER (I) THAT IS A “FINANCIAL INSTITUTION” FOR THE PURPOSES OF THE MARK-TO-MARKET RULES; (II) THAT IS A “SPECIFIED FINANCIAL INSTITUTION”; (III) THAT IS A PARTNERSHIP; (IV) WHERE AN INTEREST IN SUCH HOLDER OF COMMON UNITS WOULD BE A “TAX SHELTER INVESTMENT”; (V) THAT HAS ELECTED TO DETERMINE ITS CANADIAN TAX RESULTS IN A FOREIGN CURRENCY PURSUANT TO THE “FUNCTIONAL CURRENCY” REPORTING RULES; OR (VI) THAT ENTERS INTO A “DERIVATIVE FORWARD AGREEMENT” WITH RESPECT TO COMMON UNITS, ALL WITHIN THE MEANING OF THE TAX ACT. IN ADDITION, THIS SUMMARY DOES NOT ADDRESS THE DEDUCTIBILITY OF INTEREST BY A PURCHASER WHO HAS BORROWED MONEY TO ACQUIRE COMMON UNITS.

THIS SUMMARY DOES NOT ADDRESS ANY CANADIAN FEDERAL INCOME TAX CONSIDERATIONS APPLICABLE TO NON-RESIDENTS. ALL DISTRIBUTIONS TO NON-RESIDENTS, WHETHER PAYABLE IN CASH OR ADDITIONAL COMMON UNITS, WILL BE NET OF ANY APPLICABLE WITHHOLDING TAXES.

THIS SUMMARY IS NOT EXHAUSTIVE OF ALL POSSIBLE CANADIAN FEDERAL TAX CONSIDERATIONS APPLICABLE TO AN INVESTMENT IN UNITS. MOREOVER, THE INCOME AND OTHER TAX CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF COMMON UNITS WILL VARY DEPENDING ON THE HOLDER’S PARTICULAR CIRCUMSTANCES, INCLUDING THE PROVINCE OR PROVINCES IN WHICH THE UNITHOLDER RESIDES OR CARRIES ON BUSINESS. THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE SUBSCRIBER OF COMMON UNITS. ACCORDINGLY, PROSPECTIVE SUBSCRIBERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR ADVICE WITH RESPECT TO THE TAX CONSEQUENCES OF AN INVESTMENT IN UNITS BASED ON THEIR OWN PARTICULAR CIRCUMSTANCES.

6.2.1 *Qualifications as a Mutual Fund Trust*

This summary is based on the assumption that the Trust will qualify as a “mutual fund trust” for purposes of the Tax Act and will continuously qualify as a mutual fund trust at all relevant times. If the Trust were not to qualify as a mutual fund trust, the federal income tax considerations described below would, in some respects, be materially and adversely different.

To qualify as a mutual fund trust, the Trust must, among other requirements, be a “unit trust” resident in Canada (as defined by the Tax Act), it must have at least 150 Unitholders, each of whom holds a block of units having an aggregate fair market value of not less \$500, and it must not have been established or maintained primarily for the benefit of non-residents of Canada. This summary assumes that these requirements will be met and that the Trust will be, or will be deemed to be, a mutual fund trust at all relevant times.

6.2.2 *Specified Investment Flow-Through Rules*

The Tax Act contains rules relating to the taxation of certain publicly traded mutual fund trusts (“**SIFT Trusts**”) and the distributions from such entities (the “**SIFT Rules**”). Specially, the SIFT Rules apply an entity level tax on

certain income (other than taxable dividends) earned by a SIFT Trust and treat the distributions of such income received by unitholders of a SIFT Trust as taxable dividends received from a taxable Canadian corporation. Additionally, the SIFT Rules provide that a SIFT Trust paying a distribution from income remaining after such entity level tax will not be entitled to deduct that distribution when calculating its income. In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

The SIFT Rules do not apply to an entity if no “investment” in that entity are listed or traded on a stock exchange or other public market. For these purposes, an “investment” would include an interest in or debt issued by the Trust or an interest in or debt issued by the Master LP, a Property LP or AR GL LP (collectively, the “**Limited Partnerships**”) as well as any right that may reasonably be considered to replicate a return on, or the value of, any such interest or debt. A stock exchange or other public market includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by the issuer.

The Trust does not expect Common Units or any interest in the Trust or a Limited Partnership to be listed or traded. On this basis, the SIFT Rules should not be applicable to the Trust or a Limited Partnership. The remainder of this summary assumes that the SIFT Rules do not apply to the Trust or a Limited Partnership. If the SIFT Rules were to apply to the Trust or a Limited Partnership, the income tax considerations discussed below would, in some respects, be materially and adversely different.

6.2.3 Taxation of the Trust

In each taxation year, the Trust will generally be subject to tax under the Tax Act in respect of its income and net realized capital gain (if any), less the portion thereof that it deducts in respect of the amounts paid or payable to Unitholders (whether in cash, additional Common Units or otherwise) in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the holder of Common Units in the year by the Trust or if the holder of Common Units is entitled in that year to enforce payment of the amount.

The income of the Trust will include its share of income of the Limited Partnerships for each fiscal year of a Limited Partnership ending on or before the year-end of the Trust, whether or not a distribution is received. The Trust generally will not be subject to tax on the receipt of distributions from a Limited Partnerships in respect of which it holds a direct interest, provided that the amount received does not exceed the adjusted cost base of such interest. In general, the adjusted cost base of the Trust’s interest in a Limited Partnership will be equal to its cost to the Trust plus its share of income and capital gains of the Limited Partnership allocated to the Trust for fiscal years of the Limited Partnership ending before the particular time less the Trust’s share of losses and capital losses of the Limited Partnership allocated to the Trust for fiscal years of the Limited Partnership ending before the particular time, less the Trust’s share of any distributions received from the Limited Partnership before the particular time. If the adjusted cost base to the Trust of its interest in a Limited Partnership would otherwise be less than zero at the end of the fiscal period of the Limited Partnership, the negative amount is deemed to be a capital gain realized by the Trust and the Trust’s adjusted cost base of its interest in the Limited Partnership is increased by the amount of such deemed capital gain.

In computing its income, the Trust may generally deduct reasonable administrative costs, interest and other expenses incurred by it for the purposes of earning income. The Trust may also deduct from its income for the year a portion of the expenses incurred by the Trust in issuing Common Units pursuant to this Offering Memorandum. The portion of such issue expenses deductible by the Trust in a taxation year is 20% of such issue expenses (subject to pro-rata for short taxation years). Any losses incurred by the Trust cannot be allocated to the Unitholders, but may generally be carried back or forward in accordance with the rules and limitations contained in the Tax Act and deducted in computing the taxable income of the Trust.

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

In the event the Trust would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it will be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of Units of the Trust during the year (the “**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units.

The Declaration of Trust provides that all or a portion of any capital gain or income realized by the Trust in connection with such redemptions may, at the discretion of the Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Unitholder. Such income or the taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as income or taxable capital gains, as the case may be). However, Tax Proposals announced on July 30, 2019, if enacted in the form proposed, would generally limit the ability of the Trust from deducting a corresponding amount in respect of any such allocation in computing the Trust’s income. As a result, the taxable component of distributions by the Trust to non-redeeming Unitholders may be adversely affected.

The Trustees’ current intention is to make payable to Unitholders each year sufficient amounts (whether such amounts are payable in cash, additional Units or otherwise) such that the Trust generally will not be liable to pay tax under Part I of the Tax Act. Accordingly, the Trust does not expect to be liable for any material amount of tax under the Tax Act.

6.2.4 Taxation of a Limited Partnership

Under the Tax Act, a Limited Partnership itself is not subject to tax. However, the income or loss of a Limited Partnership will be computed for each fiscal period as if it were a separate person resident in Canada. The income or loss of a Limited Partnership, for purposes of the Tax Act, may differ from its income or loss for accounting purposes and may not be matched by cash distributions.

If a Limited Partnership incurs losses for purposes of the Tax Act, the Trust will, subject to the detailed provisions of the Tax Act, generally be entitled to deduct in the computation of its income for purposes of the Tax Act its share of any such losses for any fiscal year to the extent of its “at-risk amount”.

The characterization of any gain or loss realized by a Limited Partnership from a disposition of a Real Property as either a capital gain or loss or ordinary income or loss will be based on the facts and circumstances relating to the particular disposition. It is generally anticipated that the Limited Partnerships will realize capital gains or losses from their interests in Real Property.

On the sale or other disposition of all or some of the Real Properties, a Limited Partnership must allocate the net proceeds of disposition (gross proceeds less costs of disposition) on a reasonable basis among each separate asset which comprises the property sold. On dispositions of Real Properties that are capital properties for purposes of the Tax Act, a capital gain will be realized on the amount by which the net proceeds of disposition allocated to a particular depreciable property exceed the capital cost of that property. A capital gain (or capital loss) will be realized on the amount by which the net proceeds of disposition allocated to a non-depreciable capital property exceed (or are less than) its adjusted cost base. Subject to the detailed provisions of the Tax Act, a portion of the amount allocated to depreciable capital properties could give rise to income (loss) that is deemed to be on current account.

In computing its income, the Limited Partnerships may generally deduct reasonable administrative costs, interest and other expenses incurred by it for the purposes of earning income. The Limited Partnerships may also deduct from their income for the year a portion of the expenses incurred by the Limited Partnerships in issuing partnership interests. The portion of such issue expenses deductible by the Limited Partnerships in a taxation year is 20% of such issue expenses (subject to pro-rata for short taxation years).

6.2.5 Taxation of Holders of Common Units

Distributions

A holder of Common Units will generally be required to include in computing income for a particular taxation year the portion of the amount of net income of the Trust for the taxation year, including the taxable portion of net realized capital gains, that is paid or payable to the holder of Common Units in the particular taxation year, whether such amount is received in cash, additional Common Units or otherwise. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Trust, net realized taxable capital gains, if any, as are paid or payable or are deemed to be paid or payable to the holder of Common Units, will effectively retain their character and be treated as such in the hands of the holder of Common Units for purposes of the Tax Act. The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a holder of Common Units in a taxation year will not be included in computing the income of a holder of Common Units for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a holder of Common Units in such year (otherwise than as proceeds of disposition of the Common Units) will not generally be included in the holder of Common Units' income for the year but will reduce the adjusted cost base of the Common Units to the holder of Common Units. To the extent that the adjusted cost base of a Common Unit would otherwise to be less than zero, the negative amount will be deemed to be a capital gain realized by the Common Holder of Common Units from the disposition of the Common Units and will be added to the adjusted cost base of the Unit such that the adjusted cost base will be zero.

Provided that appropriate designations are made by the Trust, such portion of taxable dividends received by the Trust on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules contained in the Tax Act will apply.

Dispositions of Common Units

On the disposition or deemed disposition of a Common Unit by a holder of Common Units, on redemption or otherwise, the Unitholder will realize a capital gain or capital loss to the extent that the proceeds of disposition exceed or are exceeded by the adjusted cost base of the Common Units, respectively, and any reasonable costs of disposition. The adjusted cost base of a Common Unit to a holder of Common Units will include the amount paid by the holder of Common Units for the Common Unit, subject to certain adjustments. In particular, the cost of additional Common Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of income (including net capital gains) of the Trust distributed by the issuance of such Common Units. For the purpose of determining the adjusted cost base to a Unitholder, when a Common Unit is acquired, the cost of the newly-acquired Common Unit will be averaged with the adjusted cost base of all of the Common Units owned by the Unitholder as capital property immediately before that acquisition.

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

One-half of a capital gain realized by a holder of Common Units on disposition or deemed disposition of Common Units must generally be included in the income of a holder of Common Units as a taxable capital gain in the taxation year in which the disposition occurs. One-half of any capital loss realized by a holder of Common Units on a disposition or deemed disposition of Units generally may be deducted by the holder of Common Units against taxable capital gains of the holder of Common Units in the year of disposition, with any excess available to be deducted in the three preceding taxation years or in any subsequent taxation year in accordance with the provisions of the Tax Act.

Alternative Minimum Tax

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

Special Tax on Certain Corporations

A holder of Common Units that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act), including taxable capital gains.

6.2.6 Eligibility for Investment

Provided that the Trust is, at all relevant times, a "mutual fund trust" for purposes of the Tax Act, the Common Units will be a qualified investment under the Tax Act for trust governed by registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), deferred profit sharing plan, or tax-free savings account ("TFSA"), each as defined in the Tax Act (collectively, "Plans"). If the Trust does not qualify or ceases to qualify as a mutual fund trust, the Common Units may cease to be qualified investments for Plans, which would have adverse tax consequences to Plans and their annuitants, holders, subscribers or beneficiaries, as the case may be.

Notwithstanding that the Common Units may be qualified investments for the Plans as described above, a holder of a TFSA or RDSP, an annuitant under an RRSP or RRIF, or a subscriber of an RESP as the case may be, will be subject to a penalty tax in respect of Common Units held in a trust governed by such a Plan if such Common Units are a "prohibited investment" (as defined in the Tax Act). The Common Units will generally not be a "prohibited investment" for trusts governed by a TFSA, RDSP, RRSP, RRIF or RESP unless the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as applicable, does not deal at arm's length with the Trust for the purposes of the Tax Act, or has a "significant interest" (as defined in the Tax Act) in the Trust. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Trust unless the TFSA, RDSP, RRSP, RRIF or RESP (as applicable), the annuitant, holder or subscriber (as applicable), and other persons not at arm's length with the annuitant, holder or subscriber together, directly or indirectly, hold interests as a beneficiary under the Trust that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Trust. In addition, Common Units will generally not be a "prohibited investment" if such Units are "excluded property" for trust governed by a TFSA, RDSP, RRSP, RRIF or RESP. Holders of a TFSA or RDSP, annuitants of a RRSP or RRIF and subscribers of a RESP should consult their own tax advisors with respect to the application of these rules in these circumstances.

Any property received as a result of an in specie redemption of Common Units by the Trust is not expected to be qualified investments for Plans, which could give rise to adverse consequences to the Plan or the holder, annuitant or subscriber, thereunder. Accordingly, Plans that propose to invest in Common Units should consult their own tax advisors before deciding to purchase Common Units and again before deciding to exercise the redemption rights, if any, attached to such Common Units.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder and no representations with respect to the income tax consequences are made to any particular holder of Common Units. Consequently, prospective holders of Common Units should consult their own tax advisors with respect to their particular circumstances. Not all securities are eligible for investment in a

Plan. You should consult your own professional advisers to obtain advice on the eligibility of the Common Units for Plans.

ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS

7.1 Commissions

The Trust may, from time to time, appoint agents or sub-agents that are exempt market dealers registered under applicable Securities Laws, members of the Investment Industry Regulatory Organization of Canada or otherwise exempt from registration requirements under applicable Securities Laws. Compensation to appointed selling agents will be determined by the Trust at the time of appointment. The Advisor, in its capacity as a registered exempt market dealer may be appointed by the Trust to offer Common Units under the Offering. If the Advisor were appointed in this capacity, the Trust would be considered a “connected issuer” under applicable Securities Laws with the Advisor, as in addition to any compensation paid to it in its capacity as a selling agent of Common Units, the Advisor would also be eligible to receive, in its capacity as advisor to the Trust, the Management Fee, the Acquisition Fee, the Disposition Fee, and the Financing Fee pursuant to the terms of the Administration and Advisory Agreement.

In addition, the Trust may pay corporate finance fees and/or due diligence fees to agents during the process of their determination as to whether to sell the Common Units to potential Subscribers. Any such fees will be paid by the Trust out of the proceeds of the Offering allotted to payment of Offering expenses.

Subscribers who are introduced to the Trust by such third parties should be aware these third parties may be entitled to receive a commission in connection with their subscription.

ITEM 8 – RISK FACTORS

Investment in the Common Units should only be made after a Subscriber consults with independent and qualified sources of legal, investment, and tax advice. Investment in the Common Units at this time is highly speculative due to the stage of the Trust’s development and the structure of the Trust. Investors must rely on the management of the Trustees. Any investment in the Trust at this stage involves a high degree of risk.

In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, many of which are inherent to the ownership of the Common Units. An investment in the Common Units involves various risks and uncertainties. The risks discussed in this Offering Memorandum can adversely affect the Trust’s operations, operating results, prospects and financial condition. This could cause the value of the Common Units to decline and cause holder of Common Units to lose part or all of their investment. In addition to those set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Trust is not presently aware may also harm the Trust’s investment activities. The following is a summary only of the material risk factors involved in an investment in the Common Units.

8.1 Risk Associated with the Units

No Guaranteed Return

There is no guarantee that an investment in the Common Units will earn any positive return in the short or long term. The purchase of Common Units is highly speculative, the value of the Common Units may increase or decrease depending on market, economic, political, regulatory, and other conditions affecting the Trust. Investment in the Common Units may be more volatile and risky than some other forms of investments. All Subscribers should consider an investment in the Trust within the overall context of their investment policies, and should purchase Common Units only if able to bear the risk of the entire loss of its investment.

Investment Not Liquid

The Common Units are subject to indefinite resale restrictions. Until the indefinite restriction on trading expires, if ever, a holder of Common Units will not be able to trade the Common Units, unless the holder complies with very limited exemptions from the prospectus and registration requirements under applicable Securities Laws. Consequently, holders of Common Units may not be able to liquidate their Common Units in a timely manner, if at

all, or pledge their Common Units as collateral for loans. An investment in Common Units is hence suitable only for sophisticated investors who do not need full liquidity with respect to this investment. See Item 10 - *Resale Restrictions*.

Restriction on Redemption of Common Units

The Redemption Right attached to the Common Units is the primary mechanism by which holders of Common Units may liquidate their investment. The entitlement of holders of Common Units to receive cash upon the redemption of their Common Units is subject to the limitations of the Redemption Right. See Item 5.2 - *Securities Offered - Redemption of Units* for additional information on the Trust's redemption policy.

Dilution

The number of Common Units authorized to be issued by the Trust is unlimited. The Trustees may, in their discretion, issue additional Common Units from time to time. Any issuance of additional Common Units may have a dilutive effect on existing holders of Common Units.

Status of the Trust

The Trust is not a reporting issuer "mutual fund" under applicable Securities Laws. As a result, some of the protections provided to investors in mutual funds under such laws will not be available to investors in the Common Units and certain restrictions imposed on mutual funds under applicable Securities Laws, including NI 81-102, do not apply to the Trust.

Rights of Holders of Common Units

Holders of Common Units do not have the statutory rights normally associated with ownership of shares of a corporation. The rights of holders of Common Units are based primarily on the Declaration of Trust. There is no statute governing the affairs of the Trust equivalent to the ABCA that sets out the rights and entitlements of shareholders of corporations in various circumstances.

No Assurances of Achieving Objectives

There is no assurance that the Trust will be able to achieve its investment objectives, including being able to satisfy its distributions and redemption obligations to holders of Common Units or to enhance long-term total return. The Trust will attempt to achieve its investment objectives through its investment strategy as described in Item 2.2.4 - *Business of the Issuer - Our Business - Investment Strategies, Growth Strategies and Objectives of the Trust*.

Leverage of the Trust

The Trust may incur or assume indebtedness for any purpose, including for the purposes of indirectly acquiring Real Properties, distributing Common Unit Cash Flow or Common Unit Net Realized Capital Gains honouring the Redemption Right. The requirement to repay principal and pay the associated debt service costs could impair the Trust's ability to make distributions to holders of Common Units, particularly if the value of the Trust Property declines and/or the Trust is unable to liquidate some or all of its investments to refinance any such borrowings.

Indemnification

The Trustees are not liable to the Trust or any Unitholder except under certain narrow circumstances. The Trust generally indemnifies the Trustees in matters related to their roles as Trustees. In the event that the Trust expends Trust Property to indemnify the Trustees, such indemnification obligations could impact the Trust's ability to pay distributions to holder of Common Units.

Recourse to Trust Property

The Trust Property, any investments made by the Trust, and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust Property generally and may not be limited to any particular

asset, such as the investment giving rise to the liability. Diminished Trust Property could impact the Trust's ability to pay distributions to holder of Common Units.

Common Units Not Insured

The Trust is not a member institution of the Canada Deposit Insurance Corporation and the Common Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation.

Lack of Independent Experts Representing Subscribers

Each of the Trust and the Trustees has consulted legal counsel regarding the formation and terms of the Trust and the Offering. Subscribers have not however, been independently represented. Therefore, to the extent that Subscribers could benefit from independent review with respect to their purchase of Common Units, such benefit will not be available. Each prospective Subscriber should consult their own legal, tax and financial advisors regarding the desirability of purchasing Common Units and the suitability of investing in the Trust.

No Regulatory Review

This Offering Memorandum constitutes an offering of the Common Units described herein only in those jurisdictions and to those Persons where and to whom they may be lawfully offered for sale and is not, and under no circumstances is to be construed as a public offering, prospectus or an advertisement of securities. Subscribers will not have the benefit of Offering Memorandum or other material associated with the Offering being reviewed by any regulatory authority.

8.2 Risks Factors Relating to Canadian Taxes

The discussion of certain Canadian federal income tax considerations contained in this Offering Memorandum is provided for information purposes only and is not a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of Common Units. Prospective investors are urged to consult their own tax advisors, prior to investing in the Trust, with respect to the specific tax consequences to them from the acquisition of Common Units, including any income tax considerations of other jurisdiction which tax may be subject.

All holders of Common Units will be responsible for the preparation and filing of their own Canadian tax returns in respect of this investment. Costs associated with the preparation and filing of such returns may be material. Potential investors should consult their own tax advisors for the specific Canadian federal and provincial and other tax consequences to them.

Changes in Tax Status

The Trust intends to continue to qualify as a "unit trust" and a "mutual fund trust" for purposes of the Tax Act. The Trust may not, however, always be able to satisfy future requirements for the maintenance of mutual fund trust status. Further, there can be no assurance that Canadian federal income tax laws or the administrative policies and practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders. Should the Trust cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations associated with an investment in Common Units could be materially and adversely affected. The Trust may take certain measures in the future to the extent the Trust believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain holders of Common Units.

Changes in Tax Laws

The discussion of income tax considerations in this Offering Memorandum is based upon current Canadian federal income tax laws and regulations. There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the Trust or its affiliates or the administrative policies and assessing practices of the CRA will not change in a manner that adversely affects the Trust, or holders of Common Units. Any such change could materially adversely affect the Trust's tax position.

Application of the SIFT Rules

It is possible that the Trust could become a specified investment flow-through trust (a “**SIFT trust**”) for the purposes of the Tax Act if the Common Units became listed for trading or if a public market is created on which the Common Units are traded. If the Trust became a SIFT trust adverse tax consequences could result to the Trust and holders of Common Units.

Distribution and Allocations

If the Trust has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to holders of Common Units in accordance with the provisions of the Declaration of Trust and will be required to be included in computing their income for tax purposes, irrespective of the fact that profits may not have been distributed to holders of Common Units. Since allocations of income and losses of the Trust to holders of Common Units will only be made on an annual basis, such allocations to a particular holder of Common Units may not correspond to the economic gains and losses which such holders of Common Units may experience.

8.3 Risks Relating to the Business of the Trust

General Real Estate Ownership Risks

All real estate property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions, local real estate markets, demand for leased premises, competition from other available premises and various other factors. The value of real estate property and any improvements thereto may also depend on the credit and financial stability of the tenants. The Trust’s ability to pay distributions to holders of Common Units may be adversely affected if one or more major tenants or a significant number of tenants of the Real Properties become unable to meet their obligations under their leases or if a significant amount of available space in the Real Properties is not able to be leased on economically favorable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Trust’s investment may be incurred. The ability to rent un-leased space in the Real Properties will be affected by many factors. Costs may be incurred in making improvements or repairs to the Real Property required by a new tenant. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent un-leased space on a timely basis or at all would likely have an adverse effect on the Trust’s financial condition.

Real estate property investments are generally illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the Trust’s ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Trust was required to liquidate its real property investments, the proceeds to the Trust might be significantly less than the aggregate varying value of its Real Properties.

The Trust may, in the future, be exposed to a general decline of demand by tenants for space in Real Properties. As well, certain of the leases of the Real Properties held by the Trust may have early termination provisions which, if exercised, would reduce the average lease term.

Financing Risks

There is no assurance that the Trust will be able to obtain sufficient financing to finance the acquisition of Real Properties, or, if available, that the Trust will be able to obtain financing on commercially acceptable terms. Further, there is no assurance or guarantee that any financing, if obtained, will be renewed upon maturity, or when they mature or, if renewed, renewed on the same terms and conditions (including the rate of interest). In the absence of financing, the number of Real Properties that the Trust is able to purchase will decrease and the return from the ownership of Real Properties (and ultimately the return on an investment to holders of Common Units) may be reduced. Even if the Trust is successful in obtaining adequate financing, it may not be able to generate sufficient funds through the operation of the Real Properties to service the financing. If a default occurs under any of the financing, one or more of the lenders could exercise its rights including, without limitation, foreclosure or sale of the Real Properties.

Acquisition Risk

The Trust intends to acquire Real Properties selectively. The acquisition of Real Properties entails risks that investments will fail to perform in accordance with expectations of the Trust. In undertaking such acquisitions, the Trust will incur certain risks, including the expenditure of funds on, and the devotion of time to, transactions that may not come to fruition. Additional risks inherent in acquisitions include risks that the Real Properties will not achieve anticipated occupancy levels and that estimates of the costs of improvements to bring an acquired Real Property up to standards established for the market position intended for that Real Property may prove inaccurate.

Conflict of Interest

The Trustees, in their personal capacity, may from time to time have conflicts of interest between their personal interests and their roles as Trustees. The Declaration of Trust contains “conflict of interest” provisions requiring Trustees to disclose their interest in certain contracts and transactions and to refrain from voting on those matters.

Reliance on the Advisor

All decisions with respect to the administration of the Trust are expected to be made exclusively by the Trustees. The Trustees have delegated the power and authority to provide general administrative and advisory services to the Advisor pursuant to the Administration and Advisory Agreement. Holders of Common Units will have no right to make any decisions with respect to the Trust’s business and affairs. No prospective holders of Common Units should purchase a Common Unit unless such prospective holder of Common Units is willing to entrust certain aspects of the administration of the Trust to the Advisor.

Revenue Shortfalls

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

Reliance on Key Personnel

The management and governance of the Trust depends on the services of certain key personnel, including the Trustees and management of the Advisor. The loss of the services of any key personnel and the inability of the Trust to attract and retain qualified and experienced personnel could have a material adverse affect on the Trust’s operating results and financial condition.

Appraisals

The Trust may, from time to time, engage appraisers to provide independent estimates of the fair market value range in respect of the potential Real Properties to be acquired or once acquired. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not guarantees of present or future value. There is no assurance that the appraisals correctly reflect an amount that would be realized upon a current or future sale of a Real Property. As real estate prices fluctuate due to numerous factors, the appraised value of a Real Property may not accurately reflect current fair market value.

Valuation of the Trust’s Investments

Valuation of the Trust’s portfolio of Real Properties may involve certain judgmental determinations and, if such valuations should prove to be incorrect, the Fair Value per Common Unit could be adversely affected. Independent pricing information may not at times be available regarding certain of the Real Properties and other investments. The Trust may have an interest in Real Properties which, by their very nature, may be extremely difficult to value accurately. To the extent that the value designated by the Trust to any such Real Property differs from its actual value, the Fair Value per Common Unit may be understated or overstated, as the case may be. The Trust does not intend to adjust the Fair Value per Common Unit.

Capital Expenditures and Fixed Costs

As a matter of conducting business in the ordinary course, the Trust incurs certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, and these costs must be made throughout the period of ownership of Real Property, regardless of whether the Real Property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long-term, the Trust must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, that the Trust may not be able to pass on to its tenants in its Real Properties. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization. If the actual costs of maintaining or upgrading a property exceed the Trust's estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if the Trust is not permitted to raise rents due to legal constraints, the Trust may incur additional and unexpected costs. The timing and amount of capital expenditures required to be expanded by the Trust will indirectly affect the Trust's ability to pay distributions to holders of Common Units.

Development Risks

The Trust's potential involvement in development activities relating to the Real Properties brings with it the following related risks: (i) the potential insolvency of a developer; (ii) the developer's failure to use advanced funds in payment of construction costs; (iii) construction or unanticipated delays; (iv) incurring construction costs before ensuring rental revenues will be earned from the project; and (v) cost over-runs on the project; and (vi) the failure of tenants to occupy and pay rent in accordance with lease arrangements.

Competition for Real Property Investments

The Trust competes for suitable Real Property investments with individuals, corporations, real estate investment trusts and similar vehicles, and institutions (both Canadian and foreign) that are presently seeking or which may seek in the future real property investments similar to those sought by the Trust. Certain of these competitors may have greater financial and other resources and greater operating flexibility than the Trust. The existence of competition in the market could materially adversely affect revenues and the Trust's ability to generate revenue from its Real Properties. 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/or reducing the yield on such investments.

Tenancy Risks

The value of real property and any improvements thereto may depend on the credit and financial stability of the tenants and upon the vacancy rates in each of the Real Properties. Revenue may be adversely affected if a significant number of tenants of Real Properties become unable to meet their obligations under their leases or if a significant amount of available space in the Real Properties cannot be leased on economically favourable terms.

If a tenant defaults, the Trust may experience delays or limitations in enforcing rights as lessor and may incur substantial costs in protecting an investment in the Real Properties. Furthermore, at any time, a tenant of any of the Real Properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available.

Single Tenant Real Properties

There are risks associated with having single tenant properties. In the event that a tenant in a single-tenant Real Property were to terminate their tenancies or become insolvent, the Trust's financial results could be materially adversely affected. Until such a time that the Trust will be in a position to acquire additional Real Properties and further diversify its tenant base, it will take certain steps to mitigate any credit risk by closely monitoring its tenants compliance with the terms of their respective leases and addressing any issues as soon as they are identified.

Uninsured Losses

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

Current Economic Environment

The yields available from investments in the Real Properties depend upon the amount of revenues generated and expenses incurred. These risks include changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, the attractiveness of the Real Properties to tenants, and the ability of the owner to provide adequate maintenance at an economic cost. The performance of the economy in each of the areas in which the Real Properties are located affects occupancy, market rental rates and expenses. These factors consequently can have an impact on revenues from the Real Properties and their underlying values. The financial results and labour decisions of major local employers may also have an impact on the revenues from, and value of, certain Real Properties.

Geographic Concentration

The Real Properties are located in Canada, and as a result, are impacted by economic and other factors specifically affecting the real estate markets in Canada. These factors may differ from those affecting the real estate markets in other regions. If real estate conditions in Canada decline relative to real estate conditions in other regions, the Trust's cash flows and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties.

Changes in Applicable Laws, Regulations and Political Conditions

The Trust, by virtue of its ownership of Real Properties is subject to laws and regulations governing the ownership and leasing of real property, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Trust (including with retroactive effect). In addition, it is not possible to predict whether there will be any future shift in political conditions that will impact the Trust or any further changes in the regulatory regimes to which the Trust is subject, nor is it possible to predict the effect of any such changes on the Real Property.

Fluctuations in Capitalization Rates

As interest rates fluctuate in the lending market, so do capitalization rates that may affect the underlying value of real estate, including the Real Properties. As such, when interest rates rise, so do capitalization rates. Over the period of investment, capital gains and losses at the time of disposition can occur due to the movement of these capitalization rates. Accordingly, the disposition of Common Units by a holder of Common Units may be negatively impacted depending on the timing.

Environmental Matters

Environmental and ecological legislation and policies have become increasingly important, and generally restrictive. Under various laws, the Trust could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in the Real Properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect the Trust's ability to dispose of Real Property or to borrow using such Real Property as collateral, and could potentially also result in claims against the Trust or its affiliates.

General Litigation

The Trust or its affiliates may become involved in legal proceedings in the normal course of operations. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavorable resolution of any legal proceedings could have a material adverse effect on the Trust's assets, liabilities, business, financial condition and results of operations. Even if the Trust prevails in any legal proceedings, it may divert the attention of management and key personnel from the Trust's business operations.

Cybersecurity

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Trust's information resources. It may be an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. The Trust's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, or damage to the Trust's business relationships with third parties. The Trust intends to implement processes, procedures and controls to help mitigate these risks, but these measures, as well as its increased awareness of a risk of a cyber-incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

ITEM 9 – REPORTING OBLIGATIONS

9.1 Reporting

The Trust is not subject to continuous reporting and disclosure obligations that the applicable Securities Laws in any province would require of a "reporting issuer" (as defined in the Securities Act) and there is, therefore, no requirement that the Trust make disclosure of its affairs, including, without limitation, the prompt notification of material changes by way of press releases and formal filings or the preparation of quarterly unaudited financial statements in accordance with generally accepted accounting principles.

Notwithstanding, the Trustees will send to all holders of Common Units, the audited financial statements of the Trust together with comparative audited financial statements for the preceding fiscal year, if any, and the report of the Auditor thereon, together with a Form 45-106F16 Notice of Use of Proceeds within 120 days of the end of the fiscal year of the Trust.

On or before March 31 in each year, or such date as may be required under law, the Trust will provide to holders of Common Units who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to holders of Common Units for income tax purposes to enable holders of Common Units to complete their tax returns in respect of the prior calendar year.

The Advisor intends to provide all holders of Common Units with a quarterly update letter summarizing the activities and operations of the Trust, including portfolio management information such as asset acquisitions, dispositions, capital projects and financing events. As well, the Advisor intends to be available to the Unitholders to discuss any issues or concerns they may have at any time.

A holders of Common Units and any agent, consultant or creditor of the Trust shall have the right to examine the Declaration of Trust, the Trustees' Regulations, the minutes of meetings and resolutions of the Unitholders, and any other documents or records that the Trustees determine should be available for inspection by such Person, during normal business hours at the principal office of the Trust. The holders of Common units and creditors of the Trust shall have the right to obtain or make or cause to be made a list of all or any of the registered holders of Common Units, to the same extent and upon the same conditions as those which apply to shareholders and creditors of a corporation governed by the ABCA.

ITEM 10 – RESALE RESTRICTIONS

10.1 Trustees Approval

The transfer or sale of a Common Unit will not occur until: (a) the Trustees have approved the transfer; (b) the details of the transfer or sale have been reported to the Trust; (c) the Trustees have received an acceptable form of transfer; and (d) the transfer or sale has been recorded on the Common Unit register of the Trust.

10.2 Restricted Period

For trades in Alberta, British Columbia, Saskatchewan and Ontario, the securities are subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

For trades in Alberta, British Columbia, Saskatchewan and Ontario, unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date that the Trust becomes a reporting issuer in any province or territory of Canada.

For trades in Manitoba, unless permitted under securities legislation, you must not trade the securities 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 securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus or you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Holders of Common Units are advised to seek legal advice prior to any resale of the Common Units.

ITEM 11 – SUBSCRIBER’S RIGHTS

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

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these Common Units. To do so, you must send a notice to the Trust by midnight on the second Business Day after you sign the Subscription Agreement to purchase Common Units.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides Subscribers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a “**misrepresentation**”). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by Subscribers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the relevant 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 Subscribers may have at law.

11.2.1 Rights for Investors in British Columbia, Alberta, or Manitoba

In addition to, and not in derogation from, any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to rescind your agreement to buy these Common Units; or
- (b) for damages against the Trust, and every person who was a Trustee of the Trust at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you actually relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant is not liable for all or any portion of damages that it proves do not represent the depreciation in value of your Common Units as a result of the misrepresentation. Further, the amount recoverable in an action for damages will not exceed the price at which the Common Units were offered.

Additionally, if a misrepresentation is contained in a document incorporated by reference in, or deemed incorporated into this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you know of the misrepresentation when you purchase the Common Units. In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

- (a) the forward-looking information in this Offering Memorandum is proximate to reasonable cautionary language that identifies the forward-looking information as such, and identifies 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 applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Alberta the above defence does not relieve a person of liability respecting forward-looking information in a financial statement, or forward-looking information in a document released in connection with an initial public offering.

These rights are subject to more defences as more particularly described in securities legislation of Alberta, British Columbia and Manitoba, as applicable to the Subscriber.

Statutory rights for failure to deliver the Offering Memorandum

If you reside in British Columbia, Alberta, or Manitoba and you do not receive a copy of this Offering Memorandum before signing your Subscription Agreement, you have a right to sue for damages, or if you still own your Common Units, you can choose to rescind your agreement instead of suing for damages.

Time limitations

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In British Columbia or Alberta, you must commence your action to rescind the agreement within 180 days after the transaction or commence your action for damages within the earlier of (a) 180 days after learning of the misrepresentation; or (b) three years after the transaction, contravention or alleged contravention.

In Manitoba, you must commence your action to rescind the agreement within 180 days after the transaction or commence your action for damages within the earlier of (a) 180 days after learning of the misrepresentation; or (b) two years after the day of the transaction.

11.2.2 Rights for Investors in Saskatchewan

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum together with any amendments to the Offering Memorandum, you, as a Saskatchewan purchaser of Common Units, have a statutory right to sue in Saskatchewan:

- (a) the Trust, or a selling security holder on whose behalf the distribution is made, to rescind your agreement to buy Common Units; or
- (b) for damages against the Trust or a selling security holder on whose behalf the distribution is made, every promoter of the Trust and every Trustee at the time the Offering Memorandum is sent or delivered, every person that signed the Offering Memorandum, every person or company who sells Common Units on behalf of the Trust, and every person or company whose consent has appeared in this Offering Memorandum but only with respect to reports, opinions or statements that have been made by them.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Common Units as a result of the misrepresentation. As well, the amount recoverable in an action for damages will not exceed the price at which the Common Units were offered.

If there is a misrepresentation in any "advertising" or "sales literature" (as defined in *The Securities Act, 1988* (Saskatchewan)) that is disseminated in connection with your purchase of Common Units and it was a misrepresentation at the time you purchased your Common Units, you are deemed to have relied on that misrepresentation and you will have a right to sue for damages against the Trust, every promoter of the Trust and every Trustee at the time the advertising or sales literature was disseminated, and every person who, at the time the advertising or sales literature was disseminated, sells securities on behalf of the Trust in the offering with respect to which the advertising or sales literature was disseminated. Alternatively, if you still own your Common Units, and you purchased those Common Units from the Trust, you can elect to rescind your agreement instead of suing for damages.

If there is a misrepresentation in a verbal statement made to you about the Common Units either before or at the time that you purchase your Common Units and it was a misrepresentation at the time you purchased your Common Units, you are deemed to have relied on the misrepresentation and you have a right to sue the person who made the statement to you for damages.

There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you know of the misrepresentation when you purchase the Common Units. Further, the defendant will not be liable for a misrepresentation in forward looking information if the defendant proves that:

- (a) this 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
- (b) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward looking information.

These rights are subject to more defenses as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Statutory rights for failure to deliver Offering Memorandum

If you reside in Saskatchewan and you do not receive a copy of this Offering Memorandum at the same time, or prior to, signing your Subscription Agreement, you have a right to sue for damages, or if you still own your Common Units, you can choose to rescind your agreement instead of suing for damages.

Statutory rights if vendor not entitled to trade

If you reside in Saskatchewan and the person or company who sells you your Common Units is selling in contravention of securities laws of Saskatchewan or in contravention of an order of the Saskatchewan Financial

Services Commission, you may choose to void your contract or to recover all the money paid by you for your Common Units.

Time limitations

If you intend to rely on the rights described above, you must do so within strict time limitations.

In Saskatchewan, you must commence an action to rescind your agreement not more than 180 days after the day you purchase your Common Units or commence your action for damages within the earlier of (a) one year from the date that you had knowledge of the facts giving rise to the cause of action; and (b) six years after the transaction.

11.2.3 Rights for Investors in Ontario

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you, as an Ontario purchaser of Common Units, have a statutory right to sue in Ontario:

- (a) against the Trust, or a selling security holder on whose behalf the distribution is made, to rescind the purchase and rescind your agreement to buy Common Units; or
- (b) for damages against the Trust, or a selling security holder on whose behalf the distribution is made.

This statutory right is available to you whether or not you rely on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the Trust is not liable for all or any portion of damages that it proves do not represent the depreciation in value of your Common Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Common Units are sold to you.

There are various defenses available to the persons or companies that you have a right to sue. For example, the Trust is not liable if it proves that you purchased the Common Units with knowledge of the misrepresentation. The Trust is also not liable for a misrepresentation in forward-looking information if it proves that:

- (a) this Offering Memorandum contains, proximate to the forward-looking 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 material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Trust had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

However, the above defense does not relieve a person of liability respecting forward-looking information in a financial statement, or forward-looking information in a document released in connection with an initial public offering.

These rights are subject to more defenses as more particularly described in the *Securities Act* (Ontario).

Time limitations

If you intend to rely on the statutory rights described above, you must do so within strict time limitations.

In Ontario, you must commence your action to rescind your purchase and rescind the agreement within 180 days after the purchase or commence your action for damages within the earlier of: (a) 180 days after first having knowledge of the facts giving rise to the cause of action, and (b) three years after the date of purchase.

11.3 General

The Securities Laws of the Offering Jurisdictions are complex. Reference should be made to the full text of the provisions summarized above relating to contractual and statutory rights of action. Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies which Subscribers may have at law.

ITEM 12 – FINANCIAL STATEMENTS

Please see the audited financial statements for the Trust for the year ended December 31, 2018 and the unaudited interim financial statements for the six-month period ended June 30, 2019 are set forth in Schedule “A” hereto.

**SCHEDULE "A" TO THE
OFFERING MEMORANDUM OF
GVEST REAL ESTATE TRUST
DATED OCTOBER 11, 2019**

Financial Statements of Trust

(see attached)

Financial statements of

GVEST REAL ESTATE TRUST

Year ended December 31, 2018

(Expressed in Canadian dollars)



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Trustees of GVest Real Estate Trust

Opinion

We have audited the financial statements of GVest Real Estate Trust (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of income and comprehensive income for the year then ended
- the statement of changes in partners' equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.



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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
March 7, 2019

GVEST REAL ESTATE TRUST

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 277,828	\$ 303,291
Accounts receivable	70,000	—
Deferred costs	—	28,124
Prepaid expenses	1,878	2,347
	<u>349,706</u>	<u>333,762</u>
Non-current assets:		
Investment in joint venture (note 3)	14,065,966	13,157,686
	<u>\$ 14,415,672</u>	<u>\$13,491,448</u>

Liabilities and Unitholders' Capital

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 186,069	\$ 184,139
Unitholders' capital	14,229,603	13,307,309
Commitments (note 8)		
	<u>\$ 14,415,672</u>	<u>\$13,491,448</u>

See accompanying notes to financial statements.

APPROVED BY THE BOARD OF TRUSTEES

"Blair Forster"

"Terry Freeman"

GVEST REAL ESTATE TRUST

Statement of Income and Comprehensive Income

For the year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Income from investment in joint venture (note 3)	\$ 1,748,280	\$ 1,446,039
Interest income	4,695	2,704
	<u>1,752,975</u>	<u>1,448,743</u>
Expenses:		
Management fees (note 6)	80,887	61,455
Directors' fees	25,200	25,844
Professional fees	34,086	4,300
Other	2,756	4,698
	<u>142,929</u>	<u>96,297</u>
Net income and comprehensive income	<u>\$ 1,610,046</u>	<u>\$ 1,352,446</u>

See accompanying notes to the financial statements.

GVEST REAL ESTATE TRUST

Statement of Changes in Unitholders' Capital

For the year ended December 31, 2018, with comparative information for 2017

	Common units	Retained earnings	Total
Balance, January 1, 2017	\$ 11,216,220	\$ 1,552,701	\$ 12,768,921
Redemption of units (note 4)	(187,150)	—	(187,150)
Distributions	—	(626,908)	(626,908)
Net income and comprehensive income	—	1,352,446	1,352,446
Balance, December 31, 2017	\$ 11,029,070	\$ 2,278,239	\$ 13,307,309
Redemption of units (note 4)	(109,530)	—	(109,530)
Distributions	—	(578,222)	(578,222)
Net income and comprehensive income	—	1,610,046	1,610,046
Balance, December 31, 2018	\$ 10,919,540	\$ 3,310,063	\$ 14,229,603

See accompanying notes to financial statements.

GVEST REAL ESTATE TRUST

Statement of Cash Flows

For the year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Net income and comprehensive income	\$ 1,610,046	\$ 1,352,446
Non-cash item:		
Income from investment in joint venture	(1,748,280)	(1,446,039)
Changes in non-cash operating working capital:		
Accounts receivable	(70,000)	–
Deferred costs	28,124	(28,124)
Prepaid expenses	469	796
Goods and services tax receivable	–	1,034
Accounts payable and accrued liabilities	1,930	(16,456)
	(177,711)	(136,343)
Investments:		
Distributions received from investment in joint venture	840,000	840,000
Financing:		
Distributions paid	(578,222)	(626,908)
Redemptions on units	(109,530)	(187,150)
	(687,752)	(814,058)
Decrease in cash and cash equivalents	(25,463)	(110,401)
Cash and cash equivalents, beginning of the year	303,291	413,692
Cash and cash equivalents, end of year	\$ 277,828	\$ 303,291

See accompanying notes to financial statements.

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 5

Year ended December 31, 2018

1. Nature of operations:

GVest Real Estate Trust (the "Trust") is a limited purpose unincorporated open-ended mutual fund trust established pursuant to a Declaration of Trust ("DOT") dated on December 31, 2015.

The Trust was established to hold and administer properties for the use and benefit of the unitholders. The Trust is externally managed and administrated by Gracorp Capital Advisors Ltd. ("GCAL" or the "Manager") pursuant to the Administration and Advisory Agreement (see note 6).

The Trust is governed under the laws of the Province of Alberta. The address of the registered office of the Trust is 10840 – 27th Street SE, Calgary, Alberta.

2. Significant accounting policies:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(a) Basis of preparation:

These financial statements have been prepared on a going concern basis and on a historical cost basis, except for certain financial instruments that have been measured at fair value. The financial statements were authorized for issuance by the Trustees of the Trust on March 7, 2019.

(b) Functional and presentation currency:

These financial statements are presented in Canadian dollars which is the Trust's functional and presentation currency.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and cash for short-term working capital needs held in interest bearing chequing accounts.

(d) Financial instruments:

The Trust's financial instruments are initially recognized at fair value and subsequently measured according to the category in which they are assigned. Transaction costs that are directly attributable to the acquisition or issue of financial instruments other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial instrument on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in net income.

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 6

Year ended December 31, 2018

2. Significant accounting policies (continued):

(d) Financial instruments (continued):

Subsequent measurement is determined by the classification of each financial asset or financial liability. Financial assets and liabilities are classified into the following specified categories: financial assets at fair value through profit or loss or amortized cost. Financial assets and liabilities classified at fair value through profit or loss are measured at fair value, with changes in fair value recognized in net income.

Cash and cash equivalents, and accounts receivable are categorized as loans and receivables. Accounts payable and accrued liabilities are categorized as other financial liabilities.

Financial assets, other than those classified as at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(e) Joint arrangements:

Joint arrangements are arrangements where the parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Trust accounts for its joint arrangement as a joint venture. A joint venture is a joint arrangement where the parties that have joint control have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. The investment in the joint venture is initially measured at cost at the date of the acquisition and adjusted thereafter for the Trust's share of profit or loss of the joint venture, less any identified impairment loss. The Trust's share of income or loss from its joint venture is recognized in net income or loss.

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 7

Year ended December 31, 2018

2. Significant accounting policies (continued):

(f) Provisions:

Provisions are recognized when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(g) Borrowing costs:

Borrowing costs relating to non-qualifying assets are expensed in the year they occur. Borrowing costs relating to qualifying assets are capitalized as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that the Trust incurs in connection with the borrowing of funds.

(h) Income tax:

The Trust qualifies as a mutual fund trust for Canadian income tax purposes. The Trust intends to distribute all of its taxable income to its unitholders. The Trust does not include a provision for income taxes payable in the financial statements.

(i) Use of estimates and judgments:

In the application of the Trust's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 8

Year ended December 31, 2018

2. Significant accounting policies (continued):

(i) Use of estimates and judgments (continued):

Information about significant areas of estimation, uncertainty and critical judgments in applying the accounting policies that have the most significant effect on the amounts recognized in the financial statements relate to the following:

(i) Financial instruments:

Management applied critical judgment in determining the designation of the financial instruments into the appropriate classifications. Judgment is also applied in determining whether the Trust has significant influence or control over the investments.

(ii) Classification of joint arrangements:

The trust's accounting policy relating to joint arrangements is described in note 2(e) and note 3. Judgment is applied in determining whether the joint arrangement constitutes a joint venture or a joint operation.

(j) Change in significant accounting policies:

IFRS 9 – Financial instruments

On January 1, 2018, the Trust adopted IFRS 9 "Financial instruments" as issued by the International Accounting Standards Board ("IASB"). IFRS 9 includes a new classification and measurement approach for financial assets and a forward-looking expected credit loss model. The adoption of IFRS 9 did not have a material impact on the Trust's financial statements. The Trust has revised the description of its accounting policy for financial instruments to reflect the new classification approach as follows:

On initial recognition, financial instruments are measured at fair value. Measurement in subsequent periods depends on the classification of the financial instrument as described below:

- i. Fair value through profit or loss: Financial instruments under this classification include investment in joint venture.
- ii. Amortized cost: Financial instruments under this classification include cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

IFRS 15 – Revenue from contracts with customers

On January 1, 2018, the Trust adopted IFRS 15 which introduces a principle to report information about the nature, timing and uncertainty of revenue from contracts with customers in a single, comprehensive revenue recognition model. The adoption did not have any impact on the current period or any prior period and is not likely to affect future periods.

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 9

Year ended December 31, 2018

3. Investment in joint venture:

On January 1, 2016, the Trust entered into a joint venture arrangement to acquire a 25% interest in a portfolio of office and industrial properties in British Columbia, Alberta and Saskatchewan (the "Graham Portfolio"). The Graham Portfolio consists of nearly 325,000 square feet of gross leasable area and 19 acres of excess land with potential for future development. Graham Group Ltd. is the sole tenant. The Trust obtained the rights to the Graham Portfolio, valued at \$11 million, in exchange for the issuance of 1,100,000 Trust units.

4. Unitholders' equity:

(a) Authorized:

Unlimited number of common units

(b) Issued and outstanding:

	Number of units	Amount
Balance, January 1, 2017	1,121,622	\$ 11,216,220
Redemption of units	(18,715)	(187,150)
Balance, December 31, 2017	1,102,907	\$ 11,029,070
Redemption of units	(10,953)	(109,530)
Balance, December 31, 2018	1,091,954	\$ 10,919,540

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 10

Year ended December 31, 2018

5. Additional information on financial statements:

The carrying values and fair values of financial assets and financial liabilities have been classified according to IFRS 9 “financial Instruments”, as follows:

- Financial assets carried at amortized cost (“FAAC”)
- Financial liabilities carried at amortized cost (“FLAC”)

2018	Category		Carrying value	Fair value
Assets				
	Cash and cash equivalents	FAAC \$	277,828	\$ 277,828
	Accounts receivable	FAAC \$	70,000	\$ 70,000
Liabilities				
	Accounts payable and accrued liabilities	FLAC \$	186,069	\$ 186,069
Aggregated according to valuation categories				
	Financial assets carried at amortized cost	FAAC \$	347,828	\$ 347,828
	Financial liabilities carried at amortized cost	FLAC \$	186,069	\$ 186,069

2017	Category		Carrying value	Fair value
Assets				
	Cash and cash equivalents	FAAC \$	303,291	\$ 303,291
Liabilities				
	Accounts payable and accrued liabilities	FLAC \$	184,139	\$ 184,139
Aggregated according to valuation categories				
	Financial assets carried at amortized cost	FAAC \$	303,291	\$ 303,291
	Financial liabilities carried at amortized cost	FLAC \$	184,139	\$ 184,139

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 11

Year ended December 31, 2018

5. Additional information on financial statements (continued):

For current assets and liabilities, carrying values are approximately equal to fair values due to the short-term residual terms.

The fair values of non-current financial assets and liabilities, which include the valuation categories FAAC and FLAC have been calculated using current market-based interest rate parameters. As at December 31, 2018, there were no non-current financial assets and liabilities (2017 - \$nil).

Hierarchy of fair values by valuation method:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – other methods by which all inputs that have a material influence on the determined fair values are based on direct or indirect market data; and
- Level 3 – methods that use inputs with a material influence on the determined fair value that are not based on observable market data.

As at December 31, 2018, the Trust does not have any financial instruments which fall into the above categories.

6. Related party transactions:

The Trust entered into an Administration and Advisory Agreement (the “A&A Agreement”) with GCAL. Under the terms of the A&A agreement, the Manager is entitled to receive a fee calculated and payable quarterly in arrears of 0.50% per annum of the fair market value of the properties at the end of the relevant calendar quarter. Management services fees paid to GCAL for the period ended December 31, 2018 totaled \$80,887 (December 31, 2017 - \$61,455). At December 31, 2018, the Trust had outstanding accounts payable to GCAL of \$21,826 (December 31, 2017 - \$14,944). GCAL is a part of the key management group of the Trust.

7. Capital management:

The Trust’s objectives when managing capital are to safeguard the ability to continue as a going concern, and to generate sufficient returns to provide unitholders with stable cash distributions. The Trust defines capital as unitholders’ equity.

The DOT permits the Trust to incur indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the DOT), the amount of such indebtedness of the Trust is not more than 60% of the gross book value of the Trust’s total assets.

GVEST REAL ESTATE TRUST

Notes to Financial Statements, page 12

Year ended December 31, 2018

8. Commitments:

The Trust entered into the A&A Agreement with GCAL to provide services as defined in the Agreement through to 2020. The fees to be paid under the Agreement are as follows:

- (i) Base annual fee equal to 0.5% of the fair value of the real estate, or securities with respect to real estate, which the Trust directly or indirectly owns.
- (ii) Acquisition fee equal to a percentage of the purchase price of any new properties, as defined in the Agreement, acquired by the Trust or an affiliate of the Trust.
- (iii) Disposition fee equal to a percentage of the proceeds received on the disposition of any properties, as defined in the Agreement, owned by the Trust or an affiliate of the Trust.

Condensed interim financial statements of

GVEST REAL ESTATE TRUST

Period ended June 30, 2019

(Expressed in Canadian dollars)

Unaudited

GVEST REAL ESTATE TRUST

Condensed Interim Statement of Financial Position

As at

	June 30, 2019 Unaudited	December 31, 2018 Audited
Assets		
Current assets:		
Cash and cash equivalents	\$ 253,253	\$ 277,828
Distribution receivable	70,000	70,000
Prepaid expenses	751	1,878
	<u>324,004</u>	<u>349,706</u>
Non-current assets:		
Investment in joint venture (note 3)	14,302,912	14,065,966
	<u>\$ 14,626,916</u>	<u>\$14,415,672</u>

Liabilities and Unitholders' Capital

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 184,679	\$ 186,069
Unitholders' capital	14,442,237	14,229,603
Commitments (note 8)		
	<u>\$ 14,626,916</u>	<u>\$14,415,672</u>

See accompanying notes to financial statements.

APPROVED BY THE BOARD OF TRUSTEES

"Blair Forster"

"Terry Freeman"

GVEST REAL ESTATE TRUST

Condensed Interim Statement of Income and Comprehensive Income

For the period ended June 30, 2019, with comparative information for 2018

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Revenue:				
Income from investment in joint venture (note 3)	\$ 305,971	\$ 315,799	\$ 656,945	\$ 663,401
Interest income	1,674	883	3,423	1,944
	<u>307,645</u>	<u>316,682</u>	<u>660,368</u>	<u>665,345</u>
Expenses:				
Management fees (notes 6 and 8)	22,977	24,487	45,839	39,863
Directors' fees	6,613	6,300	12,913	12,600
Professional fees	945	787	1,995	1,575
Other	574	713	1,143	1,427
	<u>31,109</u>	<u>32,287</u>	<u>61,890</u>	<u>55,465</u>
Net income and comprehensive income	<u>\$ 276,536</u>	<u>\$ 284,395</u>	<u>\$ 598,478</u>	<u>\$ 609,880</u>

See accompanying notes to the financial statements.

GVEST REAL ESTATE TRUST

Condensed Interim Statement of Changes in Unitholders' Capital

For the period ended June 30, 2019

Unaudited

	Common units	Retained earnings	Total
Balance, January 1, 2018	\$ 11,029,070	\$ 2,278,239	\$ 13,307,309
Redemption of units (note 4)	(109,530)	–	(109,530)
Distributions	–	(578,222)	(578,222)
Net income and comprehensive income	–	1,610,046	1,610,046
Balance, December 31, 2018	\$ 10,919,540	\$ 3,310,063	\$ 14,229,603
Redemption of units (note 4)	(88,580)	–	(88,580)
Distributions	–	(297,264)	(297,264)
Net income and comprehensive income	–	598,478	598,478
Balance, June 30, 2019	\$ 10,830,960	\$ 3,611,277	\$ 14,442,237

See accompanying notes to financial statements.

GVEST REAL ESTATE TRUST

Condensed Interim Statement of Cash Flows

For the period ended June 30, 2019

Unaudited

	June 30, 2019	June 30, 2018
Cash provided by (used in):		
Operations:		
Net income and comprehensive income	\$ 598,478	\$ 609,880
Non-cash item:		
Income from investment in joint venture	(656,945)	(663,401)
Changes in non-cash operating working capital:		
Distribution receivable	–	(70,000)
Prepaid expenses	1,127	1,408
Accounts payable and accrued liabilities	(1,391)	(128)
	(58,731)	(122,241)
Investments:		
Distributions received from investment in joint venture	420,000	420,000
Financing:		
Distributions paid	(297,264)	(291,258)
Redemptions of units	(88,580)	(82,350)
	(385,844)	(373,608)
Decrease in cash and cash equivalents	(24,575)	(75,849)
Cash and cash equivalents, beginning of the period	277,828	303,291
Cash and cash equivalents, end of period	\$ 253,253	\$ 227,442

See accompanying notes to financial statements.

GVEST REAL ESTATE TRUST

Condensed Interim Notes to Financial Statements
Period ended June 30, 2019
Unaudited

1. Nature of operations:

GVest Real Estate Trust (the "Trust") is a limited purpose unincorporated open-ended mutual fund trust established pursuant to a Declaration of Trust ("DOT") dated on December 31, 2015.

The Trust was established to hold and administer properties for the use and benefit of the unitholders. The Trust is externally managed and administrated by Gracorp Capital Advisors Ltd. ("GCAL" or the "Manager") pursuant to the Administration and Advisory Agreement (see notes 6 and 8).

The Trust is governed under the laws of the Province of Alberta. The address of the registered office of the Trust is 10840 – 27th Street SE, Calgary, Alberta.

2. Significant accounting policies:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. Accordingly, the condensed interim financial statements do not include all of the information required for full annual financial statements.

The financial statements were authorized for issuance by the Trustees of the Trust on August 7, 2019.

(a) Basis of preparation:

These financial statements have been prepared on a going concern basis and on a historical cost basis, except for certain financial instruments that have been measured at fair value.

3. Investment in joint venture:

On January 1, 2016, the Trust entered into a joint venture arrangement to acquire a 25% interest in a portfolio of office and industrial properties in British Columbia, Alberta and Saskatchewan (the "Graham Portfolio"). The Graham Portfolio consists of nearly 325,000 square feet of gross leasable area and 19 acres of excess land with potential for future development. Graham Group Ltd. is the sole tenant. The Trust obtained the rights to the Graham Portfolio, valued at \$11 million, in exchange for the issuance of 1,100,000 Trust units.

GVEST REAL ESTATE TRUST

Condensed Interim Notes to Financial Statements
Period ended June 30, 2019
Unaudited

4. Unitholders' equity:

(a) Authorized:

Unlimited number of common units

(b) Issued and outstanding:

	Number of units	Amount
Balance, January 1, 2018	1,102,907	\$ 11,029,070
Redemption of units	(10,953)	(109,530)
Balance, December 31, 2018	1,091,954	\$ 10,919,540
Redemption of units	(8,858)	(88,580)
Balance, June 30, 2019	1,083,096	\$ 10,830,960

5. Additional information on financial statements:

The carrying values and fair values of financial assets and financial liabilities have been classified according to IFRS 9 "financial Instruments", as follows:

- Financial assets carried at amortized cost ("FAAC")
- Financial liabilities carried at amortized cost ("FLAC")

June 30, 2019	Category	Carrying value	Fair value
Assets			
Cash and cash equivalents	FAAC	\$ 253,253	\$ 253,253
Distribution receivable	FAAC	\$ 70,000	\$ 70,000
Liabilities			
Accounts payable and accrued liabilities	FLAC	\$ 184,679	\$ 184,679
Aggregated according to valuation categories			
Financial assets carried at amortized cost	FAAC	\$ 323,253	\$ 323,253
Financial liabilities carried at amortized cost	FLAC	\$ 184,679	\$ 184,679

GVEST REAL ESTATE TRUST

Condensed Interim Notes to Financial Statements
Period ended June 30, 2019
Unaudited

5. Additional information on financial statements (continued):

December 31, 2018	Category		Carrying value		Fair value
Assets					
Cash and cash equivalents	FAAC	\$	277,828	\$	277,828
Distribution receivable	FAAC	\$	70,000	\$	70,000
Liabilities					
Accounts payable and accrued liabilities	FLAC	\$	186,069	\$	186,069
Aggregated according to valuation categories					
Financial assets carried at amortized cost	FAAC	\$	347,828	\$	347,828
Financial liabilities carried at amortized cost	FLAC	\$	186,069	\$	186,069

For cash and cash equivalents, current receivables and liabilities, carrying values are approximately equal to fair values due to the short-term residual terms.

The fair values of non-current financial assets and liabilities, which include the valuation categories FAAC and FLAC have been calculated using current market-based interest rate parameters. As at June 30, 2019, there were no non-current financial assets and liabilities (December 31, 2018 - \$Nil).

Hierarchy of fair values by valuation method:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – other methods by which all inputs that have a material influence on the determined fair values are based on direct or indirect market data; and
- Level 3 – methods that use inputs with a material influence on the determined fair value that are not based on observable market data.

As at June 30, 2019, the Trust does not have any financial instruments which fall into the above categories.

GVEST REAL ESTATE TRUST

Condensed Interim Notes to Financial Statements
Period ended June 30, 2019
Unaudited

6. Related party transactions:

The Trust entered into an Administration and Advisory Agreement (the "A&A Agreement") with GCAL. Under the terms of the A&A Agreement, the Manager is entitled to receive a fee calculated and payable quarterly in arrears of 0.50% per annum of the fair market value of the properties at the end of the relevant calendar quarter. Management services fees paid to GCAL for the period ended June 30, 2019 totaled \$45,839 (June 30, 2018 - \$39,863). At June 30, 2019, the Trust had outstanding payable to GCAL of \$22,977 (December 31, 2018 - \$21,826). GCAL is a part of the key management group of the Trust.

7. Capital management:

The Trust's objectives when managing capital are to safeguard the ability to continue as a going concern, and to generate sufficient returns to provide unitholders with stable cash distributions. The Trust defines capital as unitholders' equity.

The DOT permits the Trust to incur indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the DOT), the amount of such indebtedness of the Trust is not more than 60% of the gross book value of the Trust's total assets.

8. Commitments:

The Trust entered into the A&A Agreement with GCAL to provide services as defined in the Agreement through to 2020. The fees to be paid under the Agreement are as follows:

- (i) Base annual fee equal to 0.5% of the fair value of the real estate, or securities with respect to real estate, which the Trust directly or indirectly owns.
- (ii) Acquisition fee equal to a percentage of the purchase price of any new properties, as defined in the Agreement, acquired by the Trust or an affiliate of the Trust.
- (iii) Disposition fee equal to a percentage of the proceeds received on the disposition of any properties, as defined in the Agreement, owned by the Trust or an affiliate of the Trust.

CERTIFICATE

DATED OCTOBER 11, 2019

This Offering Memorandum does not contain a misrepresentation

GVEST REAL ESTATE TRUST, BY ITS TRUSTEES

"Tim Heavenor"

Tim Heavenor, Trustee

"Terry Freeman"

Terry Freeman, Trustee

"Blair Forster"

Blair Forster, Trustee