

FORM 45-106F2 - OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS
FOR PURCHASERS IN ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW BRUNSWICK,
NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA, ONTARIO, PRINCE EDWARD ISLAND AND
SASKATCHEWAN

Date: May 10, 2019

The Issuer

Name: The Greybrook Yorkville III Trust (the “**Trust**”)
Head office: 890 Yonge Street, 7th Floor, Toronto, Ontario, M4W 3P4
Phone #: (416) 322-9700
E-mail address: karl.brady@greybrook.com
Fax #: (416) 322-7527
Currently listed or quoted? No. **These securities do not trade on any exchange or market.**
Reporting issuer? No.
SEDAR filer? No.

The Offering

Securities offered: Class A units of the Trust (“**Class A Trust Units**”) and class B units of the Trust (“**Class B Trust Units**”) and, together with the Class A Trust Units, the “**Trust Units**”)
Price per security: \$100 per Class A Trust Unit and US\$100 per Class B Trust Unit
Minimum/Maximum offering: Minimum: \$4,000,000 of at least one class of Trust Units (subject to the setting of a lower minimum by Greybrook Realty Partners Inc., the administrator of the Trust (“**Greybrook Realty**” and, in its capacity as the administrator of the Trust, the “**Administrator**”), acting in its sole discretion).
Maximum: \$38,750,000 of Trust Units
Funds available under the offering of the Trust Units (the “Trust Units Offering”) may not be sufficient to accomplish our proposed objectives.
Minimum subscription amount: 250 Class A Trust Units (\$25,000)
250 Class B Trust Units (US\$25,000)
In each case, subject to the right of the Trust, at its sole discretion, to accept a subscription that is for less than the minimum subscription amount.
Payment terms: Certified cheque, bank draft or wire transfer.
Proposed closing date(s): July 9, 2019 or such earlier or later date as may be agreed to by the Trust and the Lead Agent (defined below).
The closing of the Trust Units Offering may take place in one or more closings, provided that the initial closing of the Trust Units Offering shall take place concurrently with the closing of the offering (the “**Offering**”) of units of limited partnership interest (“**LP Units**”) in Greybrook Yorkville III Limited Partnership (the “**Partnership**”) or, in the event that there should occur more than one closing of the Offering, concurrently with the first such closing.
The initial closing of the Trust Units Offering and the Offering shall not take place unless and until the total amount of \$38,750,000 of LP Units has been subscribed for.
Income tax consequences: There are important tax consequences to these securities. See item 6.
Selling agent? Yes. Greybrook Securities Inc., as lead agent (the “**Lead Agent**”), or through other dealers appointed by the Trust that are acceptable to the Lead Agent (the “**Co-Agents**”) or through other dealers appointed by the Lead Agent. In this Offering Memorandum, the Lead Agent and the Co-Agents are sometimes referred to, collectively, as the “**Agents**”. See item 7.
Resale restrictions: You will be restricted from selling your securities for an indefinite period. See item 10.
Purchaser’s rights: You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11.
No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8.

Appendix C and Defined
Terms:

The Trust will invest in Class C LP Units (as described below). Attached hereto as Appendix C and forming part of this Offering Memorandum is a confidential offering memorandum of the Partnership dated May 10, 2019 (the “OM”). Capitalized terms used but not otherwise defined herein have the respective meanings given to them in the OM. All of the schedules to the OM (including, without limitation, the investor presentations attached thereto as Schedule “C”) are incorporated herein by reference. To the extent that the contents of this Offering Memorandum conflict with the OM, this Offering Memorandum shall prevail.

Currency:

All dollar amounts in this Offering Memorandum are in Canadian dollars, unless otherwise indicated. References to “Canadian dollars” and “\$” are references to the currency of Canada, and references to “US dollars” and “US\$” are references to the currency of the United States of America (the “United States”).

Item 1: Use of Available Funds

1.1 Funds

		Assuming min. offering ⁽¹⁾⁽²⁾	Assuming max. offering ⁽²⁾
A.	Amount to be raised by this offering	\$4,000,000 ⁽¹⁾	\$38,750,000
B.	Selling commissions and fees	\$320,000 ⁽³⁾	\$3,100,000 ⁽³⁾
C.	Estimated offering costs (e.g., legal, accounting, audit)	\$1,274,166 ⁽⁴⁾	\$2,316,666 ⁽⁵⁾
D.	Available funds: D = A - (B+C)	\$2,405,834	\$33,333,334
E.	Additional sources of funding required	\$30,927,500 ⁽¹⁾⁽⁶⁾⁽⁷⁾	See note (7)
F.	Working capital deficiency	\$0	\$0
G.	Total: G = (D+E) - F	\$33,333,334	\$33,333,334

Notes:

- (1) The closing of the Trust Units Offering (and, in the event that there should occur more than one closing, the initial closing) must take place concurrently with the closing of the Offering. Class C units of limited partnership interest in the Partnership ("**Class C LP Units**") will be issued only to the Trust and shall be purchased using the proceeds of the Trust Units Offering. The initial closing of the Trust Units Offering and the Offering shall not take place unless and until \$38,750,000 of LP Units have been subscribed for.
- (2) All dollar amounts are in Canadian dollars, unless otherwise indicated. The Trust will convert all proceeds of the sale of Class B Trust Units, which it will receive in US dollars, into Canadian dollars at the Closing Exchange Rate.
- (3) The Agents will not be paid any selling commissions by the Trust. However, since the proceeds of the Trust Units Offering will be used by the Trust to acquire Class C LP Units, the sale of Trust Units will give rise to the payment, by the Partnership to each Agent, of a selling commission of 8% of the subscription price per Trust Unit that it sold in the Trust Units Offering.
- (4) The Trust will not pay any offering costs or fees directly. However, since the proceeds of the Trust Units Offering will be used by the Trust to acquire Class C LP Units in the Offering, the sale of Trust Units will give rise to the payment, by the Partnership to Greybrook Realty, of the following fees: \$120,000 (representing the Structuring Fee), \$550,000 (representing the Cash Distribution Services Fee), \$512,500 (representing the Offering and Maintenance Costs) and \$91,666 (representing the Offering Expenses to be paid to the Lead Agent). The figure presented does not include the Success Fee, as it will not be paid out of the proceeds of the Offering and it is not certain that it will ever be payable. The Success Fee, if it becomes payable, will be paid out of the Partnership's portion of the Project's profits (if any).
- (5) The Trust will not pay any offering costs or fees directly. However, since the proceeds of the Trust Units Offering will be used by the Trust to acquire Class C LP Units in the Offering, the sale of Trust Units will give rise to the payment, by the Partnership to Greybrook Realty, of the following fees: \$1,162,500 (representing the Structuring Fee), \$550,000 (representing the Cash Distribution Services Fee), \$512,500 (representing the Offering and Maintenance Costs) and \$91,666 (representing the Offering Expenses to be paid to the Lead Agent). The figure presented does not include the Success Fee, as it will not be paid out of the proceeds of the Offering and it is not certain that it will ever be payable. The Success Fee, if it becomes payable, will be paid out of the Partnership's portion of the Project's profits (if any).
- (6) This amount equals the amount of net proceeds of the Offering generated by sales of LP Units to purchasers other than the Trust.
- (7) In connection with the Project, the Partnership will enter into a co-owners agreement (the "**Co-Owners Agreement**") with FCR (140 Yorkville) LP ("**First Capital**"), BMO Private Equity (Canada) Inc. ("**BMOPE**") and 140 Yorkville Corporation (the "**Nominee**") to govern the co-ownership of the Property (defined below) and the development of the Project. Pursuant to the Co-Owners Agreement, the Co-Owners will agree that the total estimated capital required to complete the Project will be \$100,000,000 (the "**Estimated Total Equity Capital Contribution**"), of which each Co-Owner will agree to ultimately contribute up to \$33,333,334 or 33⅓%. The purchase price of the Property (the "**Property Purchase Price**") is \$170,700,000 before adjustments. The Property Purchase Price will be paid using a portion of the Estimated Total Equity Capital Contribution and by acquisition financing secured by a first mortgage and charge against the Property (the "**Acquisition Financing**"). The Acquisition Financing is expected to be in the principal amount of approximately \$102,420,000, which represents approximately 60% of the Property Purchase Price. First Capital shall be responsible for obtaining the commitment(s) of a lender to loan the Co-Owners such funds as are required, from time to time for the Project (including the Acquisition Financing, construction financing and permanent financing) (each, a "**Project Financing**").

See the sections entitled "*Selling Commissions*", "*Use of Proceeds*" and "*Subscription Procedure*" in Schedule "A" to the OM. See the sections entitled "*Summary*", "*Business of the Partnership – The Co-Owners Agreement – Total Capital Contribution*", "*Business of the Partnership – The Co-Owners Agreement*" and "*Plan of Distribution*" in the OM.

1.2 Use of Available Funds

All of the proceeds of the Trust Units Offering will be used to subscribe for, and acquire, Class C LP Units at a price of \$100 per Class C LP Unit. Such Class C LP Units will represent, in the aggregate, an amount equal to the proceeds of the Trust Units Offering in Canadian dollars having converted all US dollar subscriptions of Class B Trust Units into Canadian dollars at the Closing Exchange Rate. Class C LP Units will be issued exclusively to the Trust and the Trust will be the sole holder of Class C LP Units at all times. The net effect of these transactions will be that a holder of Trust Units (a “Unitholder”) will enjoy, indirectly through the Trust, the economic effect of an equivalent investment in the Partnership.

The proceeds of the Trust Units Offering will form part of the gross proceeds of the Offering and will be used by the Partnership for the purposes set forth in the table below.

Description of intended use of available funds listed in order of priority	Offering
Funding of 33 $\frac{1}{3}$ % of the outstanding aggregate balance of the Property Purchase Price that will not be funded by way of the Acquisition Financing	\$22,760,000 ⁽¹⁾
Funding of 33 $\frac{1}{3}$ % of (i) the Project’s pre-construction soft costs and (ii) the Property Purchase Closing costs, including, but not limited to, land transfer tax, the fees and disbursements of First Capital’s solicitors and the Letters of Credit costs	\$10,573,334 ⁽²⁾⁽³⁾
Total: Equal to G in the Funds table above	\$33,333,334

Notes:

- (1) This amount represents that portion of the outstanding balance of the Property Purchase Price that will be payable by the Partnership. This amount is an approximate amount, as it will be subject to customary adjustments. The remainder of the outstanding balance of the Property Purchase Price will be funded by way of the Acquisition Financing and, if necessary, First Capital’s capital contribution and BMOPE’s capital contribution, although First Capital and BMOPE will only contribute a portion of their respective maximum capital contributions on the Property Purchase Closing. It is anticipated that the Acquisition Financing will be repaid out of the proceeds of construction financing procured for the Project.
- (2) This amount is an approximate amount. Because the \$22,760,000 amount shown in the table is subject to certain adjustments provided for in the Property Purchase Agreement, the amount that actually will be used to fund 33 $\frac{1}{3}$ % of the costs enumerated in this line item will be equal to (i) the amount of the net proceeds of the Offering (being \$33,333,334), less (ii) the amount actually used to fund 33 $\frac{1}{3}$ % of that portion of the outstanding aggregate balance of the Property Purchase Price that will not be funded by way of the Acquisition Financing. As a result, the amount that actually will be used to fund 33 $\frac{1}{3}$ % of the costs enumerated in this line item will not be exactly \$10,573,334.
- (3) This amount ultimately will be lower than shown if First Capital and BMOPE do not fund the full amount of their respective maximum capital contributions under the Co-Owners Agreement and, as a result, make the Equalization Payment.

See the sections entitled “*Business of the Partnership – Purchase of the Partnership’s Interest in the Property*”, “*Business of the Partnership – The Co-Owners Agreement – Total Capital Contribution*”, “*Business of the Partnership – The Co-Owners Agreement – Project Financing*” and “*Plan of Distribution – Use of Proceeds*” in the OM.

1.3 Reallocation – We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

Item 2: Business of the Trust

2.1 Structure – The Trust is an unincorporated limited purpose trust created under the laws of Alberta pursuant to the declaration of trust (the “**Declaration of Trust**”), dated as of May 10, 2019, among Peter Politis, as settlor, Computershare Trust Company of Canada, as trustee (the “**Trustee**”), and the Administrator, as administrator.

The Trustee and the Administrator are not agents of Unitholders. The relationship of Unitholders to the Trustee will be solely that of beneficiaries of the Trust and the rights of Unitholders will be limited to those conferred on them by the Declaration of Trust. The Trust is not, and is not intended to be or to be operated as, an “investment fund” within the meaning of such term in the *Securities Act*

(Alberta).

See the sections entitled “*The Trust*” and “*Activities of the Trust*” in Schedule “A” to the OM. See the section entitled “*The Partnership*” in the OM.

2.2 Our Business – The Trust is a limited purpose trust established for the benefit of Unitholders and solely to acquire, hold and deal with Class C LP Units. As a result, a Unitholder will enjoy, indirectly through the Trust, the economic effect of an equivalent investment in the Partnership.

The Trust, which will be a mutual fund trust, provides investors the ability to make an indirect investment in the Partnership by purchasing Trust Units. Provided the Trust is, at all relevant times, a “mutual fund trust” for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), Trust Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans and tax-free savings accounts, each as defined in the Tax Act (collectively, “**Plans**”), and trusts governed by deferred profit sharing plans. Notwithstanding the foregoing, a holder, annuitant or subscriber of a Plan (each, a “**Controller**”) will be subject to a penalty tax in respect of Trust Units held in a trust governed by such a Plan if such Trust Units are a “prohibited investment” for the purposes of the Tax Act. For more information in this regard, a Controller should refer to Schedule “A” to the OM under “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans – Eligibility for Investment*”.

For a description of the business of the Partnership, see the section entitled “*Business of the Partnership*” in the OM.

2.3 Development of Business – The Trust was created for the purpose of conducting the Trust Units Offering and acquiring Class C LP Units.

The Partnership was formed on April 23, 2019 to invest and participate in the Co-Ownership with First Capital and BMOPE. See the sections entitled “*The Partnership*” and “*Business of the Partnership*” in the OM.

On October 11, 2013, Greybrook Yorkville LP, a limited partnership organized by Greybrook Realty, completed the Initial Offering and formed the Vendor with Empire and the bulk of the proceeds of the Initial Offering were used by the Vendor to acquire the Property. The Vendor was formed for the purpose of using the Property to construct and sell a substantially similar development and the Vendor completed a significant amount of development work following the its acquisition of the Property. In the fourth quarter of 2018, Empire and Greybrook Yorkville GP Inc., the general partner of the Vendor, decided that, due to the longer than projected timeline that occurred to obtain development approvals for the Property and the expected increased value of the Property, they would explore selling the Property. Following the receipt of various proposals related to the sale of the Property, Empire, together with Greybrook Yorkville GP Inc., as the general partner of the Vendor, agreed to sell the Property to First Capital Acquisition Corp. and on December 24, 2018, First Capital Acquisition Corp. entered into the Property Purchase Agreement with the Vendor.

Following the execution of the Property Purchase Agreement, Management determined that there was an opportunity to acquire the Property with First Capital and BMOPE and participate in the sales and construction phase of the development. After completing its due diligence, Greybrook Realty negotiated the proposal to form and organize the Co-Ownership with First Capital and BMOPE, and caused the Partnership to enter into, on April 26, 2019, the Assignment Agreement and the Co-Owners Confirmation Agreement with First Capital and BMOPE.

The Vendor is an affiliated entity of Greybrook Realty. Greybrook Realty is the parent company of the General Partner and is also the administrator of the Trust. See the sections entitled “*Business of the Partnership – Purchase of the Partnership’s Interest in the Property – Conflicts Concerning the Purchase and Sale of the Property*”, “*Backgrounds and Reasons for the Offering*”, “*Analysis and Due Diligence*” and “*Conflicts of Interest – Property Purchase Agreement*” in the OM.

2.4 Long Term Objectives – The Trust is an investment vehicle, which provides investors with the ability to make an indirect investment in the Partnership by purchasing Trust Units. For a description of the Project and related objectives in relation thereto, see the section entitled “*Business of the Partnership – The Project*” in the OM. For a description of the estimated costs and returns of the Project, please see Schedule “B” to the OM.

2.5 Short Term Objectives and How We Intend to Achieve Them – The Trust is an investment vehicle, which provides investors with the ability to make an indirect investment in the Partnership by purchasing Trust Units. The Partnership’s short-term objectives are as follows:

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
Complete the Offering	July 9, 2019	\$5,416,666 ⁽¹⁾
Complete the Property Purchase Closing and thereby acquire an undivided 33⅓% beneficial interest in the Property	July 12, 2019	\$33,333,334 ⁽²⁾

Notes:

- (1) Consists of \$3,100,000 in respect of the Agents’ selling commissions and fees, \$1,162,500 (representing the Structuring Fee), \$550,000 (representing the Cash Distribution Services Fee), \$512,500 (representing the Offering and Maintenance Costs) and \$91,666 (representing the Offering Expenses to be paid to the Lead Agent). See item 1.1.
- (2) This amount, which is the amount of the Partnership capital contribution, will form part of the Estimated Total Equity Capital Contribution (of which only the Partnership capital contribution is anticipated to be funded in full on the Property Purchase Closing) and will be used by the Co-Owners (i) to fund the payment of the remaining outstanding balance of the Property Purchase Price that will not be funded using the proceeds of the Acquisition Financing; (ii) to fund costs incurred in connection with the Property Purchase Closing such as, but not limited to, land transfer taxes, premiums for title insurance policies, the fees and disbursements of counsel to First Capital incurred in connection with the Property Purchase Closing, and the reimbursement of the costs incurred by First Capital, or its affiliate, in connection with the Letters of Credit; (iii) to fund certain due diligence and Project-related costs, such as consultants’ fees, incurred by First Capital prior to the Property Purchase Closing; and (iv) to fund the Project’s pre-construction soft costs, including, but not limited to, the interest on the Acquisition Financing, property taxes, consultants’ fees and any fees charged by governmental authorities in connection with the development of the Property.

The Partnership is an investment vehicle formed to invest and participate in the Co-Ownership with First Capital and BMOPE. For a description of the Project and related objectives in relation thereto, see the section entitled “*Business of the Partnership – The Project*” in the OM.

2.6 Insufficient Funds

The net proceeds of the Offering will not be sufficient to accomplish all of the Partnership’s and the Co-Ownership’s proposed objectives. The Acquisition Financing will be required to acquire the Property and certain project financing, including construction financing and permanent financing for the Commercial Component, will be required to complete the Project.

The Acquisition Financing is expected to be in the principal amount of approximately \$102,420,000, which represents approximately 60% of the Property Purchase Price.

First Capital shall be responsible for obtaining the commitment(s) of a lender to loan the Co-Owners the Project Financing, and the Co-Owners have agreed to jointly mortgage and charge the Project, in

each case upon terms Approved by the Co-Owners, each acting in its Sole Discretion, as security for each such Project Financing. To the extent possible, save for the Co-Owners certain customary matters, each Project Financing will be without Credit Support.

If Credit Support is required, First Capital shall provide or, at its sole discretion, cause FCR (or such other person as is acceptable to the applicable lender), to provide such Credit Support. If possible, each Project Financing shall be done on the basis that recourse is limited to the Project. If, however, such non-recourse Project Financing is not available, then such Project Financing shall be done on the basis that: (i) the liability of each Co-Owner in respect of any such Project Financing shall be limited to its Proportionate Share of the aggregate amount of any such Project Financing, (ii) the liability of the Co-Owners in respect of any such Project Financing will be several (and not joint or joint and several) and (iii) subject to First Capital's Credit Support obligation, each of the Co-Owners' liability under any such Project Financing will be limited to its interest in the Property and the Project. As consideration for First Capital obtaining each Project Financing, each of the Partnership and BMOPE will pay First Capital the Financing Fee.

The Partnership will have no obligation to provide any security or financial assistance in respect of any Project Financing, other than a charge against its interest in the Property and the Project.

The Co-Owners anticipate that the Acquisition Financing will be repaid out of the proceeds of construction financing procured for the Project. There is no assurance that Project Financing will be available at all or available on favourable terms. See the sections entitled "*Business of the Partnership — The Co-Owners Agreement — Project Financing*" and "*Risk Factors – Risks Relating to the Business of the Partnership — Future Financing Needs*" in the OM.

2.7 Material Agreements

- (1) Property Purchase Agreement, dated as of December 24, 2018 between EG Yorkville Limited Partnership, by its general partner, EG Yorkville GP Inc., as the vendor (the "**Vendor**"), and a First Capital affiliate, First Capital Acquisition Corp., as the purchaser, as such agreement is amended from time to time. See item 1.2 and the section entitled "*Business of the Partnership – Purchase of the Partnership's Interest in the Property*" in the OM.
- (2) Assignment Agreement, dated as of April 26, 2019, among First Capital Acquisition Corp., as assignor, 140 Yorkville Corporation (the "**Nominee**"), as assignee, and the Vendor, as vendor. See item 1.2 and the section entitled "*Business of the Partnership – Purchase of the Partnership's Interest in the Property*" in the OM.
- (3) Nominee Agreement, dated as of April 26, 2019, among the Partnership, First Capital, BMOPE and the Nominee. See the section entitled "*Business of the Partnership – Purchase of the Partnership's Interest in the Property*" in the OM.
- (4) Co-Owners Confirmation Agreement, dated as of April 26, 2019, among First Capital Acquisition Corp., the Nominee and each Co-Owner. See item 1.2 and the section entitled "*Business of the Partnership – Purchase of the Partnership's Interest in the Property*" in the OM.
- (5) Partnership Agreement, dated as of April 23, 2019, and amended and restated on May 10, 2019, between the General Partner and Peter Politis, as the initial limited partner. See the sections entitled "*The Partnership*" and "*The Partnership Agreement*" in the OM.
- (6) Agency Agreement, dated as of May 10, 2019, between the Partnership, the Lead Agent and the Co-Agents, if any. See the section entitled "*Plan of Distribution – Agents' Fee and Expenses*" in the OM.

- (7) The two Greybrook Realty Services Agreements, each dated as of May 10, 2019, between Greybrook Realty Partners Inc. and the Partnership. See the section entitled "*Plan of Distribution – Greybrook Realty Fees*" in the OM.
- (8) Offering and Maintenance Costs Agreement, dated as of May 10, 2019, between the Partnership and Greybrook Realty Partners Inc. See the section entitled "*Plan of Distribution – Offering and Maintenance Costs Agreement*" in the OM.
- (9) Declaration of Trust, dated as of May 10, 2019, among Peter Politis, as settlor, the Trustee, as trustee, and the Administrator, as administrator. See the sections entitled "*The Trust*", "*Issuance of Trust Units*", "*Trustee*", "*Meetings of Unitholders*", "*Limitation on Non-Resident Ownership*", "*Amendments to the Declaration of Trust*", "*Conflicts of Interest*" and "*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans – Status of the Trust – Taxation of the Trust*" in Schedule "A" to the OM.
- (10) Administration Agreement, dated as of May 10, 2019, among the Trust, the Administrator and the Trustee. See the section entitled "*The Administration Agreement*" in Schedule "A" to the OM.
- (11) Trust Agency Agreement, dated as of May 10, 2019, between the Trust, the Lead Agent and the Co-Agents, if any. See the sections entitled "*The Trust*" and "*Selling Commissions*" in Schedule "A" to the OM.
- (12) Co-Owners Agreement, to be entered into immediately prior to the Property Purchase Closing, by the Partnership, First Capital, BMOPE and the Nominee. See the section entitled "*Business of the Partnership – The Co-Owners Agreement*" in the OM.
- (13) Property Management Agreement, to be entered into on the Property Purchase Closing, among the Partnership, First Capital, BMOPE, and FCR Management Services LP. See the section entitled "*Business of the Partnership – The Property Management Agreement*" in the OM.
- (14) Development Management Agreement, to be entered into on the Property Purchase Closing, among the Partnership, First Capital, BMOPE, First Capital Asset Management LP and Greybrook Development Inc. See the section entitled "*Business of the Partnership – The Development Management Agreement*" in the OM.

The Vendor, the Lead Agent, the General Partner, Greybrook Realty/the Administrator, Greybrook Development Inc., the Nominee and Peter Politis are related parties of the Partnership. For more information concerning the nature of these relationships and potential conflicts of interest, see the sections entitled "*Business of the Partnership – Purchase of the Partnership's Interest in the Property – Conflicts Concerning the Purchase and Sale of the Property*", "*Backgrounds and Reasons for the Offering*", "*Analysis and Due Diligence*" and "*Conflicts of Interest*" in the OM and "*Conflicts of Interest*" in Schedule "A" to the OM.

Item 3: Interests of Directors, Management, Promoters and Principal Holders

3.1 Compensation and Securities Held

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer 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 issuer held after completion of the min. offering	Number, type and percentage of securities of the issuer held after completion of the max. offering
Peter Politis, Toronto, Ontario	Director and Secretary (both, as of January 31, 2012) and Chief Executive Officer (as of December 24, 2014) of the Administrator and principal holder of the Trust (as of May 10, 2019)	– ⁽¹⁾	Nil ⁽²⁾	Nil ⁽²⁾
Karl Brady, Toronto, Ontario	Chief Financial Officer duties (as of January 10, 2018) of the Administrator	– ⁽³⁾	Nil ⁽⁴⁾	Nil ⁽⁴⁾
Greybrook Realty Partners Inc., Toronto, Ontario	Promoter (as of May 10, 2019)	– ⁽⁵⁾	Nil	Nil

Notes:

- (1) Peter Politis receives compensation from the Administrator for serving as its Chief Executive Officer and Secretary and for acting in various capacities for affiliates of the Administrator, including the General Partner. None of the Trust, the Partnership or the General Partner will directly compensate Peter Politis. For a description of all fees payable by the Partnership, see the section entitled “*Plan of Distribution*” in the OM.
- (2) Immediately after the initial closing of the Trust Units Offering, Peter Politis, the settlor of the Trust, shall sell, to the Trust, at a purchase price of \$100 and for cancellation, the initial Class A Trust Unit issued to him upon the settling of the Trust. Peter Politis may elect to subscribe for and acquire, either directly or indirectly, Trust Units in the Trust Units Offering. As of the date of this Offering Memorandum, Peter Politis does not intend to purchase (directly or indirectly) any Trust Units in the Trust Units Offering.
- (3) Karl Brady receives compensation from the Lead Agent for performing the duties of the Chief Financial Officer of the Administrator and its affiliates, including the Lead Agent and Greybrook Capital Inc., and for serving as the Chief Financial Officer of the General Partner. None of the Trust, the Partnership or the General Partner will directly compensate Karl Brady. For a description of all fees payable by the Partnership, see the section entitled “*Plan of Distribution*” in the OM.
- (4) Karl Brady may elect to subscribe for and acquire, either directly or indirectly, Trust Units in the Trust Units Offering. As of the date of this Offering Memorandum, Karl Brady does not intend to purchase (directly or indirectly) any Trust Units in the Trust Units Offering.
- (5) See item 1.1 and the section entitled “*Plan of Distribution*” in the OM.

3.2 Management Experience

Name	Principal occupation and related experience over the past 5 years
Peter Politis	Director, Chief Executive Officer and Secretary of Greybrook Realty and a dealing representative of the Lead Agent.
Karl Brady	Currently: performs the duties of the Chief Financial Officer of Greybrook Realty and its affiliates, including the Lead Agent and Greybrook Capital Inc. since January 2018. Previously: Senior Vice President, Finance of Greybrook Realty and its affiliates, including the Lead Agent and Greybrook Capital Inc., from April 2017 to January 2018; and Director of Finance at Centurion Asset Management Inc. from September 2013 to April 2017.

For additional information on the management of the Partnership, see the section entitled “*Management of the Partnership*” in the OM.

3.3 Penalties, Sanctions and Bankruptcy

No trustee, director, executive officer or control person of the Trust or the Administrator has in the last 10 years: (i) been subject to any penalties, sanctions or cease trade orders; (ii) been a director, executive officer or control person of an issuer that has been subject to any penalties, sanctions or cease trade orders while such director, executive officer or control person was a director, executive officer or control person of such issuer; (iii) made any 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; or (iv) been a director, executive officer or control person of an issuer that has made any 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 while such trustee, director, executive officer or control person was a trustee, director, executive officer or control person of such issuer.

3.4 Loans – There are no outstanding debentures or loans to or from the directors, management, promoters or principal holders of the Trust, the Partnership, the General Partner or the Administrator.

Item 4: Capital Structure

4.1 Trust Units

Description of security	Number authorized to be issued	Price per security	Number outstanding as at May 10, 2019	Number outstanding after min. offering	Number outstanding after max. offering
Class A Trust Units	Unlimited	\$100	1 ⁽¹⁾	40,000 ⁽¹⁾⁽²⁾⁽³⁾	Up to 387,500 ⁽¹⁾⁽²⁾⁽⁴⁾
Class B Trust Units	Unlimited	US\$100	0		

Notes:

- (1) Immediately after the initial closing of the Trust Units Offering, Peter Politis, the settlor of the Trust, shall sell, to the Trust, at a purchase price of \$100 and for cancellation, the initial Class A Trust Unit issued to him upon the settling of the Trust.
- (2) The aggregate Trust Units Offering amount is denominated in Canadian dollars. All subscription proceeds from the sale of Class B Trust Units will be converted to Canadian dollars at the Closing Exchange Rate. Consequently, the capital contribution for each Class B Trust Unit is stated in Canadian dollars, and the percentage ownership interest in the Trust represented by each Class B Trust Unit will depend on the Closing Exchange Rate.
- (3) Accounting for the conversion of the proceeds of the sale of Class B Trust Units at the Closing Exchange Rate, a minimum of \$4,000,000 of at least one class of Trust Units will be outstanding after the Trust Units Offering is completed.
- (4) Accounting for the conversion of the proceeds of the sale of Class B Trust Units at the Closing Exchange Rate, a maximum of \$38,750,000 of Trust Units will be outstanding after the Trust Units Offering is completed.

For a summary of certain material terms of the Trust Units under the Declaration of Trust, including certain redemption rights, see the section entitled “*Redemption and Repurchase of Trust Units*” in Schedule “A” to the OM.

4.2 Long Term Debt Securities

Not applicable.

4.3 Prior Sales

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
May 10, 2019	Class A Trust Unit	1 ⁽¹⁾	\$100	\$100

Note:

- (1) Immediately after the initial closing of the Trust Units Offering, Peter Politis, the settlor of the Trust, shall sell to the Trust, at a purchase price of \$100 and for cancellation, the initial Class A Trust Unit issued to him upon the settling of the Trust.

Item 5: Securities Offered

5.1 Terms of Securities – See the sections entitled “*Issuance of Trust Units*”, “*Term of the Trust*”, “*Transfer of Trust Units*” and “*Redemption and Repurchase of Trust Units*” in Schedule “A” to the OM. See the sections entitled “*The Partnership Agreement – Units*” and “*The Partnership Agreement – Restrictions on Transfers of Units*” in the OM.

5.2 Subscription Procedure – To subscribe for the Trust Units, complete the subscription agreement that accompanies this Offering Memorandum (the “**Subscription Agreement**”).

Any obligation of the Trust to sell Trust Units to the purchaser is subject to: (a) the receipt and acceptance of subscriptions (by the Administrator, on behalf of the Trust) for a minimum of 40,000 Trust Units, in a class of Trust Units, in aggregate in the Trust Units Offering (subject to the setting of a lower minimum number by the Administrator, acting in its sole discretion) from at least 160 separate subscribers in a class of Trust Units on or prior to July 9, 2019, or such earlier or later date as may be agreed upon by the Administrator, on behalf of the Trust, and the Lead Agent, with each subscriber subscribing for at least 10 Trust Units in a class of Trust Units; (b) provided all of the requirements contained in subsection (a) are satisfied, the closing of the Trust Units Offering (and, in the event that there should occur more than one closing of the Trust Units Offering, the initial closing of the Trust Units Offering) taking place concurrently with the closing of the Offering (and, in the event that there should occur more than one closing of the Offering, the initial closing of the Offering); (c) the performance by the purchaser of its covenants under and in accordance with the Subscription Agreement; (d) the truth, at the time of acceptance and on the date of the Trust Units Offering Closing, of the purchaser’s representations and warranties in the Subscription Agreement; (e) the trade of the purchased Trust Units to the purchaser being exempt from the prospectus requirements of applicable securities laws, including, without limitation, National Instrument 45-106 — *Prospectus Exemptions (“NI 45-106”)*; and (f) the purchaser executing and delivering all requisite documentation as required by the Subscription Agreement and applicable securities laws with respect to the purchased Trust Units.

See the section entitled “*Subscription Procedure*” in Schedule “A” to the OM.

Item 6: Income Tax Consequences and RRSP Eligibility

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

6.2 See the sections entitled “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans – Status of the Trust*”, “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans – Taxation of the Partnership*” and

“*Taxation of Unitholders*” in Schedule “A” to the OM prepared by Cassels Brock & Blackwell LLP.

6.3 See the section entitled “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans – Eligibility for Investment*” in Schedule “A” to the OM prepared by Cassels Brock & Blackwell LLP.

Item 7: Compensation Paid to Sellers and Finders – See the sections entitled “*Selling Commissions*” and “*Use of Proceeds*” in Schedule “A” to the OM. See the section entitled “*Plan of Distribution – Agents’ Fee and Expenses*” in the OM. See item 1.1.

Item 8: Risk Factors – See the section entitled “*Risks Related to Investing in Trust Units*” in Schedule “A” to the OM. See the section entitled “*Risk Factors*” in the OM.

Item 9: Reporting Obligations

9.1 See the section entitled “*Reporting Obligations*” in Schedule “A” to the OM. See the section entitled “*The Partnership Agreement – Reporting to Limited Partners*” in the OM.

9.2 Not applicable.

Item 10: Resale Restrictions

10.1 General Statement – For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan, Trust Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, a holder of Trust Units will not be able to trade the Trust Units unless he, she or it complies with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period – For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan, unless permitted under securities legislation, a holder of Trust Units cannot trade the Trust Units before the date that is 4 months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions – For trades in Manitoba, unless permitted under securities legislation, a holder of Trust Units must not trade the Trust Units without the prior written consent of the regulator in Manitoba unless (a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the Trust Units purchased hereunder and the regulator in Manitoba has issued a receipt for that prospectus, or (b) the holder of Trust Units has held the Trust Units for at least 12 months. The regulator in Manitoba will consent to the trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Item 11: Purchasers’ Rights

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

(1) Two Day Cancellation Right – You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the securities.

(2) Statutory Rights of Action in the Event of a Misrepresentation – Purchasers in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan:

If there is a misrepresentation in this Offering Memorandum, you have a statutory right in all of the above provinces to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust and against the Trustee.

In addition, in all of the above provinces (except for Ontario), you also have a statutory right to sue for damages against (i) the Administrator, (ii) Peter Politis, as Chief Executive Officer and Secretary of the Administrator, and (iii) Karl Brady, as Chief Financial Officer of the Administrator.

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. Other than in Nova Scotia, you must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. Other than in Nova Scotia, you must commence your action for damages within the earlier of (i) 180 days (other than in Saskatchewan and New Brunswick, in which case it is one year) from the day that you first had knowledge of the misrepresentation, or (ii) three years (other than in Saskatchewan and New Brunswick, in which case it is six years, and other than in Manitoba, in which case it is two years) after the date of the transaction that gave rise to the cause of action. In Nova Scotia, you must commence your action to cancel the agreement or your action for damages within 120 days after the date on which payment was made for the securities.

The rules are described in greater detail in Appendix A of this Offering Memorandum.

Item 12: Financial Statements

The financial statements of the Trust are set out below. Attached hereto as Appendix B and forming part of this Offering Memorandum are the financial statements of the Partnership and the General Partner.

Financial Statements of:

**THE GREYBROOK YORKVILLE III
TRUST**

May 10, 2019 (date of declaration)
(In Canadian dollars)

Independent Auditor's Report

To the Trustee of The Greybrook Yorkville III Trust:

Opinion

We have audited the financial statements of The Greybrook Yorkville III Trust ("the Trust"), which comprise the statement of financial position as at May 10, 2019, and the statements of changes in partners' equity and cash flows for the period from May 10, 2019 (date of declaration) to May 10, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Greybrook Yorkville III Trust as at May 10, 2019, and their financial performance and their cash flows for the period from April 23, 2019 (date of declaration) to May 10, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust 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.

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

Toronto, Ontario
May 10, 2019

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

THE GREYBROOK YORKVILLE III TRUST

Statement of Financial Position
(In Canadian dollars)

As at May 10, 2019

Assets

Cash and cash equivalents	\$ 100
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Net assets available for Redeemable Unitholders	\$ 100
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Commitments and indemnities (note 5)

Approved on behalf of the Trust:

Administrator, Greybrook Realty Partners

The accompanying notes are an integral part of these financial statements.

THE GREYBROOK YORKVILLE III TRUST

Statement of Unitholders' Equity
(In Canadian dollars)

Period from May 10, 2019 (date of declaration) to May 10, 2019

Net assets available for redeemable unitholders, beginning of period	\$	–
Settlement of Trust		100
Net assets available for redeemable unitholders, end of period	\$	100

The accompanying notes are an integral part of these financial statements.

THE GREYBROOK YORKVILLE III TRUST

Statement of Cash Flows
(In Canadian dollars)

Period from May 10, 2019 (date of declaration) to May 10, 2019

Cash provided by:

Financing activities:

Settlement of Trust	\$ 100
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Increase in cash and cash equivalents, being cash and cash equivalents, end of period	\$ 100
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The accompanying notes are an integral part of these financial statements.

THE GREYBROOK YORKVILLE III TRUST

Notes to Financial Statements
(In Canadian dollars)

Period from May 10, 2019 (date of declaration) to May 10, 2019

The Greybrook Yorkville III Trust (the "Trust") was created under the laws of Alberta on May 10, 2019 for the purposes of investing the proceeds of the amounts subscribed for the purchase of units in the Limited Partnership ("Partnership"). The Partnership was created to acquire and develop property in Toronto, Ontario. Pursuant to the limited partnership agreement with its general partnership, Greybrook Yorkville III GP Inc. The principal, registered and head office of the Trust is located at 890 Yonge St, 7th floor, Toronto, ON.

Computershare Trust Company of Canada serves as the Trustee and Greybrook Realty Partners Inc. ("Greybrook Realty"), a related party and affiliate of the General Partner, serves as the Administrator.

1. Basis of presentation:

The financial statements of the Trust have been prepared on a historical cost basis. The Trust has had no operating activities since formation and accordingly, a statement of operations and comprehensive income has not been prepared. These financial statements are expressed in Canadian dollars, which is also the functional currency.

2. Statement of compliance:

The financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and using the accounting policies described herein.

These financial statements were approved by the Trustee and authorized for issue on May 10, 2019.

3. Significant accounting policies:

Cash and cash equivalents:

Cash consists of cash on hand and unrestricted cash. Cash equivalents consist of highly liquid marketable investments with an original maturity date of 90 days or less from the date of acquisition. As at May 10, 2019, there were no cash equivalents.

Income taxes

The Trust intends to qualify as a mutual fund trust under the Income Tax Act (Canada). All of the Trust's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders, such that no income tax is payable by the Trust. As a result, the Trust does not expect to record income taxes.

THE GREYBROOK YORKVILLE III TRUST

Notes to Financial Statements
(In Canadian dollars)

Period from May 10, 2019 (date of declaration) to May 10, 2019

3. Significant accounting policies (continued):

Fair value

The Trust measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following is a summary of significant categories of financial instruments outstanding at May 10, 2019:

Cash - Fair value through profit or loss

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Trust determines fair values using valuation techniques. Cash is assessed as a level 1 financial instrument.

Future accounting standards

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended May 10, 2019, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Trust.

THE GREYBROOK YORKVILLE III TRUST

Notes to Financial Statements
(In Canadian dollars)

Period from May 10, 2019 (date of declaration) to May 10, 2019

4. Net assets available for redeemable unitholders:

The Trust is authorized to issue an unlimited number of trust units at the sole discretion of the trustee. Upon declaration of the Trust, the settlor, Mr. Peter Politis, contributed \$100 cash to the Trust. The Trust intends to sell a total of \$38,750,000 in class A units of the Trust ("Class A Trust Units") and class B units of the Trust ("Class B Trust Units") for an offering price of \$100 per Class A Trust Unit and US\$100 per Class B Trust Unit, on a private placement basis, under a confidential offering memorandum (the "Trust Units Offering").

Distributions of cash and other assets of the Trust shall be made at such times and in such amounts as the Trustee may determine. The Trust units are redeemable at the option of the holder at a price of 95% of the then fair market value less a 2% redemption fee, in Canadian dollars in the case of the Class A Trust Units, and an equivalent amount in U.S. dollars based on the Prevailing Exchange Rate, in the case of the Class B Trust Units, subject to certain conditions. The Trust, at its discretion, will have the right to repurchase units for cancellation for \$100 per unit.

5. Commitments and indemnities:

The Declaration of Trust provides the Trustee and its directors, officers, employees and agent, and all of their respective representatives, heirs, successors and assigns, with full indemnification, out of the Trust's assets, in respect certain conditions. The indemnification will not be available to the Trustee if any of the conditions arise out of the Trustee's gross negligence, willful misconduct or fraud. The indemnification will survive the termination of the Trust and the resignation or removal of the Trustee. The Administrator has also provided, or will provide, an indemnity to the Trustee. In addition, the Declaration of Trust contains provisions that limit the Trustee's liability. Pursuant to the Administration and Agency Agreements, the Trust provides indemnities to the Administrator and Agent.

Item 13: Date and Certificate

Dated May 10, 2019

This offering memorandum, including the OM, does not contain a misrepresentation.

Greybrook Realty Partners Inc., as administrator of the Trust

(signed) "*Peter Politis*"

Chief Executive Officer of Greybrook Realty Partners Inc., the administrator of the Trust, and on behalf of the Trust

(signed) "*Karl Brady*"

Chief Financial Officer of Greybrook Realty Partners Inc., the administrator of the Trust, and on behalf of the Trust

***On behalf of the board of directors of Greybrook Realty Partners Inc.,
the administrator of the Trust***

(signed) "*Peter Politis*"

Sole Director

(signed) "*Karl Brady*"

Chief Financial Officer

APPENDIX A

Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides purchasers of securities pursuant to an offering memorandum (such as this Offering Memorandum) with certain statutory rights of action, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a Misrepresentation. Where used below, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by you within the time limits prescribed by applicable securities legislation. These rights are summarized below.

Alberta

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

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

- (f) no person or company (other than the issuer) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or
 - (ii) believed there had been a Misrepresentation;
- (g) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and
- (h) the defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation;

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

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

British Columbia

Section 132.1 of the *Securities Act* (British Columbia) provides that where an offering memorandum (such as this Offering Memorandum), which is required to be delivered to a purchaser of a security under section 2.9 of NI 45-106, contains a Misrepresentation, an investor who purchases a security offered by the offering memorandum is deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase, and has a right of action for damages against:

- (a) the issuer;
- (b) every director of the issuer at the date of the offering memorandum; and
- (c) every person who signed the offering memorandum.

The investor may elect to exercise a right of rescission against the issuer, in which case the investor has no right of action for damages against the issuer.

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

- (a) a person will not be liable if the person proves that the investor had knowledge of the Misrepresentation;
- (b) a person, other than the issuer, will not be liable if the person proves that:

- (i) the offering memorandum was delivered to investors without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge or consent,
 - (ii) on becoming aware of any Misrepresentation in the offering memorandum, the person withdrew the person's consent to the offering memorandum and gave written notice to the issuer of the withdrawal and the reason for it, or
 - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (c) a person, other than the issuer, will not be liable if the person proves that any part of the offering memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
- (d) in an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of securities resulting from the Misrepresentation;
- (e) a person is not liable for a Misrepresentation in forward-looking information if the person proves that:
- (i) the offering memorandum containing the forward-looking information contained, proximate to that information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
 - (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Section 140 of the *Securities Act* (British Columbia) provides that an action to enforce a civil remedy must not be commenced:

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

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

Manitoba

Section 141.1 of the *Securities Act* (Manitoba) provides that where an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a purchaser who purchases securities shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase and has:

- (a) a right of action for damages against:
 - (i) the issuer;
 - (ii) every director of the issuer at the date of the offering memorandum; and
 - (iii) every person or company who signed the offering memorandum; and
- (b) a right of rescission against the issuer.

If a purchaser elects to exercise the right of rescission referred to in paragraph (b) above, the purchaser shall have no right of action for damages against the issuer or a person or company referred to in paragraph (a) above.

This statutory right of action is available to investors resident in Manitoba whether or not such purchaser relied on the Misrepresentation. However, there are various defences available to the issuer and any selling security holder(s). One such defence is that no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

If the purchaser intends to rely on the rights described in paragraphs (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence an action for rescission within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

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

New Brunswick

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

- (a) the purchaser has a right of action for damages against:

- (i) the issuer;
 - (ii) the selling security holder on whose behalf the distribution was made;
 - (iii) every person who was a director of the issuer at the date of the offering memorandum;
 - (iv) every person who signed the offering memorandum; or
- (b) if the purchaser purchased the securities from a person referred to in subparagraph (a)(i) or (ii) above, the purchaser may elect to exercise a right of rescission against the person referred to in that subparagraph, in which case the purchaser shall have no right of action for damages against the person.

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the Misrepresentation. However, there are various defences available to the issuer and the selling security holder(s). One such defence is that no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

If the purchaser intends to rely on the rights described in paragraphs (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence an action for rescission within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

- (a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or
- (b) six years after the date of the transaction that gave rise to the cause of action.

Newfoundland and Labrador and Prince Edward Island

In Newfoundland and Labrador, the *Securities Act* (Newfoundland and Labrador) and in Prince Edward Island, the *Securities Act* (Prince Edward Island) provide a statutory right of action for damages or rescission to purchasers resident in Newfoundland and Labrador and Prince Edward Island, respectively, in circumstances where an offering memorandum (such as this Offering Memorandum) or an amendment hereto contains a Misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

Nova Scotia

The right of action for damages or rescission described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 of the *Securities Act* (Nova Scotia) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to

certain additional defences, every director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, while still the owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

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

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

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

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

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

Ontario

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

- (a) if the investor exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer;
- (b) the issuer will not be liable if they prove that the investor purchased the securities with knowledge of the Misrepresentation;
- (c) the issuer will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered.

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

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

This Offering Memorandum is also being delivered to Ontario investors in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the “**accredited investor exemption**”). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective investor in connection with a distribution made in reliance on the accredited investor exemption if the prospective investor is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);

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

Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the “**Saskatchewan Act**”) provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to an investor and it contains a Misrepresentation, an investor who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or has a right of action for damages against:

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

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

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

- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the investor purchased the securities with knowledge of the Misrepresentation.

In addition, no person or company, other than the issuer, will be liable if the person or company proves that:

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

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

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

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

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

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

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

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

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

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

* * *

The foregoing summary is subject to the express provisions of the securities legislation referred to above and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which an issuer may rely.

The statutory rights of action discussed above are in addition to, and without derogation from, any other right or remedy which investors may have at law.

APPENDIX B
Financial Statements of the Partnership and the General Partner

See attached.

Financial Statements of:

**GREYBROOK YORKVILLE III
LIMITED PARTNERSHIP**

For the period from April 23, 2019 (date of formation)
to May 10, 2019
(In Canadian dollars)

Independent Auditor's Report

To the Partners of Greybrook Yorkville III Limited Partnership:

Opinion

We have audited the financial statements of Greybrook Yorkville III Limited Partnership ("the Partnership"), which comprise the statement of financial position as at May 10, 2019, and the statements of changes in partners' equity and cash flows for the period from April 23, 2019 (date of formation) to May 10, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greybrook Yorkville III Limited Partnership as at May 10, 2019, and their financial performance and their cash flows for the period from April 23, 2019 (date of formation) to May 10, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership 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.

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

Toronto, Ontario
May 10, 2019

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Statement of Financial Position
(In Canadian dollars)

As at May 10, 2019

Assets

Cash	\$	100
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Partners' Equity (note 5)	\$	100
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	\$	100
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Commitments and indemnities (Note 6)

Approved on behalf of the Limited Partnership by the General Partner on May 10, 2019:

General Partner, Greybrook Yorkville III GP Inc.

The accompanying notes are an integral part of these financial statements.

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Statement of Changes in Partners' Equity
(In Canadian dollars)

For the period from April 23, 2019 (date of formation) to May 10, 2019

Partners' equity, beginning of period	\$	-
Initial capital contribution		100
Partners' equity, end of period	\$	100

The accompanying notes are an integral part of these financial statements.

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Statement of Cash Flows
(In Canadian dollars)

For the period from April 23, 2019 (date of formation) to May 10, 2019

Cash provided by:

Financing activities:

Contributions	\$	100
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Change in cash	\$	100
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Cash, beginning of period		-
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Cash, end of period	\$	100
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The accompanying notes are an integral part of these financial statements.

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Notes to Financial Statements
(In Canadian dollars)

For the period from April 23, 2019 (date of formation) to May 10, 2019

Greybrook Yorkville III Limited Partnership (the "Partnership") was formed on April 23, 2019 as a Manitoba limited partnership. A limited partnership agreement (the "Limited Partnership Agreement") was registered and dated as of April 23, 2019 and amended and restated on May 10, 2019. The general partner of the Partnership is Greybrook Yorkville III GP Inc. (the "General Partner") which holds a 0.001% undivided interest in the Partnership. The initial limited partner of the Partnership is an individual resident in the Province of Ontario (the "Limited Partner"). The head office of the Partnership is located at 890 Yonge St, 7th floor, Toronto, ON. The registered office of the General Partner is 360 Main Street, 30th Floor Commodity Exchange Tower, Winnipeg, Manitoba.

The Partnership has been formed primarily to acquire a 33⅓% beneficial interest in a property, totaling approximately 0.72 acres located at 140 Yorkville Avenue and 33 Avenue Road in the City of Toronto, Province of Ontario. The Partnership seeks to acquire certain air and subsurface rights in 136 Yorkville Avenue, the eastern adjoining property; and to use the Property to develop and sell an ultra-luxury high-rise residential condominium building, which will include a lower level commercial component.

1. Basis of presentation:

The financial statements of the Partnership have been prepared on a historical cost basis. The Partnership has had no operating activities since formation and accordingly, a statement of operations and comprehensive income has not been prepared. These financial statements are expressed in Canadian dollars, which is also the functional currency.

2. Statement of compliance:

The financial statements of the Partnership have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and using the accounting policies described herein.

These financial statements were approved by the General Partner of the Partnership and authorized for issue on May 10, 2019.

3. Significant accounting policies:

Adoption of narrow-scope amendments to International Accounting Standard ("IAS") 1, Presentation of Financial Statements:

The Partnership has adopted the amended IAS 1, which emphasizes materiality by clarifying that specific and single disclosures that are not material do not have to be presented even if they area minimum requirement of a standard.

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Notes to Financial Statements
(In Canadian dollars)

For the period from April 23, 2019 (date of formation) to May 10, 2019

3. Significant accounting policies (continued):

Cash:

Cash consists of cash on hand and unrestricted cash. Cash equivalents consist of highly liquid marketable investments with an original maturity date of 90 days or less from the date of acquisition. As at May 10, 2019, there were no cash equivalents.

Income taxes:

These financial statements include the assets and liabilities and results of operations of the Partnership and do not include the assets, liabilities, revenue and expenses of the Limited Partner. Income taxes are not eligible at the Partnership level and, accordingly, no provision is recorded in these financial statements.

Fair value:

The Partnership measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following is a summary of significant categories of financial instruments outstanding at May 10, 2019:

Cash	Fair value through profit or loss
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Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Partnership determines fair values using valuation techniques. Cash is assessed as a level 1 financial instrument.

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Notes to Financial Statements
(In Canadian dollars)

For the period from April 23, 2019 (date of formation) to May 10, 2019

3. Significant accounting policies (continued):

Future accounting standards:

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended May 10, 2019 and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Partnership.

4. The Project:

The Partnership will invest and participate in a real estate development co-ownership with FCR (140 Yorkville) LP ("First Capital") and BMO Private Equity (Canada) Inc. ("BMOPE"). The purpose of the Co-Ownership will be to acquire and own the property, measuring approximately 0.72 acres in aggregate, located at 140 Yorkville Avenue and 33 Avenue Road, City of Toronto, Province of Ontario (collectively, the "Property")

The Partnership intends to acquire certain air and subsurface rights in 136 Yorkville Avenue, the eastern adjoining property and to use the Property to develop and sell an ultra-luxury high-rise residential condominium building, which will include a lower level commercial component.

The Development Managers, First Capital Asset Management LP and Greybrook Development Inc. will be entitled to collect a development fee of 2% of Total Gross Revenue Proceeds plus harmonized sales tax as consideration for its day-to-day development management duties. The Development Fee will be payable in instalments, with the first instalment being paid on the date of the first construction loan advance for the Project. The balance of the Development Fee is payable in equal monthly instalments over the projected construction period for the Project, in instalment amounts determined by the cost consultant and adjusted from time to time based on the development and construction schedule, and the actual Total Gross Revenue Proceeds. Except upon termination of the engagement of either the Greybrook Development Manager or the FCR Development Manager, the Development Fee will be paid to the Greybrook Development Manager and the FCR Development Manager in equal fifty percent (50%) proportions.

5. Partners' equity:

The Partnership is authorized to issue up to 387,500 Limited Partnership Units ("Units") at the sole discretion of the General Partner (the "Offering"). Units consist of class A units of limited partnership interest in the Partnership ("Class A Units"), class B units of limited partnership interest in the Partnership ("Class B Units") and class C units of limited partnership interest in the Partnership ("Class C Units"). Class A Units and Class C Units are denominated in Canadian dollars, and Class B Units are denominated in US dollars. The Partnership will convert all proceeds of sale of Class B Units to Canadian dollars on the date of closing of the Offering. Upon formation of the Partnership, the initial Limited Partner contributed \$99.99 which will be cancelled following the completion of the offering.

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Notes to Financial Statements
(In Canadian dollars)

For the period from April 23, 2019 (date of formation) to May 10, 2019

5. Partners' equity (continued):

The General Partner is authorized to effect cash distributions on the Units in its sole discretion once the Partnership has received sufficient funds in respect of the Project to commence making such distributions. Limited Partners who hold Class A Units or Class C Units shall receive distributions in Canadian dollars. Limited Partners who hold Class B Units shall receive distributions in US dollars. The Limited Partnership Units are the most subordinate form of equity and accordingly are classified as equity.

The net income or loss of the Partnership for each fiscal year will be allocated among the General Partner and the Limited Partner as follows:

- (a) first, 0.001% of the net income or loss for the fiscal year will be allocated to the General Partner, to a maximum of \$100; and
- (b) second, the balance of the net income or loss for the fiscal year will be allocated to Limited Partners on a *pro rata* basis, in accordance with their *pro rata* participation in distributions of the Partnership.

6. Commitments and indemnities:

- (a) Greybrook Realty fees:

The Partnership will pay the following fees to Greybrook Realty Partners Inc., ("Greybrook Realty") for services rendered to the Partnership, and to be rendered to the Partnership in the future, by Greybrook Realty pursuant to three separate services agreements, between Greybrook Realty and the Partnership (collectively, the "Greybrook Realty Services Agreements"):

- (ii) a fee of 3% of the subscription price per Unit (being \$3, in the case of a Class A Unit, and US\$3, in the case of a Class B Unit (converted into Canadian dollars at the Closing Exchange Rate)), which fee will be paid at the Offering Closing (or if there is more than one closing of the Offering, at each such closing in respect of Units sold in such closing) (the "Structuring Fee"); plus on the completion of the Project, an amount equal to 5% of the Project's profits payable to the Partnership, following the return, in full, of each Co-Owner's capital contribution (such amount, the "Success Fee"); and
- (iii) a fee of \$550,000, plus any applicable taxes, for the provision of, among other services, cash distribution management, record keeping, internal audit, compliance, investor relations and administration services and for Greybrook Realty's agreement to cover the expenses of the Trust and the Sub-Trust (the "Cash Distribution Services Fee") payable on the closing of the offering (or in the event that there should be more than one closing of the offering, the first such closing).

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP

Notes to Financial Statements
(In Canadian dollars)

For the period from April 23, 2019 (date of formation) to May 10, 2019

6. Commitments and indemnities (continued):

(b) Offering and maintenance costs agreement:

The Partnership entered into an agreement with Greybrook Realty (the "Offering and Maintenance Costs"). Pursuant to the Offering and Maintenance Costs Agreement, Greybrook Realty has agreed to pay the offering and maintenance costs excluding the future and ongoing costs of the Partnership's maintenance and operations (the "Syndication Costs"), for and on behalf of the Partnership, regardless of the amount of the Offering and Maintenance Costs, provided that the Partnership remit to Greybrook Realty Partners Inc. the excess, if any, of the amount budgeted by the Partnership for the Offering and Maintenance Costs over their actual amount. The Partnership has budgeted \$250,000 for the Syndication Costs.

(c) Agency agreement:

The Partnership has entered into an agency agreement (the "Agency Agreement") with Greybrook Securities Inc. (the "Agent"), a related party to the Partnership by virtue of common ownership, pursuant to which the Agent agreed to act as placement agent for the Partnership. For such placement agency services, the Partnership will pay the Agent the following amounts: (i) a selling commission of \$8 for each Unit sold in the Offering (which represents 8% of the subscription price per unit); or \$3,100,000 in aggregate for the sale of the \$38,750,000 of Units offered in the Offering and (ii) \$91,667 in respect of costs and offering expenses incurred by the Agent in connection with the offering.

(d) Indemnities:

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

Financial Statements of:

GREYBROOK YORKVILLE III GP INC.

Period from April 17, 2019 (date of incorporation)
to May 10, 2019
(In Canadian dollars)

Independent Auditor's Report

To the Shareholder of Greybrook Yorkville III GP Inc.:

Opinion

We have audited the financial statements of Greybrook Yorkville III GP Inc. ("the Company"), which comprise the statement of financial position as at May 10, 2019, and the statements of changes in shareholder's equity and cash flows for the period from April 17, 2019 (date of incorporation) to May 10, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greybrook Yorkville III GP Inc. as at May 10, 2019, and their financial performance and their cash flows for the period from April 17, 2019 (date of formation) to May 10, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

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

Toronto, Ontario
May 10, 2019

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

GREYBROOK YORKVILLE III GP INC.

Statement of Financial Position
(In Canadian dollars)

As at May 10, 2019

Assets	
Cash	\$ 99.99
Investment in Greybrook Yorkville III Limited Partnership	0.01
	<hr/> \$ 100
Shareholder's Equity (Note 4)	
Share capital	\$ 100
	<hr/> \$ 100

Approved by the Director:

Director

The accompanying notes are an integral part of these financial statements.

GREYBROOK YORKVILLE III GP INC.

Statement of Changes in Shareholder's Equity
(In Canadian dollars)

Period from April 17, 2019 (date of incorporation) to May 10, 2019

	Common Shares	
Shareholder's equity, beginning of period	\$	–
Common shares issued		100
Shareholder's equity, end of period	\$	100

The accompanying notes are an integral part of these financial statements.

GREYBROOK YORKVILLE III GP INC.

Statement of Cash Flows
(In Canadian dollars)

Period from April 17, 2019 (date of incorporation) to May 10, 2019

Cash provided by (used in):

Investing activities:

Investment in Greybrook Yorkville III Limited Partnership	\$ (0.01)
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Financing activities:

Issuance of common shares	100
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Cash, end of period	\$ 99.99
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The accompanying notes are an integral part of these financial statements.

GREYBROOK YORKVILLE III GP INC.

Notes to the Financial Statements
(In Canadian dollars)

Period from April 17, 2019 (date of incorporation) to May 10, 2019

Greybrook Yorkville III GP Inc. (the "Company") was incorporated on April 17, 2019 under the laws of the Province of Ontario. The principal, registered and head office of the Company is located at 890 Yonge Street, 7th Floor, Toronto, Ontario.

The Company has been formed primarily to operate as the General Partner for Greybrook Yorkville III Limited Partnership, a Manitoba Limited Partnership, which was formed in order to invest and participate in a real estate development project in the City of Toronto, Ontario, Canada to acquire and develop property for sale.

1. Basis of presentation:

The financial statements of the Company have been prepared on a historical cost basis. The Company has had no operating activities since formation and accordingly, a statement of operations and comprehensive income has not been prepared. These financial statements are expressed in Canadian dollars, which is also the functional currency.

2. Statement of compliance:

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and using the accounting policies described herein.

These financial statements were approved by the Board of Directors of the Company and authorized for issue on May 10, 2019.

3. Significant accounting policies:

Adoption of narrow-scope amendments to International Accounting Standard ("IAS") 1, Presentation of Financial Statements:

The Company adopted the amended IAS 1, which emphasizes materiality by clarifying that specific and single disclosures that are not material do not have to be presented even if they are a minimum requirement of a standard.

Cash:

Cash and cash equivalents consists of cash on hand and unrestricted cash. Cash equivalents consist of highly liquid marketable investments with an original maturity date of 90 days or less from the date of acquisition. As at May 10, 2019, there are no cash equivalents.

Investment in Greybrook Yorkville III Limited Partnership:

The Company accounts for its investment in Greybrook Yorkville III Limited Partnership (the "Partnership") using the cost method of accounting as it is only able to recover up to \$100.

GREYBROOK YORKVILLE III GP INC.

Notes to the Financial Statements
(In Canadian dollars)

Period from April 17, 2019 (date of incorporation) to May 10, 2019

3. Significant accounting policies (continued):

Financial instruments:

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following is a summary of significant categories of financial instruments outstanding at May 10, 2019:

Cash	Fair value through profit or loss
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Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using valuation techniques. Cash is assessed as a level 1 financial instrument.

Future accounting standards

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended May 10, 2019 and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Company.

GREYBROOK YORKVILLE III GP INC.

Notes to the Financial Statements
(In Canadian dollars)

Period from April 17, 2019 (date of incorporation) to May 10, 2019

4. Shareholder's equity:

Shareholder's equity of the Company is as follows:

Authorized:

Unlimited common shares without par value

Issued and outstanding:

100 common shares

\$ 100

All issued common shares are held by Greybrook Realty Partners Inc., a related corporation which is governed by common management.

APPENDIX C
Confidential Offering Memorandum

See attached.

CONFIDENTIAL OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or an advertisement for a public offering of these securities. No securities commission or similar authority in Canada or elsewhere has in any way passed upon the merits of the securities offered in this Offering Memorandum and any representation to the contrary is an offence. Persons who acquire securities pursuant to this Offering Memorandum will not have the benefit of the review of this document by any securities commission or similar authority.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, investors agree that they will not transmit, reproduce or make available to any person, other than their professional advisors, this Offering Memorandum or any of the information contained herein. No person has been authorized to give any information or to make any representations about the Partnership not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon by any investor.

New Issue
By way of Private Placement

May 10, 2019

Offering of \$38,750,000 of Units of Limited Partnership Interest in

GREYBROOK YORKVILLE III LIMITED PARTNERSHIP
(A limited partnership established under the laws of Manitoba)

\$100 per Class A Unit and US\$100 per Class B Unit

The Offering

Greybrook Yorkville III GP Inc. (the "**General Partner**") is the general partner of Greybrook Yorkville III Limited Partnership (the "**Partnership**"), a limited partnership formed under the laws of the Province of Manitoba. A total of \$38,750,000 of units of limited partnership interest in the Partnership ("**Units**") are offered, on a private placement basis, under this Offering Memorandum (the "**Offering**") to investors resident in each of the provinces of Canada (collectively, the "**Provinces**") through Greybrook Securities Inc., the lead placement agent for the Offering (the "**Lead Agent**") or through other dealers appointed by the Partnership that are acceptable to the Lead Agent (the "**Co-Agents**") or through other dealers appointed by the Lead Agent, all of which other dealers shall be permitted under applicable securities laws to offer and sell Units in the Provinces. **All dollar amounts in this Offering Memorandum are in Canadian dollars, unless otherwise indicated.** References to "**Canadian dollars**" and "**\$**" are references to the currency of Canada, and references to "**US dollars**" and "**US\$**" are references to the currency of the United States of America (the "**United States**" or "**US**").

Units consist of class A units of limited partnership interest in the Partnership ("**Class A Units**"), class B units of limited partnership interest in the Partnership ("**Class B Units**") and class C units of limited partnership interest in the Partnership ("**Class C Units**"). Class A Units and Class C Units are denominated in Canadian dollars, and Class B Units are denominated in US dollars. The minimum subscription amount is 250 Class A Units, at an offering price of \$100 per Class A Unit or \$25,000 in aggregate, or 250 Class B Units, at an offering price of US\$100 per Class B Unit or US\$25,000 in aggregate, payable by certified cheque, bank draft or wire transfer. The Partnership has the right, at its sole discretion, to accept a subscription which is for less than the minimum subscription amount. The Partnership will issue Class C Units only to The Greybrook Yorkville III Trust, a limited purpose trust that was formed under the laws of the Province of Alberta (the "**Trust**"), and a mutual fund trust, in connection with the offering of units of the Trust ("**Trust Units**") described in Schedule "A" "*The Greybrook Yorkville III Trust*", which will take place concurrently with the Offering. Class C Units are not available to the public

and will be sold exclusively to the Trust. See “*The Partnership*” for more information about the sale of Class C Units to the Trust.

The Partnership will convert all proceeds of sale of Class B Units to Canadian dollars on the date of closing of the Offering (the “**Offering Closing Date**”) (and if there is more than one closing of the Offering, on each date of closing). The percentage ownership interest in the Partnership of a holder of Class B Units, therefore, will depend on the exchange rate at which the proceeds of sale of Class B Units will be converted to Canadian dollars on the Offering Closing Date (and if there is more than one closing of the Offering, on each date of closing). Similarly, the Partnership will convert, from Canadian dollars to US dollars, all distributions, if any, made by it to a holder of Class B Units immediately prior to distribution. Accordingly, the ultimate return on investment, if any, of a holder of Class B Units will depend on the exchange rate at which such conversion is made (referred to in this Offering Memorandum as the “**Prevailing Exchange Rate**”), and a holder of Class B Units will be exposed to currency fluctuation. There can be no assurance as to the Prevailing Exchange Rate at any given time. See “*Risk Factors — Risks Relating to Investing in Units — Currency Conversion*”.

The aggregate amount of the Offering of \$38,750,000 includes the amount of the proceeds of sale of Class B Units in the Offering following their conversion to Canadian dollars on the Offering Closing Date (and if there is more than one closing of the Offering, on each date of closing).

A maximum of \$3,875,000, in aggregate, of Class A Units and Class B Units (collectively, “**Allocated Units**”), representing 10% of the size of the Offering, has been reserved for allocation for purchase by staff members, friends and family members of Greybrook Realty Partners Inc. (“**Greybrook Realty**”) and of the Lead Agent. Greybrook Realty is the parent company of the General Partner and is also the administrator of the Trust. Allocated Units are not subject to reduction or allotment in the event the Offering is oversubscribed, and there is no requirement or assurance that any Allocated Units will be taken up and paid for. Allocated Units will be sold to staff members, friends and family members of Greybrook Realty and of the Lead Agent on the same terms, and at the same price, as the other Class A Units and Class B Units offered in the Offering.

Offering Price:
\$100 per Class A Unit
US\$100 per Class B Unit

The Partnership is a newly established limited partnership formed to invest and participate in a real estate development co-ownership (the “**Co-Ownership**”) with FCR (140 Yorkville) LP (“**First Capital**”) and BMO Private Equity (Canada) Inc. (“**BMOPE**”). First Capital is an affiliate of First Capital Realty Inc. and BMOPE is an affiliate of the BMO Real Estate Fund. In this Offering Memorandum, the Partnership, First Capital and BMOPE are referred to sometimes, collectively, as the “**Co-Owners**” and, individually, as a “**Co-Owner**”. The purposes of the Co-Ownership will be: (a) to acquire and own the property, measuring approximately 0.55 acres in aggregate, located at 140 Yorkville Avenue and 33 Avenue Road, City of Toronto, Province of Ontario (collectively, the “**Property**”); (b) to acquire certain air and subsurface rights in 136 Yorkville Avenue, the eastern adjoining property; and (c) to use the Property to develop and sell an ultra-luxury high-rise residential condominium building, which will include a ground level commercial component (the “**Commercial Component**”). The pursuit of these purposes (the “**Project**”) will be carried out in accordance with the development plan agreed to by the Co-Owners, as it may be amended from time to time. See “*Forward-Looking Information*” and “*Business of the Partnership*”.

It is expected that the Project, including the sale of all of the residential condominium units and the Commercial Component, will be completed by the end of the approximately 5-year period following the Offering Closing Date (or if there is more than one closing of the Offering, the date of the initial closing of the Offering). However, the anticipated completion date may be delayed for any number of reasons, including, but not limited to, the development, sales and marketing and/or construction processes taking longer than expected and delays in the receipt of governmental approvals. See “*Risk Factors*”.

The vendor of the Property is an affiliated entity of Greybrook Realty. Greybrook Realty is the parent company of the General Partner and is also the administrator of the Trust. See “Business of the Partnership — Purchase of the Partnership’s Interest in the Property — Conflicts Concerning the Purchase and Sale of the Property” and “Background and Reasons for the Offering”.

Investors may also choose to make an indirect investment in the Partnership by purchasing Trust Units. Provided the Trust is, at all relevant times, a “mutual fund trust” for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), Trust Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans and tax-free savings accounts, each as defined in the Tax Act (collectively, “**Plans**”), and trusts governed by deferred profit sharing plans (“**DPSPs**”). Notwithstanding the foregoing, a holder, annuitant or subscriber of a Plan (each, a “**Controller**”) will be subject to a penalty tax in respect of Trust Units held in a trust governed by a Plan if such Trust Units are a “prohibited investment” for the purposes of the Tax Act. For more details in this regard, a Controller should review the discussion under “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans — Eligibility for Investment*” in Schedule “A” “*The Greybrook Yorkville III Trust*”. The body of this Offering Memorandum, unless stated otherwise, only addresses the offering of Units. Investors who are considering purchasing Trust Units should refer to Schedule “A” to this Offering Memorandum, titled “*The Greybrook Yorkville III Trust*”, for more information on the Trust and the applicable assumptions and risks.

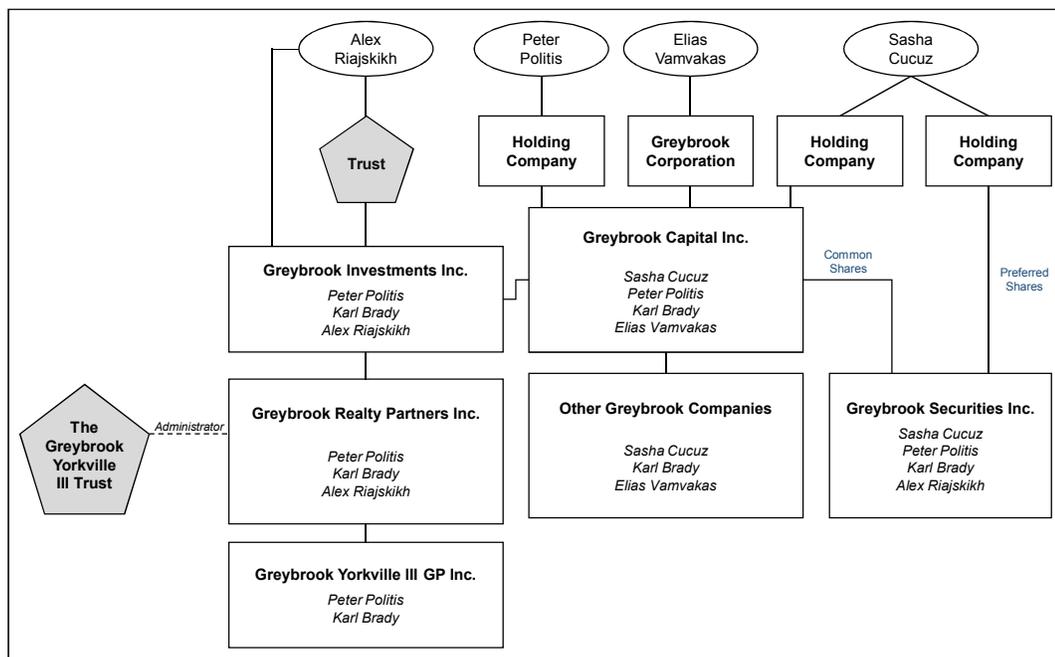
The terms of the Offering were not negotiated at arm’s length between the Lead Agent and the Partnership.

Each of the Partnership and the Trust may be considered to be a “related” or “connected” issuer (as such terms are defined in National Instrument 33-105—*Underwriting Conflicts*) of the Lead Agent by reason of the following facts:

1. **Greybrook Capital Inc. (“Greybrook Capital”) owns all of the issued and outstanding common shares in the capital of the Lead Agent, and Sasha Cucuz, who is the sole director, the Chief Executive Officer and a dealing representative of the Lead Agent, indirectly through a holding company, owns all of the issued and outstanding preferred shares in the capital of the Lead Agent;**
2. **indirect shareholders of Greybrook Capital include (i) Greybrook Corporation, (ii) Mr. Cucuz and (iii) Peter Politis, who is a dealing representative of the Lead Agent, the sole director and an officer of the General Partner and the sole director and officer of Greybrook Realty, which is the parent corporation of the General Partner and a majority-owned, indirect subsidiary of Greybrook Capital; Greybrook Realty is also the administrator of the Trust; Messrs. Cucuz and Politis are also officers of Greybrook Capital;**
3. **although Mr. Cucuz’s principal occupation is being the Chief Executive Officer and a dealing representative of the Lead Agent, in such capacity, he spends a significant part of his working time on the business and affairs of Greybrook Realty, for which his entire compensation is paid by Greybrook Realty; in addition, Mr. Cucuz is also an officer, director and manager of a number of different companies, of which Greybrook Corporation and Greybrook Capital are shareholders, either directly or indirectly;**
4. **the Lead Agent acts exclusively for certain companies that are either directly or indirectly controlled and/or owned, in whole or in part, by Greybrook Corporation, which companies are therefore the Lead Agent’s sole revenue source;**
5. **Karl Brady, who is an officer of the General Partner, is the Chief Financial Officer of Greybrook Realty and, in such capacity, also performs finance functions for Greybrook Realty’s affiliates, including the Lead Agent and Greybrook Capital; Mr. Brady is compensated by the Lead Agent and is also eligible to participate in the long-term incentive plan sponsored by Greybrook Realty (the “Greybrook Realty LTIP”);**

6. Alex Riajskikh is a dealing representative of the Lead Agent and Executive Director, Private Capital Markets of Greybrook Realty; he is also an indirect shareholder of Greybrook Realty;
7. other employees and independent contractors of the Lead Agent, including dealing representatives of the Lead Agent, also have roles and responsibilities, and, in some cases, hold senior positions, with Greybrook Realty; in many cases, employees and independent contractors of the Lead Agent receive compensation from Greybrook Realty (in addition to receiving compensation from the Lead Agent) and, in most cases, are eligible to participate in the Greybrook Realty LTIP; and
8. Elias Vamvakas, who is a permitted individual of the Lead Agent (as such term is defined in National Instrument 33-109—*Registration Information*), is the sole director and officer of Greybrook Corporation, which is indirectly beneficially owned and controlled by, collectively, Mr. Vamvakas and members of his family; Greybrook Corporation is the largest shareholder of Greybrook Capital and an indirect shareholder of Greybrook Realty and the General Partner; Mr. Vamvakas is also a director and/or officer of a number of different companies, of which Greybrook Corporation and Greybrook Capital are shareholders, either directly or indirectly, including Greybrook Capital itself; Mr. Vamvakas is the sole director and an officer of Greybrook Capital.

The chart below sets forth diagrammatically the above-described relationships:



Units will be offered by the Lead Agent and the Co-Agents on a “best efforts” basis, pursuant to the agency agreement dated May 10, 2019 among the Partnership, the Lead Agent and the Co-Agents (collectively, the “**Agents**”), if any (the “**Agency Agreement**”). No Agent will receive any benefit in connection with the sale of Units, other than: (i) a selling commission of 8% of the subscription price per Unit (the “**Agents’ Fee**”) it sold in the Offering; and (ii) in the case of the Lead Agent only, an additional \$91,667 in respect of costs and expenses incurred by the Lead Agent in connection with the Offering (the “**Offering Expenses**”). The portion of the Agents’ Fee payable to the Lead Agent and the Offering Expenses are payable in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of the Lead Agent. The Lead Agent reserves the right to use any portion of the Agents’ Fee payable to it in order to provide inducements to investors to encourage participation in the Offering and/or

the offering of Trust Units by the Trust and for other purposes. See “*Conflicts of Interest — The Lead Agent*”. The Agents’ Fee payable to the Co-Agents is payable in cash only.

Pursuant to the Agency Agreement, the Lead Agent is permitted to appoint other duly registered dealers in the Provinces, the United States and the State of Israel as its agent to assist in the Offering, and the Lead Agent may determine the remuneration payable by it to such other dealers. The Lead Agent has retained SDDCo Brokerage Advisors LLC, a broker-dealer registered in the United States, to facilitate the offer and sale of Units in the United States, in accordance with all applicable United States federal laws, state laws and regulations. The Lead Agent has retained Keren 35 Ltd. as its sub-agent in the State of Israel in connection with the Offering.

Investors who are considering purchasing Trust Units should also refer to “*Conflicts of Interest*” and “*The Lead Agent*” in Schedule “A” “*The Greybrook Yorkville III Trust*”.

An investment in the Partnership is suitable only for investors who fully understand, and are capable of bearing, the risks of such investment. In making their investment decisions, prospective investors should review and consider carefully the information disclosed in this Offering Memorandum, including and especially the disclosure appearing under the heading “*Risk Factors*”. There can be no assurance that the Partnership will be able to provide investors any return of, or on, their invested capital.

Units may not be purchased by any investor who is not a resident of Canada or a partnership that is not a “Canadian partnership” for purposes of the Tax Act or which is a “financial institution”, as defined in subsection 142.2(1) of the Tax Act, or by a person or partnership, an interest in which is a “tax shelter investment” or which would acquire Units as a “tax shelter investment” for purposes of the Tax Act or by a person or partnership that would cause the Partnership to be a “SIFT partnership” within the meaning of the Tax Act.

Plan Eligibility

Trust Units will be qualified investments for trusts governed by Plans and DPSPs, provided the Trust is, at all relevant times, a mutual fund trust, as defined in the Tax Act. See “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans — Eligibility for Investment*” in Schedule “A” “*The Greybrook Yorkville III Trust*”. The Trust will make an investment in the Partnership by purchasing Class C Units, using the aggregate proceeds of sale of Trust Units. Investors who are considering purchasing Trust Units should review Schedule “A” “*The Greybrook Yorkville III Trust*” carefully for more information on the Trust and the applicable assumptions and risks.

Units are not a qualified investment under the Tax Act for trusts governed by Plans or DPSPs. If an investor is interested in making an investment which is a qualified investment for any trusts governed by Plans or DPSPs, they have an opportunity to invest indirectly in the Partnership by purchasing Trust Units.

Subscriptions

Subscriptions received will be subject to rejection or allotment in whole or in part, and the Lead Agent reserves the right to close the subscription books at any time without notice. The General Partner shall have the right, at its sole discretion, to refuse to accept a subscription. Any subscription monies received in respect of a rejected order will be refunded without interest or deduction. The General Partner will reject a subscription submitted by a subscriber who is, or who acts on behalf of a person who will have a beneficial interest in Units being subscribed for and who is, a non-resident of Canada for purposes of the Tax Act (a “**Non-Resident**”), a partnership which is not a “Canadian partnership” for purposes of the Tax Act, a “financial institution”, as defined in subsection 142.2(1) of the Tax Act, or a person or partnership, an interest in which is a “tax shelter investment” or which would acquire Units as a “tax shelter investment” for purposes of the Tax Act, or a person or partnership that would cause the Partnership to be a “SIFT partnership” within the meaning of the Tax Act. The General Partner may require subscribers to provide evidence reasonably satisfactory to it that such subscribers, or the persons who will have a beneficial interest in Units being subscribed for, are not within such categories. Class C Units will be issued exclusively to the Trust, and the Trust will be the sole holder of Class C Units at all times.

The Partnership and the Lead Agent may elect to close the Offering in one or more closings, provided, however, that the initial closing of the Offering shall not take place unless and until \$38,750,000 of Units has been subscribed for. The Offering Closing Date (or if there is more than one closing of the Offering, the date of the initial closing) will be July 9, 2019 or such earlier or later date as may be agreed to by the Partnership and the Lead Agent. The funds representing payment of the purchase price of Units will be held in the trust account of Cassels Brock & Blackwell LLP, legal counsel for the Partnership, until directed by the Partnership to be released for the purposes of the closing of the Offering. If \$38,750,000 of Units are not subscribed for on or before the Offering Closing Date (or if there is more than one closing of the Offering, the date of the initial closing), the full amount of the subscription price will be returned to subscribers without interest or deduction.

Use of Proceeds

The proceeds of the Offering will be used by the Partnership as follows: (i) to make the Partnership's capital contribution to the Co-Ownership, which is required to enable the Co-Owners and the Nominee to acquire the Property and to carry out the Project; and (ii) to pay fees and expenses to the Agents and Greybrook Realty, all as more particularly described in this Offering Memorandum. The remainder of the proceeds of the Offering will be used to cover the balance of the costs incurred by the Partnership in connection with the Offering, as well as the future ongoing costs of the maintenance and operations of the Partnership and the Trust, including, without limitation, legal, accounting and audit fees and expenses. See "*Plan of Distribution — Use of Proceeds*".

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SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Memorandum.

All dollar amounts in this Offering Memorandum are in Canadian dollars, unless otherwise indicated. References to “**Canadian dollars**” and “**\$**” are references to the currency of Canada, and references to “**US dollars**” and “**US\$**” are references to the currency of the United States of America (the “**United States**” or “**US**”).

Offering: A total of \$38,750,000 of units of limited partnership interest (“**Units**”) in Greybrook Yorkville III Limited Partnership, a limited partnership formed under the laws of the Province of Manitoba (the “**Partnership**”), are offered hereunder (the “**Offering**”) in each of the provinces of Canada (collectively, the “**Provinces**” and, individually, a “**Province**”). Units consist of class A units of limited partnership interest in the Partnership (“**Class A Units**”), class B units of limited partnership interest in the Partnership (“**Class B Units**”) and class C units of limited partnership interest in the Partnership (“**Class C Units**”). Class A Units and Class C Units are denominated in Canadian dollars, and Class B Units are denominated in US dollars. The Partnership will convert all proceeds of sale of Class B Units to Canadian dollars on the date of closing of the Offering (the “**Offering Closing Date**”) (and if there is more than one closing of the Offering, on each date of closing). See “—*Currency Conversion*”. The aggregate amount of the Offering of \$38,750,000 includes the amount of the proceeds of sale of Class B Units in the Offering following their conversion to Canadian dollars on the Offering Closing Date (and if there is more than one closing of the Offering, on each date of closing).

General Partner: Greybrook Yorkville III GP Inc. is the general partner of the Partnership (the “**General Partner**”) under the limited partnership agreement dated as of April 23, 2019 as amended and restated on May 10, 2019 (the “**Partnership Agreement**”).

Investment Options: An investor wishing to participate in the Offering has the following two investment options:

- (i) a direct investment in the Partnership by subscribing for and purchasing Units. Units are not a qualified investment under the Income Tax Act (Canada) and the regulations thereunder (the “**Tax Act**”) for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans or tax-free savings accounts, each as defined in the Tax Act (collectively, “**Plans**”), or trusts governed by deferred profit sharing plans (“**DPSPs**”). See “*Certain Canadian Federal Income Tax Considerations — Non-Eligibility for Investment by Registered Plans*”; or
- (ii) an indirect investment in the Partnership by subscribing for and purchasing units (“**Trust Units**”) of The Greybrook Yorkville III Trust (the “**Trust**”), a mutual fund trust. Trust Units consist of class A units of the Trust (“**Class A Trust Units**”), which are denominated in Canadian dollars, and class B units of the Trust (“**Class B Trust Units**”), which are denominated in US dollars. Trust Units will be qualified investments for trusts governed by Plans and DPSPs, provided the Trust is, at all relevant times, a mutual fund trust, as defined in the Tax Act. See the discussion under “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans — Eligibility for Investment*” in Schedule “A” “*The Greybrook Yorkville III Trust*”.

An investor may subscribe for Units and/or Trust Units as follows:

- (i) An investor may purchase Class A Units at an offering price of \$100 per

Class A Unit and/or Class B Units at an offering price of US\$100 per Class B Unit; and/or

- (ii) An investor may purchase Class A Trust Units at an offering price of \$100 per Class A Trust Unit and/or Class B Trust Units at an offering price of US\$100 per Class B Trust Unit.

Investors may not purchase Class C Units. Class C Units are not available to the public and will be sold exclusively to the Trust. See “—*Sale of Class C Units*”.

Sale of Class C
Units:

The Trust will use all the proceeds of sale of Trust Units in the offering of Trust Units (the “**Trust Units Offering**”) to purchase Class C Units. Prior to its acquisition of Class C Units, the Trust will convert the proceeds of sale of Class B Trust Units to Canadian dollars and aggregate them with the proceeds of sale of Class A Trust Units. See “—*Currency Conversion*”. The Trust will acquire that number of Class C Units equal to the amount of the aggregate proceeds of sale of Trust Units, in Canadian dollars, divided by \$100, and rounded down to the nearest whole number. As a result, holders of Trust Units will enjoy, indirectly through the Trust, the economic effect of an investment in the Partnership. Class C Units will be issued exclusively to the Trust, and the Trust will be the sole holder of Class C Units at all times. Investors who are considering purchasing Trust Units should review Schedule “A” “*The Greybrook Yorkville III Trust*” carefully for more information on the Trust and the applicable assumptions and risks.

Currency
Conversion:

All the proceeds of sale of Class B Units will be converted into Canadian dollars by the Partnership on the Offering Closing Date (and if there is more than one closing of the Offering, on each date of closing) at the Closing Exchange Rate (as defined below). All the proceeds of sale of Class B Trust Units will be converted into Canadian dollars by the Trust on the date of closing of the Trust Units Offering (the “**Trust Units Offering Closing Date**”) (and if there is more than one closing of the Trust Units Offering, on each date of closing) at the Closing Exchange Rate. If there is only one closing of each of the Offering and the Trust Units Offering, the Offering Closing Date and the Trust Units Offering Closing Date shall be one and the same. If there is more than one closing of the Trust Units Offering, a closing of the Offering will take place concurrently with each closing of the Trust Units Offering. However, if there is more than one closing of the Offering, a closing of the Trust Units Offering may or may not occur concurrently with each closing of the Offering. The Partnership, the Trust or Greybrook Realty Partners Inc. (“**Greybrook Realty**”), the parent corporation of the General Partner, will enter into an agreement with a bank or other reputable financial institution or intermediary, selected by the trustee of the Trust, the administrator of the Trust (which is Greybrook Realty), the General Partner or Greybrook Realty (acting it in its own capacity), acting in good faith and in a commercially reasonable manner, for the exchange, on the Offering Closing Date and the Trust Units Offering Closing Date (and, if there is more than one closing of the Offering and/or the Trust Units Offering, on each date of closing), of US dollars for Canadian dollars at a fixed rate. In this Offering Memorandum, the “**Closing Exchange Rate**” means, and refers to, the applicable exchange rate under such agreement.

The percentage ownership interest in the Partnership of a holder of Class B Units will depend on the Closing Exchange Rate. Similarly, the Partnership will convert, from Canadian dollars to US dollars, all distributions, if any, made by it to a holder of Class B Units immediately prior to distribution. Accordingly, since the ultimate return on investment, if any, of a holder of Class B Units will depend on the exchange rate at which such conversion is made, such holder of Class B Units will be exposed to currency fluctuation. There can be no assurance as to the Prevailing Exchange Rate (as defined herein) at any given time.

See “*Risk Factors — Risks Relating to Investing in Units — Currency Conversion*”.

Agents: Units and Trust Units are offered through Greybrook Securities Inc., as lead agent (the “**Lead Agent**”), or through other dealers appointed by the Partnership that are acceptable to the Lead Agent (the “**Co-Agents**”, together with the Lead Agent, the “**Agents**”).

Pursuant to the agency agreement dated May 10, 2019 among the Partnership, the Lead Agent and the Co-Agents, if any, the Lead Agent is permitted to appoint other duly registered dealers in the Provinces, the United States and the State of Israel as its agent to assist in the Offering, and the Lead Agent may determine the remuneration payable by it to such other dealers. The Lead Agent has retained SDDCo Brokerage Advisors LLC, a broker-dealer registered in the United States, to facilitate the offer and sale of Units in the United States, in accordance with all applicable United States federal laws, state laws and regulations. The Lead Agent has retained Keren 35 Ltd. as its sub-agent in the State of Israel in connection with the Offering.

Minimum Subscription: The minimum subscription amount is 250 Class A Units, at an offering price of \$100 per Class A Unit or \$25,000 in aggregate, or 250 Class B Units, at an offering price of US\$100 per Class B Unit or US\$25,000 in aggregate. The Partnership may, at its sole discretion, accept a subscription which is for less than the minimum subscription amount.

Payment Terms: The aggregate purchase price of Units is payable, in full, by certified cheque, bank draft or wire transfer for the full subscription amount.

Offering Closing Date: The Partnership, together with the Agents, may complete the Offering in one or more closings, provided, however, that the initial closing of the Offering shall not take place unless and until \$38,750,000 of Units has been subscribed for. The Offering Closing Date (or if there is more than one closing of the Offering, the initial closing thereof) will be July 9, 2019, or such other earlier or later date as may be agreed to by the Partnership and the Lead Agent.

Agents’ Fee and Offering Expenses: The Agents will be paid: (i) a selling commission of 8% of the subscription price per Unit (the “**Agents’ Fee**”) they sold in the Offering; and (ii) in the case of the Lead Agent only, an additional \$91,667 in respect of costs and expenses incurred by the Lead Agent in connection with the Offering (the “**Offering Expenses**”). The portion of the Agents’ Fee payable to the Lead Agent and the Offering Expenses are payable in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of the Lead Agent. The Lead Agent reserves the right to use any portion of the Agents’ Fee payable to it to provide inducements to investors to encourage participation in the Offering and/or the Trust Units Offering and for other purposes. The Agents’ Fee payable to the Co-Agents is payable in cash only.

Allocated Units: A maximum of \$3,875,000 of Class A Units and Class B Units (collectively, “**Allocated Units**”), representing 10% of the size of the Offering, has been reserved for purchase by staff members, friends and family members of Greybrook Realty and of the Lead Agent. Allocated Units are not subject to reduction or allotment in the event the Offering is oversubscribed, and there is no requirement or assurance that any Allocated Units will be taken up and paid for. Allocated Units will be sold to staff members, friends and family members of Greybrook Realty and of the Lead Agent on the same terms, and at the same price, as the other Class A Units and Class B Units offered in the Offering.

Resale Restrictions: Investors will be restricted from selling Units for an indefinite period, other than pursuant to an available prospectus exemption and in accordance with applicable securities laws and the terms of the Partnership Agreement. **Investors are advised to seek legal advice prior to any resale of Units, both within and**

outside of Canada. The Partnership is not a reporting issuer in any Province or any territory of Canada, and its securities are not listed on any stock exchange in Canada. There is currently no public market for Units in Canada, and none is expected to develop. The Partnership currently has no intention of becoming a reporting issuer in Canada (or the equivalent in any other jurisdiction), of filing a prospectus with any securities regulatory authority in Canada or elsewhere to qualify the resale of Units to the public or of listing its securities on any stock exchange in Canada or elsewhere. See “*Resale Restrictions*”.

The resale restrictions applicable to holders of Trust Units differ from the restrictions applicable to holders of Units. Accordingly, investors interested in subscribing for Trust Units should refer to “*Resale Restrictions*” in Schedule “A” “*The Greybrook Yorkville III Trust*”.

Subscriptions and Eligibility for Investment:

Investors resident in one of the Provinces may purchase Units through an Agent, or through an appropriately registered dealer appointed by the Lead Agent, by signing a subscription agreement in a form acceptable to the Lead Agent and the General Partner.

Following acceptance of an investor’s subscription for Units and acceptance of the investor’s payment of the purchase price of such Units, the investor will become a limited partner of the Partnership on the Offering Closing Date (or if there is more than one closing of the Offering, on the date of the closing at which such investor’s subscription and payment are accepted).

Units may not be purchased by any investor who is not a resident of Canada or a partnership that is not a “Canadian partnership” for purposes of the Tax Act, or which is a “financial institution”, as defined in subsection 142.2(1) of the Tax Act or by a person or partnership, an interest in which is a “tax shelter investment” or which would acquire Units as a “tax shelter investment” for the purposes of the Tax Act or by a person or partnership that would cause the Partnership to be a “SIFT partnership” within the meaning of the Tax Act. See “*Certain Canadian Federal Income Tax Considerations*”. Units are not a qualified investment under the Tax Act for trusts governed by Plans or DPSPs and, accordingly, may not be purchased by Plans or DPSPs.

For the subscription and eligibility requirements in respect of the purchase of Trust Units, see “*Subscription Procedure*” in Schedule “A” “*The Greybrook Yorkville III Trust*”.

The Business of the Partnership:

The Partnership is a newly established limited partnership formed to invest and participate in a real estate development co-ownership (the “**Co-Ownership**”) with FCR (140 Yorkville) LP (“**First Capital**”) and BMO Private Equity (Canada) Inc. (“**BMOPE**”). First Capital is an affiliate of First Capital Realty Inc. and BMOPE is an affiliate of the BMO Real Estate Fund. In this Offering Memorandum, the Partnership, First Capital and BMOPE are referred to sometimes, collectively, as the “**Co-Owners**” and, individually, as a “**Co-Owner**”. The purposes of the Co-Ownership will be: (a) to acquire and own the property, measuring approximately 0.55 acres in aggregate, located at 140 Yorkville Avenue and 33 Avenue Road, City of Toronto, Province of Ontario (collectively, the “**Property**”); (b) to acquire certain air and subsurface rights in 136 Yorkville Avenue, the eastern adjoining property; and (c) to use the Property to develop and sell an ultra-luxury high-rise residential condominium building, which will include a ground level commercial component (the “**Commercial Component**”). The pursuit of these purposes (the “**Project**”) will be carried out in accordance with the development plan agreed to by the Co-Owners, as it may be amended from time to time (the “**Development Plan**”). See “*Forward-Looking Information*” and “*Business of the Partnership*”.

Legal title to the Property will be held by 140 Yorkville Corporation (the “**Nominee**”), as bare nominee for the Co-Owners, each as to an undivided 33⅓% beneficial interest. The management of the General Partner currently expects the closing of the purchase and sale of the Property (the “**Property Purchase Closing**”) to take place on or about July 12, 2019.

Projected Term: For further information about the Project, see “*Business of the Partnership*” and the investor presentations attached as Schedule “C” to this Offering Memorandum.

It is expected that the Project, including the sale of all of the residential condominium units and the Commercial Component, will be completed by the end of the approximately 5-year period following the Offering Closing Date (or if there is more than one closing of the Offering, the date of the initial closing of the Offering). See “*Business of the Partnership — The Project — Projected Timeline*”.

However, the anticipated completion date may be delayed for any number of reasons, including, but not limited to, the development, construction, sales and/or marketing processes taking longer than expected and delays in the receipt of governmental approvals. See “*Forward-Looking Information*” and “*Risk Factors*”.

The Co-Owners Agreement:

The Nominee, the Partnership, First Capital and BMOPE will enter into a co-owners agreement immediately prior to the Property Purchase Closing (the “**Co-Owners Agreement**”), pursuant to which they will co-own the Property, as tenants-in-common, and develop the Project in accordance with the Development Plan. Pursuant to the Co-Owners Agreement, and subject to the terms thereof, the Co-Owners will agree that the total estimated capital required to complete the Project will be \$100,000,000 (the “**Estimated Total Equity Capital Contribution**”), of which each Co-Owner will agree to ultimately contribute up to \$33,333,334 or 33⅓%. See “*Business of the Partnership — The Co-Owners Agreement*”.

Purchase of the Property:

The Property is currently owned by EG Yorkville Limited Partnership (the “**Vendor**”). The purchase price of the Property (the “**Property Purchase Price**”), under the agreement of purchase and sale pursuant to which the Property will be purchased and sold (the “**Property Purchase Agreement**”), is \$170,700,000 before adjustments. To date, First Capital has delivered letters of credit, from a Canadian chartered bank issued in favour of the Vendor, in the aggregate amount of \$8,000,000 on account of the deposits required under the Property Purchase Agreement. The Property Purchase Price will be paid using a portion of the Estimated Total Equity Capital Contribution and by acquisition financing secured by a first mortgage and charge against the Property (the “**Acquisition Financing**”). The Acquisition Financing is expected to be in the principal amount of approximately \$102,420,000 which represents approximately 60% of the Property Purchase Price.

Upon the completion of the Property Purchase Closing: (i) each of the Co-Owners will own an undivided 33⅓% beneficial interest in the Property; and (ii) legal title to the Property will be held by the Nominee as bare nominee and trustee for the Partnership, First Capital and BMOPE, in their respective 33⅓% proportionate shares.

Conflicts Concerning the Purchase and Sale of the Property:

The Vendor is an affiliated entity of Greybrook Realty. Greybrook Realty is the parent company of the General Partner and is also the administrator of the Trust. See “*Business of the Partnership — Purchase of the Partnership’s Interest in the Property — Conflicts Concerning the Purchase and Sale of the Property*” and “*Background and Reasons for the Offering*”.

Additional Financing:

Additional financing (in addition to the Estimated Total Equity Capital Contribution and the Acquisition Financing) will be required to complete the Project. See

"Business of the Partnership — The Co-Owners Agreement"

Greybrook Realty
Fees:

Pursuant to two separate services agreements with Greybrook Realty, each dated as of May 10, 2019 (the "**Greybrook Realty Services Agreements**"), the Partnership will pay the below-described fees for services rendered to the Partnership, and to be rendered to the Partnership in the future, by Greybrook Realty:

- (i) a fee of 3% of the subscription price per Unit (being \$3, in the case of a Class A Unit, and US\$3, in the case of a Class B Unit (converted into Canadian dollars at the Closing Exchange Rate)), which fee will be paid at the Offering Closing (or if there is more than one closing of the Offering, at each such closing in respect of Units sold in such closing) (the "**Structuring Fee**"); plus on the completion of the Project, an amount (such amount, the "**Success Fee**") equal to 5% of the difference between (a) the Project's profits payable to the Partnership following the return, in full, of each Co-Owner's capital contribution and (b) \$5,416,666 (representing, collectively, the aggregate amount of the Agents' Fee, the Offering Expenses, the Structuring Fee, the Cash Distribution Services Fee and the Offering and Maintenance Costs); and
- (ii) a fee of \$550,000 for the provision of, among other services, cash distribution management, record keeping, internal audit, compliance, investor relations and administration services and for Greybrook Realty's agreement to cover the costs and expenses incurred by the Trust in connection with the Trust Units Offering (the "**Cash Distribution Services Fee**").

These fees, excluding the Success Fee, are payable in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of Greybrook Realty. The Success Fee is payable in cash exclusively.

The General Partner is a direct, wholly-owned subsidiary of Greybrook Realty. The terms of the Greybrook Realty Services Agreements were not negotiated at arm's length by the parties.

Offering and Maintenance Costs Agreement

In addition to the foregoing, and in order to hedge its exposure in respect of a certain portion of the offering costs incurred by the Partnership in connection with the Offering (the "**Syndication Costs**"), and any risk that the net proceeds of the Offering (after all other obligations of the Partnership have been paid or accounted for) might not be sufficient to cover the Syndication Costs as a result of an inaccurate estimate of their amount or their unforeseen escalation or for any other reason, the Partnership entered into an agreement with Greybrook Realty, dated as of May 10, 2019 (the "**Offering and Maintenance Costs Agreement**"). Pursuant to the Offering and Maintenance Costs Agreement, Greybrook Realty has agreed to pay the Syndication Costs for, and on behalf of, the Partnership, regardless of their amount, provided that the Partnership remit to Greybrook Realty the excess, if any, of the amount budgeted by the Partnership for the Syndication Costs (being \$250,000) over their actual amount. The amount to be remitted to Greybrook Realty pursuant to the Offering and Maintenance Costs Agreement may be paid in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of Greybrook Realty. The terms of the Offering and Maintenance Costs Agreement were not negotiated at arm's length by the parties.

The fees payable pursuant to the Greybrook Realty Services Agreements and the Offering and Maintenance Costs Agreement are payable to Greybrook Realty in

Canadian dollars.

See "*Plan of Distribution*".

Development
Management Fees:

The Co-Owners will retain First Capital Asset Management LP (the "**First Capital Development Manager**"), a First Capital affiliate, and Greybrook Development Inc. (the "**Greybrook Development Manager**" and together with the First Capital Development Manager, the "**Development Managers**"), a Greybrook Realty affiliate, as the Project's development managers to develop the Project in accordance with the terms of the development agreement (the "**Development Agreement**").

Under the Development Agreement, the Development Managers will be entitled to collect, in accordance with the terms thereof, a development fee of 2% of Total Gross Revenue Proceeds plus harmonized sales tax thereon (the "**Development Fee**"). "**Total Gross Revenue Proceeds**" is defined as the total receipts from the Project (but for clarity, not payable with respect to the adjacent property to the east), including, but not limited to: sales of completed residential dwelling units, parking units, locker units and upgrades; and sales of part or all of the Commercial Component, but excluding any recoveries from purchasers on closing.

Each installment of the Development Fee will be divided equally between the First Capital Development Manager and the Greybrook Development Manager. See "*Business of the Partnership — The Development Management Agreement*".

Property Manager:

The Co-Owners will retain FCR Management Services LP (the "**Property Manager**"), a First Capital affiliate, as the Project's property manager in accordance with the terms of the property management agreement (the "**Property Management Agreement**").

Under the Property Management Agreement, the Property Manager will be entitled to collect, in accordance with the terms thereof, the property management fees set out therein. See "*Business of the Partnership — The Property Management Agreement*".

Use of Proceeds:

The net proceeds of the Offering will be \$33,333,334. See "*Plan of Distribution — Use of Proceeds*".

Risk Factors:

An investment in the Partnership is suitable only for investors who fully understand and are capable of bearing the risks of such investment. Prospective investors should carefully consider the factors discussed under "*Risk Factors*", among others, in making their investment decision. **There can be no assurance that the Partnership will be able to achieve its investment objectives or that investors will receive a return of, or on, their invested capital.**

For risks associated with investing in Trust Units, see "*Risks Related to Investing in Trust Units*" in Schedule "A" "*The Greybrook Yorkville III Trust*".

Canadian Federal
Income Tax
Considerations:

While this Offering Memorandum contains a general description of certain Canadian federal income tax consequences, it is provided for information purposes only and does not purport to be a complete analysis of all potential tax considerations that may be relevant to an investment in Units.

A limited partner of the Partnership will be required to include (or, subject to the "at risk" rules, be entitled to deduct), in computing his, her or its income for income tax purposes for a taxation year, his, her or its share of the income (or loss) of the Partnership, which will be allocated in accordance with the provisions of the Partnership Agreement regardless of whether such income has been distributed to the limited partner. **Each investor should satisfy himself, herself or itself as to the Canadian federal and provincial tax consequences of an investment in**

Units by obtaining advice from his, her or its own tax advisor. See "*Certain Canadian Federal Income Tax Considerations*".

For Canadian federal income tax considerations in respect of Trust Units, see "*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans*" in Schedule "A" "*The Greybrook Yorkville III Trust*".

Statutory Rights of
Action:

Investors in Units and Trust Units are entitled to the benefit of certain statutory rights of action in the event this Offering Memorandum contains a misrepresentation. Certain of these rights are described under "*Statutory Rights of Action*".

FORWARD-LOOKING INFORMATION

All capitalized terms used in this section, but not otherwise defined, shall have the respective meanings ascribed thereto in the body of this Offering Memorandum or in the Glossary and Defined Terms.

Certain statements made by the Partnership in this Offering Memorandum constitute “forward-looking information” within the meaning of applicable Canadian securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “does not expect”, “is expected”, “anticipates”, “does not anticipate”, “plans”, “estimates”, “believes”, “does not believe” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or any grammatical variations of such words) are not statements of historical fact and may be “forward-looking information”. Such forward-looking information includes, without limitation, the successful acquisition of the Property and the Residential Strata Rights by the Co-Owners, the timeline for the development, construction, marketing and sale of the Project and the dates or timelines for completion of the Project’s various component steps (including the sale of the condominium units and the sale of the Commercial Component), the capitalization rate realized in connection with the sale of the Commercial Component, the Project’s precise design, layout and features and its attractiveness to the intended buyers, the procurement of the Acquisition Financing and Project Financing for the Project and long-term mortgage financing for the Commercial Component, each on advantageous terms, the timeline and process for receiving the various development and environmental approvals contemplated in respect of the Project, the receipt of such approvals, the number and type of residential condominium and non-residential hotel units permitted by such approvals, the total additional residential and commercial density (if any) awarded under the Amended Approvals in Final Form, the projected net profit of the Project and the projected net profit of investors, the projected percentage return on investors’ capital, the projected amount of investors’ average annual return and the various cost and revenue assumptions underlying all financial projections, all as further described in Schedule “B” to this Offering Memorandum.

Statements containing forward-looking information (“**forward-looking statements**”) are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest rates, currency exchange rates, changes in government regulations (including with respect to mortgages on residential property, municipal development and construction approvals), increased regulation of the Canadian housing market (specifically changes targeting the Greater Toronto Area (the “**GTA**”)), changes in capital controls in wealth exporting nations, increased regulation to combat tax evasion and avoidance, changes in trade relations between Canada and wealth exporting nations, a delay in, or the complete failure of, the acquisition of the Property or Residential Strata Rights, the presence of environmental liabilities on the Property, disputes among the Co-Owners, construction delays or labour disruptions, industry competition, real estate market volatility and other factors described in the “*Risk Factors*” section of this Offering Memorandum. In addition to the risks set out in the “*Risk Factors*” section of this Offering Memorandum, there are certain other risks that could cause actual results to differ materially from the expectations of purchasers of units (“**Trust Units**”) of The Greybrook Yorkville III Trust (the “**Trust**”) in particular. As a result, investors considering purchasing Trust Units should carefully consider certain other risks inherent in an investment in Trust Units and in the activities of the Trust set out in “*Risks Related to Investing in Trust Units*” in Schedule “A” “*The Greybrook Yorkville III Trust*”.

The material factors and assumptions applied in reaching the conclusions contained in the forward-looking statements set forth in this Offering Memorandum include, but are not limited to, interest rates and the market for ultra-luxury high-rise condominium units remaining relatively stable including in the neighbourhood of Yorkville in the City of Toronto, economic conditions in Canada and globally remaining relatively stable, the satisfaction of all conditions precedent to the Property Purchase Closing and the successful completion thereof, the implementation of the Ontario Fair Housing Plan (“**OFHP**”), or any other regulatory policies or legislation not materially adversely affecting the market for newly constructed condominiums in Toronto, the development, construction, marketing and sale of the Project and the

Commercial Component proceeding in accordance with the anticipated schedule and within the budget contemplated, soft costs (including development charges) remaining relatively stable, all necessary municipal development approvals and required government or regulatory permits, approvals or other authorizations being obtained within the timeframe and at the cost currently contemplated, the Commercial Component's lease-up program proceeding as expected (such that the anticipated stabilization thresholds are met timely), the projected capitalization rate for the sale of the Commercial Component is achieved, assumptions relating to anticipated costs and revenues, the absence of labour disputes or delays in the Project's demolition and/or construction work, the absence of environmental liabilities not known as of the date of this Offering Memorandum and the level of anticipated expenditures associated with the Project remaining within the estimated levels.

Although the Partnership has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. These forward-looking statements, including any financial outlook, are made as of the date of this Offering Memorandum, and none of the Partnership, the Trust or the Agents undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law.

GLOSSARY AND DEFINED TERMS

All dollar amounts in this Offering Memorandum are in Canadian dollars, unless otherwise indicated. References to "**Canadian dollars**" and "**\$**" are references to the currency of Canada, and references to "**US dollars**" and "**US\$**" are references to the currency of the United States of America (the "**United States**" or "**US**"). In this Offering Memorandum, all capitalized terms used, but not otherwise defined, herein shall have the respective meanings ascribed thereto in the Co-Owners Agreement (as defined below).

In this Offering Memorandum, the following capitalized terms shall have the meanings set forth below, as such meanings may be supplemented elsewhere in this Offering Memorandum:

"Adjacent Property" means the lands and premises municipally known as 136 Yorkville Avenue, Toronto, Ontario and legally described in the Adjacent Property Agreement;

"Administrator" means Greybrook Realty Partners Inc., the administrator of the Trust;

"Affiliate" means, in respect of any Person (in this definition, such Person being referred to as the "**Subject Person**"): (a) any other Person, directly or indirectly, controlling, controlled by, or under direct or indirect common control with, the Subject Person; and (b) any Person under the direct or indirect control of the same Person, or group of Persons, as control the Subject Person, in substantially the same ownership proportions;

"Amended Approvals" means the amended zoning of the Property and the Adjacent Property as a result of the approval by all relevant Governmental Authorities of the Development Proposal;

"Amended Approvals in Final Form" means the Amended Approvals being in full force and effect, with all appeal periods having expired without appeal, or all appeals having been determined to the satisfaction of the parties with all further rights of appeal therefrom having been exhausted and there remains no unresolved issue that was raised pursuant to Section 2.1(c) of the Adjacent Property Agreement;

"Annual Budget" means an annual budget for the Project (which shall consist of an annual operating budget and an annual capital expenditure budget);

“Annual Plan” means the annual plan for the Project, which shall be made on a calendar year basis and shall include the Annual Budget and the leasing plan, for the Project for the applicable calendar year;

“Approved Budget” means any Annual Budget Approved by the Co-Owners pursuant to the terms of the Co-Owners Agreement;

“Approved by the Co-Owners” or **“Approval of the Co-Owners”** means the approval of all Co-Owners or the Managing Co-Owners, as the case may be, pursuant to Article 5 or Article 6 of the Co-Owners Agreement;

“arm’s length” has the meaning attributed to such term for the purposes of the *Income Tax Act* (Canada) and **“non-arm’s length”** shall have a corresponding meaning;

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

“Closing Exchange Rate” means the rate of exchange for the conversion of US dollars into Canadian dollars that is available to the Trust or the Partnership on the Offering Closing Date (or, if there is more than one closing of the Offering, the date of each closing of the Offering) pursuant to the binding agreement to be entered into on a date proximally preceding the Offering Closing Date (or, if there is more than one closing of the Offering, a date proximally preceding the date of the initial closing of the Offering) by the Trust, the Partnership or Greybrook Realty Partners Inc. (acting in its own capacity) and its primary bank or financial institution or another reputable financial institution or intermediary that is selected by the Trustee, the Administrator, the General Partner or Greybrook Realty Partners Inc. (acting in its own capacity), acting in good faith and in a commercially reasonable manner;

“Co-Owner’s Interest” means, with respect to a Co-Owner, the undivided right, title, benefit and interest of such Co-Owner from time to time in and to the Project, including the right to its share of revenue therefrom in accordance with the Co-Owners Agreement; and **“Co-Owners’ Interests”** means the Co-Owner’s Interest of more than one Co-Owner, as the case may be;

“Commercial Extension” means that portion of the ground level of the commercial building to be constructed on the Adjacent Property that is proposed to extend over the eastern boundary of the Property, as approved pursuant to the Amended Approvals;

“Commercial Strata Rights” means the strata title component of the Property in which the Commercial Extension will be constructed, as approved pursuant to the Amended Approvals;

“Current Approvals” means the current zoning of the Property, subject to the issuance of a Final Order by the Local Planning Appeal Tribunal approving the site specific zoning by-law for PL150988 and which is not subject to further appeals, permitting the construction of a 29 storey mixed-use condominium development with approximately 251,955 sf of total density, being 230,728 sf of residential density (with approximately 197,444 sf of RNSA) and approximately 21,227 sf of commercial density with approximately 20,070 sf of net leasable area;

“Development Plan” means the master plan for the Project (including the development plan, development budget (which, for greater certainty, will include a detailed break-down of costs) and leasing plan), or any amendments to such plan(s) and/or budget(s), and **“Approved Development Plan”** means the Development Plan, which has been Approved by the Co-Owners, from time to time;

“Estimated Total Equity Capital Contribution” means the total capital required to complete the Project, which is estimated to be \$100,000,000 as at the date of the Co-Owners Agreement;

“General Partner” means Greybrook Yorkville III GP Inc., the general partner of the Partnership;

“GFA” means gross floor area;

“Hotel Extension” means those portions to be constructed on the second, third, and fourth floors of the existing hotel located on the Hotel Property known as the Hazelton Hotel that will extend over the eastern boundary of the Property, as approved pursuant to the Amended Approvals;

“Hotel Property” means the lands and premises municipally known as 118 Yorkville Avenue, Toronto, Ontario and legally described in the Adjacent Property Agreement;

“Hotel Strata Rights” means the strata title component of the Property in which the Hotel Extension will be constructed, as approved pursuant to the Amended Approvals;

“HST” means Harmonized Sales Tax in the Province of Ontario;

“Governmental Authorities” means any government, regulatory authority, government department, agency, security exchange, commission, board, tribunal, or court having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof or any public or private utility supplier;

“Management” means management of the General Partner;

“Offer Deadline” means 5:00 p.m. (Toronto time) on the last day of the Offer Period;

“Offering” means the offering of \$38,750,000 of units of limited partnership interest in the Partnership, under this Offering Memorandum, to investors resident in each of the provinces of Canada;

“Partnership” means Greybrook Yorkville III Limited Partnership, a limited partnership formed under the laws of the Province of Manitoba;

“Person” means any individual, partnership, corporation, trust, joint venture, association, joint stock company, unincorporated organization or Governmental Authority and **“corporation”** shall include **“company”** and *vice versa*;

“Prevailing Exchange Rate” means the rate of exchange for the conversion of Canadian dollars into US dollars and US dollars into Canadian dollars, as applicable, net of any third party fees or charges related to the conversion and rounded to the nearest four decimal places, available to the Partnership or the Trust based on arm’s length commercial exchange rates quoted by the General Partner’s, the Administrator’s or Greybrook Realty Partners Inc.’s (acting in its own capacity) primary bank or financial institution or by another reputable financial institution or intermediary, as selected by the General Partner, the Administrator or Greybrook Realty Partners Inc. (acting in its own capacity), acting in good faith and in a commercially reasonable manner;

“Project” means the proposed development of a 29 storey luxury mixed-use condominium project on the Property and the Residential Strata Rights, which is expected to consist of (a) a high rise residential condominium component comprised of approximately 269,179 sf of density, with approximately 228,948 sf of RNSA (the **“Residential Component”**) and (b) a commercial freehold component by strata plan comprised of approximately 30,385 sf of density (the **“Commercial Component”**);

“psf” means per square foot and **“sf”** means square foot or square feet, as the context requires;

“Qualifying Eligible Project Offer” means, an Eligible Project Offer for the purchase of the entire Project (but only the entire Project) on the Project Sale Terms; provided that the Excluded Co-Owner Conditions may be included in such offer and such offer shall constitute a Qualifying Eligible Project Offer;

“Residential Extension” means that portion of the Residential Component to be constructed on and possibly under the Property as a part of the Project that will extend over the western boundary of the Adjacent Property, as approved pursuant to the Amended Approvals;

“Residential Strata Rights” means the strata title component of the Adjacent Property in which the Residential Extension will be constructed, as approved pursuant to the Amended Approvals, and which may include subsurface rights in addition to air rights;

“Residential Strata Rights Purchase Price” means the purchase price that the Co-Owners will pay to the Adjacent Property Owner for the Residential Strata Rights which is calculated as per Section 3.3 of the Adjacent Property Agreement;

“RNSA” means residential net saleable area;

“Sale Transaction Period” means the period of one hundred and eighty (180) days following the last day of the Offer Period or, in the case of the non-completion of a purchase and sale transaction, the period of one hundred and eighty (180) days following the scheduled closing date for such transaction;

“Subject Interest” means:

- (a) in respect of the Residential Strata Rights, the 100% registered freehold interest of First Capital Holdings (Ontario) Corporation, the nominee corporation for the Adjacent Property Owner, therein and the 100% beneficial freehold interest of the Adjacent Property Owner therein; and
- (b) in respect of the Commercial Strata Rights and the Hotel Strata Rights, the 100% registered freehold interest of the Nominee therein and the 100% beneficial freehold interest of the Co-Owners therein;

“Third Party” means any Person other than a Co-Owner or a Person who is not at arm’s length from a Co-Owner;

“Total Gross Revenue Proceeds” means total receipts from the Project (but for clarity, not payable with respect to the Adjacent Property), including, but not limited to: sales of completed residential dwelling units, parking units, locker units and upgrades; and sales of part or all of the Commercial Component, but excluding any recoveries from purchasers on closing;

“Trust” means The Greybrook Yorkville III Trust, a limited purpose trust formed under the laws of the Province of Alberta; and

“Trustee” means Computershare Trust Company of Canada, the trustee of the Trust.

All of the schedules to this Offering Memorandum are deemed to be incorporated herein by reference.

THE PARTNERSHIP

Greybrook Yorkville III Limited Partnership (the "**Partnership**") is a limited partnership formed under the laws of the Province of Manitoba pursuant to a limited partnership agreement dated as of April 23, 2019, as amended and restated on May 10, 2019 (the "**Partnership Agreement**") between Greybrook Yorkville III GP Inc. (the "**General Partner**"), as the general partner of the Partnership, and Peter Politis, an individual resident in the Province of Ontario, as the initial limited partner. The initial limited partner shall withdraw from the Partnership and have his initial capital contribution returned to him on the closing of the Offering (as defined below). The head office of the Partnership and the General Partner is located at 890 Yonge Street, 7th Floor, Toronto, Ontario M4W 3P4. The Partnership's registered office in the Province of Manitoba is located at the offices of MLT Aikins LLP, 30th Floor, Commodity Exchange Tower, 360 Main Street, Winnipeg, Manitoba R3C 4G1.

A total of \$38,750,000 of units of limited partnership interest in the Partnership ("**Units**") are offered, on a private placement basis, under this Offering Memorandum (the "**Offering**") to investors resident in each of the provinces of Canada (collectively, the "**Provinces**") through Greybrook Securities Inc., the lead placement agent for the Offering (the "**Lead Agent**"), or through other dealers appointed by the Partnership that are acceptable to the Lead Agent (the "**Co-Agents**", and together with the Lead Agent, the "**Agents**"), or through other dealers appointed by the Lead Agent, all of which other dealers shall be permitted under applicable securities laws to offer and sell Units in the Provinces.

The Partnership, together with Agents, may complete the Offering in one or more closings, provided, however, that the initial closing of the Offering shall not take place until and unless an aggregate of \$38,750,000 of Units has been subscribed for. The date of closing of the Offering (or if there is more than one closing of the Offering, the date of the initial closing of the Offering) will be July 9, 2019 or such earlier or later date as may be agreed to by the Partnership and the Lead Agent (the "**Offering Closing Date**").

Units consist of class A units of limited partnership interest in the Partnership ("**Class A Units**"), class B units of limited partnership interest in the Partnership ("**Class B Units**") and class C units of limited partnership interest in the Partnership ("**Class C Units**"). Class A Units and Class C Units are denominated in Canadian dollars, and Class B Units are denominated in US dollars. The minimum subscription amount is 250 Class A Units, at an offering price of \$100 per Class A Unit or \$25,000 in aggregate, or 250 Class B Units, at an offering price of US\$100 per Class B Unit or US\$25,000 in aggregate, payable by certified cheque, bank draft or wire transfer. The Partnership has the right, at its sole discretion, to accept a subscription which is for less than the minimum subscription amount.

The Partnership will issue Class C Units only to The Greybrook Yorkville III Trust, a limited purpose trust that was formed under the laws of the Province of Alberta (the "**Trust**"), and a mutual fund trust, in connection with the offering of units of the Trust ("**Trust Units**") described in Schedule "A" "*The Greybrook Yorkville III Trust*", which will take place concurrently with the Offering (the "**Trust Units Offering**"). The Trust will use all the proceeds of the Trust Units Offering to purchase Class C Units at a purchase price of \$100 per Class C Unit. As a result, holders of Trust Units will enjoy, indirectly through the Trust, the economic effect of an equivalent investment (in Canadian dollars) in the Partnership. Class C Units are not available to the public and will be sold exclusively to the Trust. Investors who are considering purchasing Trust Units should review Schedule "A" "*The Greybrook Yorkville III Trust*" carefully for more information on the Trust and the applicable assumptions and risks.

The Partnership will convert all proceeds of sale of Class B Units to Canadian dollars on the Offering Closing Date (and if there is more than one closing of the Offering, on each date of closing) at the Closing Exchange Rate. The percentage ownership interest in the Partnership of a holder of Class B Units, therefore, will depend on the Closing Exchange Rate. Similarly, the Partnership will convert, from Canadian dollars to US dollars, all distributions, if any, made by it to a holder of Class B Units immediately prior to distribution. Accordingly, since the ultimate return on investment, if any, of a holder of Class B Units will depend on the Prevailing Exchange Rate at the time of conversion, such holder of Class B Units

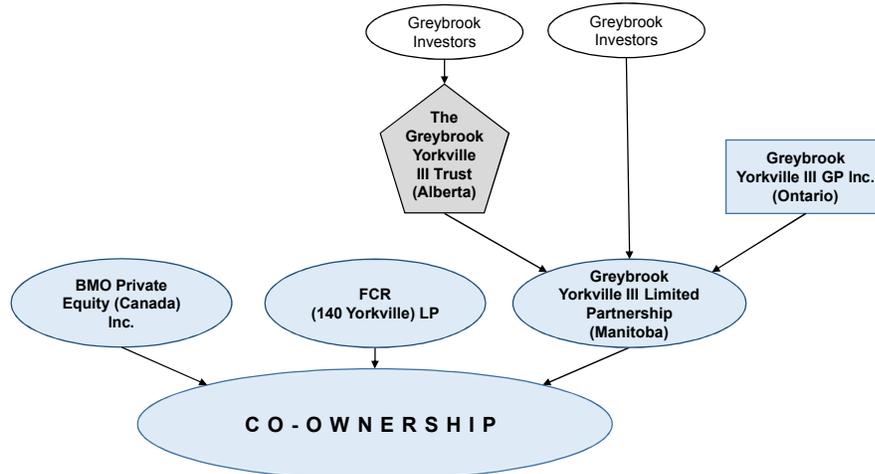
will be exposed to currency fluctuation. There can be no assurance as to the Prevailing Exchange Rate at any given time. See “*Risk Factors — Risks Relating to Investing in Units — Currency Conversion*”.

BUSINESS OF THE PARTNERSHIP

Co-Ownership

The Partnership will invest and participate in a real estate development project (the “**Co-Ownership**”) with FCR (140 Yorkville) LP (“**First Capital**”) and BMO Private Equity (Canada) Inc. (“**BMOPE**”). First Capital is an affiliate of First Capital Realty Inc. (“**FCR**”) and BMOPE is an affiliate of the BMO Real Estate Fund. In this Offering Memorandum, the Partnership, First Capital and BMOPE are referred to sometimes, collectively, as the “**Co-Owners**” and, individually, as a “**Co-Owner**”.

The diagram below depicts the basic structure of the Partnership and the Co-Ownership.



The purposes of the Co-Ownership will be: (a) to acquire and own the property, measuring approximately 0.55 acres in aggregate, located at 140 Yorkville Avenue and 33 Avenue Road, City of Toronto, Province of Ontario (collectively, the “**Property**”); (b) to acquire certain air and subsurface rights in 136 Yorkville Avenue, the eastern adjoining property; and (c) to use the Property to develop and sell an ultra-luxury high-rise residential condominium building, which will include a ground level commercial component (the “**Commercial Component**”). The pursuit of these purposes (the “**Project**”) will be carried out in accordance with the development plan agreed to by the Co-Owners, as it may be amended from time to time (the “**Development Plan**”). See “*Forward-Looking Information*”.

Purchase of the Partnership’s Interest in the Property

Property Purchase Agreement

First Capital Acquisition Corp., as purchaser, and EG Yorkville Limited Partnership, by its general partner, EG Yorkville GP Inc. (the “**Vendor**”), as vendor, entered into an agreement of purchase and sale dated December 24, 2018, as amended from time to time (the “**Property Purchase Agreement**”) pursuant to

which First Capital Acquisition Corp. agreed to purchase the lands and buildings municipally known as 33 Avenue Road and 140 Yorkville Avenue, Toronto, Ontario, along with certain leases, contracts and surveys and plans related thereto (collectively, the “**Property**”), for the purchase price of \$170,700,000, with all usual adjustments applied thereto (the “**Property Purchase Price**”).

The Partnership will use part of the proceeds of the Offering to acquire an undivided 33 $\frac{1}{3}$ % beneficial interest in the Property. The closing of the acquisition of the Property (the “**Property Purchase Closing**”) is scheduled to occur on or about July 12, 2019.

To date, First Capital (or affiliated entities) has delivered letters of credit (individually, a “**Letter of Credit**” and, collectively, the “**Letters of Credit**”), from a Canadian chartered bank issued in favour of the Vendor, in the aggregate amount of \$8,000,000 on account of the deposits required under the Property Purchase Agreement (collectively, the “**Deposits**”). The Property Purchase Price will be paid using a portion of the Estimated Total Equity Capital Contribution and by acquisition financing secured by a first mortgage and charge against the Property (the “**Acquisition Financing**”). The Acquisition Financing is expected to be in the principal amount of approximately \$102,420,000, which represents approximately 60% of the Property Purchase Price.

Assignment and Assumption Agreement

On April 26, 2019, pursuant to an assignment and assumption agreement of purchase and sale entered into among First Capital Acquisition Corp., as assignor, 140 Yorkville Corporation (the “**Nominee**”), as assignee, and the Vendor, as vendor (the “**Assignment Agreement**”), First Capital Acquisition Corp. assigned (the “**Assignment**”) all of its right, title, and interest in and to the Property Purchase Agreement and the Property to the Nominee.

Nominee Agreement

The Nominee is a corporation incorporated under the laws of Ontario and is jointly owned by the Co-Owners, each as to a 33 $\frac{1}{3}$ % interest. Pursuant to a nominee agreement among the Nominee and the Co-Owners dated April 26, 2019 (the “**Nominee Agreement**”), the Nominee agreed to hold its interest in the Property and the Property Purchase Agreement as nominee and bare trustee for and on behalf of the Co-Owners on the terms set out in the Nominee Agreement.

Assignment of Property Purchase Agreement and Co-Owners Confirmation Agreement

On April 26, 2019, concurrently with the Assignment, First Capital Acquisition Corp. entered into an assignment of purchase agreement and co-owners confirmation agreement (the “**Co-Owners Confirmation Agreement**”) with the Nominee and each Co-Owner, whereby First Capital Acquisition Corp. assigned to each Co-Owner an undivided thirty-three and one-third percent (33 $\frac{1}{3}$ %) interest (each a “**Proportionate Share**”) in all of First Capital Acquisition Corp.’s beneficial right, title, and interest, in and to the Property Purchase Agreement and the Property, to be held by the Co-Owners, as tenants-in-common. Under the Co-Owners Confirmation Agreement, the Co-Owners appointed the Nominee to be and act as bare trustee for and on behalf of the Co-Owners for the sole and limited purpose of holding all the Co-Owners respective right, title, and interest in and to the Property Purchase Agreement and the Property in accordance with the Co-Owners Confirmation Agreement and the Nominee Agreement. First Capital Acquisition Corp. agreed to indemnify the Co-Owners from and against all claims and liability which a Co-Owner may incur or be liable under the Property Purchase Agreement prior to the Assignment arising by reason of non-performance or non-observance by First Capital Acquisition Corp., and each Co-Owner agreed to indemnify First Capital Acquisition Corp. from and against its Proportionate Share of all claims and liability which First Capital Acquisition Corp. may incur or be liable under the Property Purchase Agreement following the Assignment arising by reason of non-performance or non-observance by any Co-Owner.

Under the Co-Owners Confirmation Agreement, each Co-Owner acknowledged and agreed to be responsible for its Proportionate Share of all amounts owed by the Nominee to the Vendor under the Property Purchase Agreement following the Assignment.

In accordance with the terms of the Property Purchase Agreement, First Capital Acquisition Corp. previously provided a Letter of Credit in the amount of \$2,000,000 on account of the first deposit payable to the Vendor. Under the Co-Owners Confirmation Agreement, the Co-Owners agreed to have First Capital, or an Affiliate of First Capital, provide a second Letter of Credit in the amount of \$6,000,000 to the Vendor within 3 business days of the Assignment, representing the balance of the deposit payable to the Vendor under the Property Purchase Agreement. The sum under the second Letter of Credit was comprised of (i) the remainder of First Capital's Proportionate Share of the Deposit; (ii) an interest free loan to the Partnership (the "**Partnership Deposit Loan**") in the amount of the Partnership's Proportionate Share of the Deposit (being \$2,666,667); and (iii) an interest free loan to BMOPE (the "**BMOPE Deposit Loan**") in the amount of BMOPE's Proportionate Share of the Deposit (being \$2,666,667). The Partnership Deposit Loan and the BMOPE Deposit Loan are evidenced by way of a promissory note (each, a "**Promissory Note**") delivered by each of the Partnership and BMOPE to First Capital or an affiliate of First Capital dated as of the date of the Assignment. The amount under each Promissory Note is due and payable by each of the Partnership and BMOPE upon the earlier of (i) the date the Property Purchase Agreement is terminated for any reason whatsoever, and (ii) the date of the Property Purchase Closing.

At least two (2) business days prior to the Property Purchase Closing, the Partnership is required to contribute its Proportionate Share of the Estimated Total Equity Capital Contribution (being \$33,333,334) to the Nominee's solicitors, in trust to fund (i) part or all of the cash portion of the balance of the Property Purchase Price due on the Property Purchase Closing, and (ii) to the extent not otherwise financed, all closing costs and third party diligence costs relating to the purchase of the Property. In the event that the Partnership's contribution is insufficient to fund all of these costs, each of First Capital and BMOPE will contribute such equal amounts as are required to fund any outstanding balance.

Upon the completion of the Property Purchase Closing, legal title to the Property will be held by the Nominee as bare nominee and trustee for the Co-Owners in their respective 33 $\frac{1}{3}$ % Proportionate Shares.

In the event the Property Purchase Agreement is not completed as a result of a default by the Nominee under the Property Purchase Agreement, whether caused by an act or omission of a Co-Owner or otherwise (and irrespective of which Co-Owner is responsible for such Nominee's default), each Co-Owner agrees to be responsible for and to fully indemnify the other Co-Owners and First Capital Acquisition Corp. from: (i) its Proportionate Share of the Deposit; (ii) its Proportionate Share of reasonable third party out-of-pocket expenses incurred by First Capital, its affiliate, or the Nominee up to the date of termination of the Property Purchase Agreement, including legal fees; (iii) its Proportionate Share of all costs relating to the Property Purchase Closing; and (iv) its Proportionate Share of all costs, losses and liabilities incurred by the Nominee and/or First Capital as a result of any claims or legal proceedings by the Vendor in respect of any default by the purchaser under the Property Purchase Agreement. See "*Total Capital Contribution*".

Conflicts Concerning the Purchase and Sale of the Property

On October 11, 2013, Greybrook Yorkville Limited Partnership ("**Greybrook Yorkville LP**"), a limited partnership organized by Greybrook Realty Partners Inc. ("**Greybrook Realty**"), completed an offering of units of limited partnership interest in Greybrook Yorkville LP (the "**Initial Offering**"). The gross proceeds of the Initial Offering were \$41,400,000. Greybrook Yorkville LP formed the EG Yorkville Limited Partnership (the "**Vendor**") with Empire Communities (Yorkville), L.P. ("**Empire**") and the bulk of the proceeds of the Initial Offering were used by the Vendor to acquire the Property.

The Vendor acquired its interest in the Property for a purchase price, subject to customary adjustments, of approximately \$75,198,000. The Vendor expects that it will have expended, up to and including the Property Purchase Closing, approximately \$36,396,805 developing the Property.

The Vendor holds title to and is the beneficial owner of the Property. Greybrook Yorkville LP holds a 57.93% limited partnership interest in the Vendor and Empire holds the remaining 42.07% limited partnership interest in the Vendor. Accordingly, the sale of the Property is a non-arm's length transaction because Greybrook Yorkville LP, a Greybrook Realty affiliate, is a 57.93% indirect beneficial owner of the

Property. Greybrook Realty organized the Partnership and the General Partner is a wholly-owned subsidiary of Greybrook Realty.

On December 24, 2018, in accordance with the Property Purchase Agreement, First Capital Acquisition Corp. agreed to pay the Vendor the Property Purchase Price (\$170,700,000, subject to the making of the usual adjustments and any other adjustments provided for in the Property Purchase Agreement) for the Property.

On April 26, 2019, in accordance with the Assignment Agreement, the Property Purchase Agreement was assigned to the Nominee. The Nominee is jointly owned by the Partnership, First Capital and BMOPE, each as to a 33⅓% interest.

Under the Co-Owners Agreement, the Partnership will ultimately indirectly fund 33⅓% of the cash portion of the Property Purchase Price and certain related costs and expenses. The Property Purchase Agreement was negotiated by Empire and Greybrook Yorkville GP Inc., the general partner of Greybrook Yorkville LP, for and on behalf of the Vendor, as vendor, and First Capital Acquisition Corp., as purchaser. See "*Background and Reasons for the Offering*".

The Agent acted as the private placement agent for Greybrook Yorkville LP in connection with the Initial Offering and it is also acting as the lead private placement agent for the Partnership in connection with the Offering. The Agent was paid commissions and expenses in the aggregate amount of \$3,485,500, Greybrook Realty received fees and payments in the amount of \$1,742,000, and Greybrook Capital Inc. ("**Greybrook Capital**") received fees and payments in the amount of \$850,000, for services that the Agent, Greybrook Realty and Greybrook Capital, respectively, provided to Greybrook Yorkville LP in connection with, among other things, the Initial Offering. Greybrook Realty will also be paid a success fee of approximately \$4,080,000 in connection with the sale of the Property. The Partnership will pay the Agent the commissions and expenses, and Greybrook Realty the fees, described under the heading "*Plan of Distribution*".

The Co-Owners Agreement

The co-ownership of the Property will be governed by a co-owners agreement to be entered into among the Partnership, First Capital, BMOPE, and the Nominee, in the form annexed to the Co-Owners Confirmation Agreement (the "**Co-Owners Agreement**"), immediately prior to the Property Purchase Closing. The purpose of the Co-Ownership will be to own the Property as tenants-in-common, and to develop the Project in accordance with the Development Plan.

Total Capital Contribution

Pursuant to the Co-Owners Agreement, the Co-Owners will agree that the total estimated capital required to complete the Project will be \$100,000,000 (the "**Estimated Total Equity Capital Contribution**"), of which each Co-Owner will agree to ultimately contribute up to \$33,333,334 or 33⅓%, being its Proportionate Share.

General

The Co-Owners Agreement affirms that the Project shall be held by the Co-Owners as tenants-in-common, each as to its 33⅓% respective undivided right, title, and interest in and to the Project (each such interest being a "**Co-Owners Interest**"). The Co-Owners Agreement will be entered into on the Property Purchase Closing and remain in effect until the earlier of the date on which only one of the Co-Owners holds all the Co-Owners' Interests, and the date the Co-Owners Agreement is terminated by written agreement of the Co-Owners. Under the Co-Owners Agreement, each Co-Owner acknowledges that the registered title to its Co-Owner's Interest is held directly by the Nominee, and that each Co-Owner shall be the registered and beneficial owner of one hundred (100) shares of the Nominee.

Project Funding Obligations

The Co-Owners Agreement requires each Co-Owner to pay its Proportionate Share of all Approved Obligations (as defined below) of the Project and to ensure that it has sufficient funds at all times to pay any amount required under the Co-Owners Agreement.

Approved obligations of the Project will include: (i) existing encumbrances on the Property in effect as of the date of the Property Purchase Closing; (ii) encumbrances approved by the Co-Owners subsequent to entering into of the Co-Owners Agreement; (iii) obligations related to emergencies, as contemplated by the Co-Owners Agreement; and (iv) all debts and liabilities in connection with the Project that (A) have been approved by the Co-Owners (including, without limitation, Project Financing (as defined below)), (B) are provided for in an approved budget which forms part of a prescribed annual plan, or (C) which are imposed upon the Project or the owners of the Project by a governmental authority or otherwise arise as an incident of ownership of the Project (for example, real estate taxes, public utility charges, etc.) (collectively, the “**Approved Obligations**”).

As described above, on the Property Purchase Closing, the Partnership shall have contributed its Proportionate Share of the Estimated Total Equity Capital Contribution in full. Under the Co-Owners Agreement, each of First Capital and BMOPE covenant to pay 50% of all Approved Obligations that are subject to a Demand (as defined below), until each of First Capital and BMOPE have contributed their Proportionate Share of the Estimated Total Equity Capital Contribution. In the event that First Capital and/or BMOPE have not funded their foregoing Proportionate Share prior to the date of the Project’s first construction financing advance, at the option of the Partnership, each of First Capital or BMOPE shall pay to the Partnership, a sum of money (the “**Equalization Payment**”) such that, after making the Equalization Payment, each Co-Owner will have contributed an equal amount of capital. In the event the Partnership declines the Equalization Payment, the Partnership shall be deemed to have loaned to First Capital and BMOPE (each as to a 50% thereof) an aggregate principal amount equal to the Equalization Payment on the terms and conditions set out in the Co-Owners Agreement (each, an “**Equalization Loan**”).

The Equalization Loan, if it is ever advanced to First Capital and BMOPE, will:

- (a) bear interest at a rate equivalent to, and calculated in accordance with, the rate of interest payable under the construction Project Financing procured for the Project;
- (b) be secured by the Collateral Charge (as defined below) on First Capital’s and BMOPE’s Co-Owner’s Interest, which as required, will be subordinated and/or postponed in favour of all Project Financing. See “—*Collateral Charge*”;
- (c) the principal and interest owing under the Equalization Loan will be paid out of any distributions of Gross Revenue (as defined below) otherwise payable to First Capital and BMOPE in the priority and manner provided for in the Co-Owners Agreement. See “—*Revenues and Distributions*”; and
- (d) the Equalization Loan will become due and payable immediately on demand if First Capital or BMOPE is in Default (as defined below) under the Co-Owners Agreement. See “—*Consequences of Default*”.

Funds Required for the Project

Under the Co-Owners Agreement, each Co-Owner agrees to, and shall direct the Property Manager (as defined below) and/or the Development Manager (as defined below) (either the Property Manager or Development Manager being a “**Manager**” and together the “**Managers**”) to, first pay, from the Co-Owner’s Proportionate Share of Gross Revenue, such Co-Owner’s Proportionate Share of all amounts due and payable pursuant to any Project Financing and such Co-Owner’s Proportionate Share of all expenses incurred in respect of the Project for any given period (“**Operating Expenses**”) and all other amounts due and payable under any other Approved Obligations, including all capital expenditures, and

also to withhold from such funds such Co-Owner's Proportionate Share of the reserve, if any, that has been approved by the Co-Owners for future obligations. The balance, if any, of the Gross Revenue shall be distributed to the Co-Owners on a monthly basis or on such other periodic basis as determined by the Co-Owners Committee.

Subject to the obligation of First Capital and BMOPE to each pay 50% of all Approved Obligations until each of First Capital and BMOPE have contributed their Proportionate Share of the Estimated Total Equity Capital Contribution, it is agreed that each of the Co-Owners shall pay its Proportionate Share of all Approved Obligations that become due and payable from time to time and that have not otherwise been paid from the Gross Revenue, upon receipt of a written demand (a "**Demand**") from the Managing Co-Owners or a Manager (it being agreed that either the Managing Co-Owners or a Manager may deliver a Demand, provided that any Demand delivered by a Manager shall have been approved by the Managing Co-Owners, if it is not provided for in the development budget comprising part of the Approved Development Plan or an approved budget) in accordance with the Co-Owners Agreement.

Optional Capital Calls

If the Co-Owners require additional funds for the Project in excess of the Estimated Total Equity Capital Contribution, the Managing Co-Owners (as defined below) may from time to time by notice in writing (an "**Optional Capital Call Notice**") to each Co-Owner, request that the Co-Owners contribute funds at such time and in such amount as the Managing Co-Owners determine to be appropriate in connection with the funding of expenditures, the details of which are set out in the applicable Optional Capital Call Notice (an "**Optional Capital Call**"). Each Co-Owner will have the right to contribute in respect of each Optional Capital Call, its Proportionate Share of the requested amount set out in the Optional Capital Call (the "**Requested Amount**"), however no Co-Owner will be obligated to make a contribution in response to any Optional Capital Call, and may choose not to make such contribution, in its Sole Discretion. If one or more of the Co-Owners does not advance all of its Proportionate Share of the Requested Amount (a "**Non-Funding Co-Owner**"), the Managing Co-Owners will provide notice of the Requested Amount (or such portion thereof) that was not contributed by the Non-Funding Co-Owner (the "**Non-Funded Requested Amount**") to the other Co-Owners, and such other Co-Owners may within fifteen (15) business days from the date of such notice contribute the Non-Funded Requested Amount. Each Non-Funding Co-Owner's Interest will be reduced proportionately to adjust for the portion of the Requested Amount that it failed to contribute, to the extent that such Non-Funded Requested Amount was contributed by another Co-Owner. The Co-Owner's interest of each Co-Owner who contributed such Non-Funded Requested Amount (the "**Optional Capital Contributing Co-Owner**") will be increased proportionately to adjust for the portion of the Requested Amount that it contributed.

Partnership Capital Loan

The Partnership will have no obligation to contribute its Proportionate Share of the Requested Amount in the case of an Optional Capital Call Notice, or its Proportionate Share of the amount of funds required to be paid by the Co-Owners pursuant to a Demand, and there shall be no proportionate reduction to the Partnership's Co-Owner's Interest under the Co-Owners Agreement, and such amount shall in each case be advanced, on the Partnership's behalf, by First Capital (the "**Partnership Capital Loan**"), and the capital contributions of the Partnership will be increased by 100% of the principal amount of the Partnership Capital Loan on the terms and conditions further set out in the Co-Owners Agreement.

The Partnership Capital Loan, if it is ever advanced to the Partnership by First Capital, will:

- (a) bear interest at a rate of 12% per annum, calculated and adjusted daily, not in advance, and compounded monthly;
- (b) be open for repayment, in whole or in part, at any time without notice or bonus;
- (c) be secured by the Collateral Charge on the Partnership's Co-Owner's Interest, which as required, will be subordinated and/or postponed in favour of all Project Financing. See "**Collateral Charge**";

- (d) the principal and interest owing under the Partnership Capital Loan will be paid out of any distributions of Gross Revenue otherwise payable to the Partnership in the priority and manner provided for in the Co-Owners Agreement. See “—*Revenues and Distributions*”; and
- (e) the Partnership Capital Loan will become due and payable immediately on demand if the Partnership is in Default under the Co-Owners Agreement. See “—*Consequences of Default*”.

Project Financing

First Capital shall be responsible for obtaining the commitment(s) of a lender to loan the Co-Owners such funds as are required, from time to time for the Project (including the Acquisition Financing, construction financing and permanent financing) (each, a “**Project Financing**”), and the Co-Owners agree to jointly mortgage and charge the Project, in each case upon terms Approved by the Co-Owners, each acting in its Sole Discretion, as security for each such Project Financing. To the extent possible, save for the Co-Owners certain customary matters, each Project Financing will be without credit enhancements, such as, for example, personal or corporate covenants, guarantees, indemnities or other comparable forms of credit support (“**Credit Support**”).

If Credit Support is required, First Capital shall provide or, at its sole discretion, cause FCR (or such other person as is acceptable to the applicable lender), to provide such Credit Support. If possible, each Project Financing shall be done on the basis that recourse is limited to the Project. If, however, such non-recourse Project Financing is not available, then such Project Financing shall be done on the basis that: (i) the liability of each Co-Owner in respect of any such Project Financing shall be limited to its Proportionate Share of the aggregate amount of any such Project Financing, (ii) the liability of the Co-Owners in respect of any such Project Financing will be several (and not joint or joint and several) and (iii) subject to First Capital’s Credit Support obligation, each of the Co-Owners’ liability under any such Project Financing will be limited to its interest in the Property and the Project. As consideration for First Capital obtaining each Project Financing, each of the Partnership and BMOPE will pay First Capital a financing sourcing fee plus applicable taxes (the “**Financing Fee**”) calculated as follows:

$$a \times b \times c$$

where:

"a" is equal to 0.5625% per annum;

"b" is equal to the paying Co-Owner’s Proportionate Share; and

"c" is equal to the total dollar amount drawn, from time to time, under the applicable Project Financing.

The Financing Fee is calculated monthly on the last day of each month (using, for greater certainty, a 365 day year for calculation purposes) non-compounding basis and will be due and payable in such amounts and will be paid out of any distributions of Gross Revenue otherwise payable to the Partnership or BMOPE in the priority and manner provided for in the Co-Owners Agreement. See “—*Revenues and Distributions*”.

Collateral Charge

Each of the Co-Owners is required to grant to each of the other Co-Owners, a mortgage, assignment, and security interest in its Co-Owner’s Interest in favour of such other Co-Owners (a “**Collateral Charge**”) as security for the observance and performance of all of its liabilities and obligations under the Co-Owners Agreement. Each Co-Owner will agree to cause the Nominee to execute and deliver a charge in the form annexed to the Co-Owners Agreement which will encumber the Co-Owner’s Interest of such Co-Owner in

favour of each of the other Co-Owners in the principal amount of \$250,000,000. Each Collateral Charge shall be *pari passu* and subject and subordinate to all Approved Obligations and also to all Project Financings arranged from time to time.

Revenues and Distributions

The Co-Owners Agreement provides that each Co-Owner will be entitled to receive the gross revenues and capital receipts of the Project (collectively, "**Gross Revenue**"), after payment of costs and expenses and the provision of any reserves, in the following priority:

- (a) First, if the closing of the purchase of the Residential Strata Rights has occurred under the Adjacent Property Agreement (as defined below), to the Adjacent Property Owner (as defined below) in payment of the Residential Strata Rights Purchase Price, pursuant to the Adjacent Property Agreement;
- (b) Second, on a *pari passu* basis:
 - (i) to the Partnership, the amount equal to the Partnership capital contribution less the amount of the Equalization Payment previously paid to the Partnership, if any;
 - (ii) to First Capital, the total amount of its capital contribution plus the aggregate portion of the Equalization Payment previously paid by First Capital, if any;
 - (iii) to BMOPE, the total amount of its capital contribution plus the aggregate portion of the Equalization Payment previously paid by BMOPE, if any; and
- (c) Third, all remaining amounts to the Co-Owners, *pro rata*, in accordance with their Proportionate Shares.

Notwithstanding the priority of distributions set out above, the Co-Owners will agree that: (i) any and all amounts (including any interest thereon) due under the Partnership Capital Loan and the Financing Fee will be satisfied by the redirection to First Capital out of each distribution that would otherwise be payable, as applicable, to each of the Partnership, BMOPE or both of them; and (ii) any and all amounts (including any interest thereon) due under the Equalization Loan will be satisfied by the redirection to the Partnership out of each distribution that would otherwise be payable to First Capital, BMOPE or both of them.

In the event of a conflict, the Financing Fee will be redirected in priority to any redirection of amounts owed under the Partnership Capital Loan and/or the Equalization Loan.

No final cash distribution (whether upon an early liquidation of the Project or upon the completion of the Project) will be made to the Co-Owners unless and until all expenses and liabilities owing to third parties have been paid, satisfied and discharged in full or adequate provision therefor has been made.

Management, the Co-Owners Committee and Major Matters

The Co-Owners Agreement will require that all actions taken, sums expended, decisions made or obligations incurred by the Co-Owners in respect of the Project must be approved by the Co-Owners unless delegated to a Manager in accordance with the terms of the Co-Owners Agreement. Under the Co-Owner Agreement, all decisions, consents, approvals and determinations required to be made by the Co-Owners in respect of the Project will require only the approval of the Partnership and First Capital (collectively, the "**Managing Co-Owners**"), and the Managing Co-Owners will have charge and control of the day to day decision-making, management and operations of the Project, save and except for (i) those decisions and determinations delegated to the Property Manager and Development Manager under the Property Management Agreement and the Development Management Agreement (the "**Management Agreements**"), (ii) Major Matters (as defined below) and (iii) pursuant to certain provisions under the Co-

Owners Agreement relating to the Property Management Agreement, Development Management Agreement, Adjacent Property Agreement, and a Defaulting Co-Owner. All decisions concerning the Project and requiring the approval of the Managing Co-Owners will require the unanimous approval of the Managing Co-Owners, unless such decisions are pursuant to certain provisions under the Co-Owners Agreement relating to the Property Management Agreement, Development Management Agreement, Adjacent Property Agreement, and a Defaulting Co-Owner, which shall be made by the single Managing Co-Owner as provided therein.

Unless otherwise expressly provided, under the Co-Owners Agreement each Co-Owner will agree to act in a commercially reasonable manner, promptly, honestly, in good faith and in the best interest of the Project and to exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise as a co-owner in comparable circumstances (the foregoing being the “**Commercially Reasonable Standard**”) in deciding whether or not to grant its approval of any matter, decision or action where such approval is required pursuant to the Co-Owners Agreement and in making any other decisions or taking any actions contemplated in the Co-Owners Agreement, and shall ensure that any member it has appointed to the Co-Owners Committee (as defined below) exercises such individual’s authority as a member of the Co-Owners Committee, and makes decisions in such capacity, on the basis set out above. The foregoing shall not be applicable in respect of any decision relating to any Transfer (as defined below) (solely in respect of a decision as to whether or not to proceed with a Transfer), in which case each Co-Owner shall be entitled to act in its own best interests, in its absolute discretion, in accordance with its own criteria and unreasonably in connection therewith. Notwithstanding the foregoing, in connection with all Fundamental Matters (as defined below), each Co-Owner shall have the right to act in its sole, absolute, subjective and unfettered discretion (“**Sole Discretion**”) and solely in the best interests of such Co-Owner, as determined by such Co-Owner in its Sole Discretion, and any member it has appointed to the Co-Owners Committee shall be entitled to exercise such individual’s authority as a member of the Co-Owners Committee, and make decisions in such capacity, on such basis, and no Co-Owner, and no member of the Co-Owners Committee appointed by it, will be bound by any obligation or duty, express or implied, to take into account the interests of any other Co-Owner, or by any other express or implied obligations to any other persons, in connection with any approvals, decisions or actions given, made or taken in connection therewith.

Under the Co-Owners Agreement, “**Major Matters**” means any one or more of the following:

- (a) any proposed development, renovation, redevelopment, expansion, addition, rebuilding or other material work to be undertaken in connection with the Project unless specifically contemplated in the Approved Development Plan
- (b) approval of the Development Plan or any amendment thereto;
- (c) cost overruns with respect to any development work contemplated in the Approved Development Plan where:
 - (i) such cost overrun (on an aggregate basis, together with all prior cost overruns) exceeds the total development budget (contained in the Approved Development Plan) by 105%; or
 - (ii) such cost overrun (on a per line item basis) exceeds the budgeted costs for such line item (as contained in the development budget included in the Approved Development Plan) by the greater of: (A) \$100,000 or more; and (B) 10% or more;
- (d) approval of the Annual Plan or any amendments to such plan(s);
- (e) the demolition of all or any substantial portion of the Project, unless specifically contemplated in the Approved Development Plan;

- (f) the acquisition of additional lands or material real property rights or interests unless specifically contemplated in the Approved Development Plan, excluding the acquisition of the rights in the Adjacent Property in accordance with the Adjacent Property Agreement;
- (g) approval of any Project Financing (including all agreements and security in respect thereof) or any amendment thereof or of the agreements or security in respect thereof, including loan to value ratios applicable in connection therewith, except to the extent that such financing and the terms thereof are consistent with the financing contemplated by the Approved Development Plan;
- (h) the sale of all or part of the Project by the Co-Owners collectively as vendor, excluding the sale of any residential condominium units to third party purchasers in accordance with the Approved Development Plan, the sale of a Co-Owner's Co-Owner's Interest in accordance with the Co-Owners Agreement and the sale of the Hotel Strata Rights and the Commercial Extension in accordance with (and as those terms are defined in) the Adjacent Property Agreement;
- (i) other than with respect to development work contemplated in the Approved Development Plan, any expenditures in excess of \$100,000 (on an individual basis) in any one fiscal year not provided for in an Approved Budget, or which result in total expenditures exceeding the budgeted costs by more than 5% in any one fiscal year;
- (j) other than with respect to development work contemplated in the Approved Development Plan, the approval of any material contract;
- (k) any transaction or agreement (other than the Management Agreements or any other transaction or agreement expressly permitted under the Co-Owners Agreement) with any Affiliate of a Co-Owner or any Person who does not deal at arm's length with a Co-Owner;
- (l) any approval of the making of any loan or advancing of indebtedness by the Co-Owners (collectively) to a third party (and for greater clarity, excluding the Partnership Capital Loan and the Equalization Loan and any other loan between one or more Co-Owners made in accordance with the Co-Owners Agreement);
- (m) any transfer of a Co-Owner's Co-Owner's Interest other than as expressly permitted by the Co-Owners Agreement;
- (n) any amendment to the Management Agreements;
- (o) termination of any manager pursuant to a Management Agreement and/or, if applicable, the selection of one or more new manager(s) in the event of the termination of a Management Agreement or the removal of a manager thereunder;
- (p) the issuance of press release(s) related to the Project and the contents to be included therein; and
- (q) the approval of the construction manager for the Project, if such construction manager is not TMG Builders or PCL Constructors Inc.;

and "**Fundamental Matter**" means any of the Major Matters listed in the preceding paragraphs (b), (c), (f), (g), (h), (l), (m), (n) and (p), provided that in respect of paragraph (g), such Major Matter shall be a Fundamental Matter only to the extent that the approval of, or any change to, the financial terms of any Project Financing are not consistent with the financing contemplated by the Approved Development Plan.

Approval of the Co-Owners of a Major Matter is given by a committee of the Co-Owners (the “**Co-Owners Committee**”) consisting of six (6) members, two (2) of whom shall be appointed by each Co-Owner. A Co-Owner, at its option, may also nominate up to two (2) alternate members who may attend meetings of the Co-Owners Committee in the place and stead of the primary members of the Co-Owners Committee. Quorum for the transaction of business at any meeting of the Co-Owners Committee will be three (3) members of the Co-Owners Committee, one of whom shall be an appointee of the Partnership, one of whom shall be an appointee of First Capital, and one of whom shall be an appointee of BMOPE. Subject to the terms of the Co-Owners Agreement, at each meeting of the Co-Owners Committee for which there is a quorum, each Major Matter shall be decided by a unanimous vote on the issue or matter by all of the members of the Co-Owners Committee present at such meeting who are entitled to vote thereat.

The Co-Owners will be provided with certain information and reporting rights under the Co-Owners Agreement as well as examination rights for the auditors of each of the Co-Owners in respect of certain books and records relating to the Project.

Each of the Co-Owners will release and discharge the members of the Co-Owners Committee in respect of anything done by the member in the performance of his or her duties pursuant to the Co-Owners Agreement, and such indemnity will survive the termination of the Co-Owners Agreement.

Transfers of Interests

The Co-Owners Agreement prohibits a Co-Owner, subject to certain exceptions, from transferring or encumbering its Co-Owner’s Interest (collectively, a “**Transfer**”), without the prior written consent of the other Co-Owners (except with respect to any security granted to secure Project Financing and any Collateral Charge). Notwithstanding the foregoing, each of the Partnership and BMOPE acknowledge that the conversion of First Capital into a real estate investment trust (“**FCRI REIT**”) shall not require the consent of BMOPE or the Partnership under the Co-Owners Agreement. First Capital will agree to indemnify the Partnership and BMOPE against any and all costs, losses, expenses, claims, damages and liabilities arising out of the increase in income tax, land transfer tax or HST payable solely as a result of the completion of the conversion.

A Co-Owner who is not otherwise in default under the terms of the Co-Owners Agreement may, however, transfer all or part of its Co-Owner’s Interest to an Affiliate without the consent of the other Co-Owner or extending to such other Co-Owner the right of first offer (see “*—Right of First Offer on Transfer*”), provided the transfer otherwise complies with the restrictions on transfer stipulated by the Co-Owners Agreement.

Right of First Offer on Transfer

The Co-Owners Agreement provides each Co-Owner the limited ability to sell its Co-Owner’s Interest in accordance with the procedure described below. This right only takes effect following: (a) for First Capital and the Partnership, the date on which the plan of condominium for the Project’s residential component is registered, and (b) for BMOPE, the earlier of (i) the date on which the plan of condominium for the Project’s residential component is registered and (ii) the ninth anniversary of the execution of the Co-Owners Agreement (the “**ROFO Date**”). Management expects that on the date that the plan of condominium for the Project’s residential component is registered all of the residential condominium units will have been sold. Accordingly, other than in the case where BMOPE is exercising its right because more than nine years have elapsed from the execution of the Co-Owners Agreement, the sale procedure described below is expected to primarily represent the sale of the Selling Co-Owner’s (as defined below) interest in the Commercial Component. If any residential condominium units remain unsold on the date that the plan of condominium for the Project’s residential component is registered, a Selling Co-Owner’s interest in the unsold units remaining will form part of such Co-Owner’s Interest being sold.

The Co-Owners Agreement requires a Co-Owner who wishes to sell all or part of its Co-Owner’s Interest (the “**Selling Co-Owner**”) to first offer to sell such interest by way of notice (the “**ROFO Notice**”) to the other Co-Owners (such offer being the “**ROFO Sale Offer**” and the recipient of such ROFO Sale Offer being the “**Offeree Co-Owner**”), provided the Offeree Co-Owner is not in default of the terms of the Co-Owners Agreement. The Co-Owners Agreement will provide that the ROFO Sale Offer must only be in

respect of the Selling Co-Owner's Co-Owner's Interest, and must not relate to other property or assets. The Sale Offer shall be on an "as-is, where-is" basis in regards to the condition of the Property, shall set out the purchase price payable for the Selling Co-Owner's Co-Owner's Interest, and the other terms applicable to the proposed transaction of purchase and sale, which may include customary closing conditions (collectively, the "**Sale Terms**")

The Selling Co-Owner will be required to designate a purchase price (the "**ROFO Sale Offer Price**") for the portion of its Co-Owner's Interest which is subject to the ROFO Sale Offer. The Co-Owners Agreement provides for mechanisms through which the ROFO Sale Offer Price may be adjusted to account for certain factors, including indebtedness under Project Financing.

The ROFO Sale Offer will be irrevocable during the 30-day period following the date the Offeree Co-Owner receives notice of the ROFO Sale Offer from the Selling Co-Owner, during which time the Selling Co-Owner will not be permitted to market its Co-Owner's Interest, or accept any offers to purchase such interest from anyone but the Offeree Co-Owner (the "**Offer Period**").

Each Co-Owner shall have until the Offer Deadline to (i) give written notice to the Selling Co-Owner (and the other Offeree Co-Owner) of the Offeree Co-Owner's irrevocable election to accept the ROFO Sale Offer (the "**Purchase Election**"); (ii) to give written notice to the Selling Co-Owner (and the other Offeree Co-Owner) of the Offeree Co-Owner's irrevocable election (the "**Project Sale Election**") to request that the Selling Co-Owner market for sale the entire Project (and not only the Selling Co-Owner's Co-Owner's Interest) or (iii) to give written notice to the Selling Co-Owner (and the other Offeree Co-Owner) of the Offeree Co-Owner's irrevocable election to approve the sale of the Co-Owner's Interest of the Selling Co-Owner on the Sale Terms (the "**Third Party Sale Election**").

If, prior to the Offer Deadline, one Offeree Co-Owner delivers a Third Party Sale Election and one Offeree Co-Owner delivers a Purchase Election, a binding agreement of purchase and sale will be created automatically between the Offeree Co-Owner who delivered the Purchase Election and the Selling Co-Owner. Under this purchase agreement such Offeree Co-Owner will agree to purchase the Selling Co-Owner's Co-Owner's Interest, and the Selling Co-Owner will agree to sell to the Offeree Co-Owner the Selling Co-Owner's Co-Owner's Interest in accordance with the Sale Terms.

If, prior to the Offer Deadline, one Offeree Co-Owner delivers a Project Sale Election and one Offeree Co-Owner delivers a Purchase Election, a binding agreement of purchase and sale will be created automatically between the Offeree Co-Owner who delivered the Purchase Election and the Selling Co-Owner. Under this purchase agreement such Offeree Co-Owner will agree to purchase the Selling Co-Owner's Co-Owner's Interest, and the Selling Co-Owner will agree to sell to the Offeree Co-Owner the Selling Co-Owner's Co-Owner's Interest in accordance with the Sale Terms, and for greater certainty, the Project Sale Election delivered by the other Offeree Co-Owner shall be considered to be rescinded.

If, prior to the Offer Deadline: (A) both Offeree Co-Owners deliver (or are deemed to deliver) a Third Party Sale Election or (B) one or more Offeree Co-Owners provides a Purchase Election, but the purchase and sale transaction pursuant to the agreement that is created upon such acceptance is not completed (other than solely as a result of the default of the Selling Co-Owner) in accordance with such agreement, the Selling Co-Owner shall have the right, during the Sale Transaction Period to sell its Co-Owner's Interest to a Third Party without the consent of the other Co-Owners if, but only if, such sale is completed prior to the expiry of such Sale Transaction Period and in compliance with the Co-Owners Agreement.

If the Selling Co-Owner has the right to sell its Co-Owner's Interest to a Third Party without the approval of the other Co-Owners and it receives, during the Sale Transaction Period, a Qualifying Eligible Project Offer, the Selling Co-Owner shall have the right, subject to compliance with the Co-Owners Agreement, but without any consent from the Offeree Co-Owners, to accept such Qualifying Eligible Project Offer (but not any offer to purchase that is not a Qualifying Eligible Project Offer) and to Transfer the Co-Owner's Interest to the Person which made the Qualifying Eligible Project Offer, or any Person that is an Affiliate of such Person (the "**Third Party Purchaser**"), if (but only if) such Transfer is completed prior to the expiry of the Sale Transaction Period for a purchase price equal to or greater than ninety-eight percent (98%) of

the purchase price set out in the Sale Offer and otherwise in accordance with such Qualifying Eligible Project Offer in all material respects.

If both the Offeree Co-Owners give written notice of a Project Sale Election prior to the Offer Deadline, the Selling Co-Owner will not have the right to sell only its Co-Owner's Interest pursuant to its ROFO Notice, but instead shall have the right, during the period of 120 days following the date such Project Sale Election is made, to sell the entire Project without any further consent or authorization from the other Co-Owners, subject to compliance with the provisions of the Co-Owners Agreement.

Sale of Commercial Component

In the event the Commercial Component is at such time owned by the Co-Owners, for a period (the "**Option Period**") of two (2) years (subject to extension as provided in the Co-Owners Agreement) following the date on which (i) leases on customary standard market terms (having regard to both lease terms and rents) are in place for at least 90% of the leasable space of the Commercial Component and (ii) stabilized minimum rents have been paid for at least six months in respect of such leases, First Capital may give written notice to the Partnership and BMOPE (the "**First Capital Initial Notice**"), that First Capital intends to purchase the Commercial Component from the Co-Owners (the "**First Capital Option**").

The Partnership will determine, subject to BMOPE's prior approval, the fair market value of the Commercial Component, in its Sole Discretion. This fair market value will be deemed to be the purchase price under the First Capital Option (the "**Commercial Component Option Price**"). If First Capital accepts the Commercial Component Option Price and exercises the First Capital Option in accordance with the terms of the Co-Owners Agreement, it will acquire the other Co-Owner's interests in the Commercial Component at the pro-rated Commercial Component Purchase Price to reflect the proportional interest it is acquiring from the other Co-Owners, subject to the Partnership's option, exercisable in its Sole Discretion, to either retain its 33 $\frac{1}{3}$ % interest or acquire up to an undivided 50% interest in the Commercial Component. In all cases, BMOPE will be required to sell its entire interest in the Commercial Component to First Capital or the Partnership and First Capital (if the Partnership elects to acquire an additional interest therein).

If First Capital elects not to exercise the First Capital Option, the Partnership is required to: (i) immediately commence and proceed diligently and actively for a period of no less than 120 days, to market for sale the Commercial Component (the "**Third Party Sale Period**"); (ii) have the right to accept an offer to purchase the Commercial Component from any Third Party, provided that the purchase price for the Commercial Component shall in no event be less than the Commercial Component Option Price; and (iii) have the right to complete the agreement of purchase and sale that results from such acceptance, as such agreement may be amended or supplemented at any time, or from time to time, without the consent of the other Co-Owners, provided further that the transaction is to be completed on terms that are no more favourable to the Third Party purchaser than those terms on which First Capital would have acquired the Commercial Component pursuant to the First Capital Initial Notice.

Notwithstanding the preceding paragraph, First Capital shall have a right of first offer, exercisable for 30 days from the date of notice by the Partnership of the price at which it is willing to sell the Commercial Component to a Third Party, to purchase the Commercial Component at such price offered by the Third Party purchaser. If First Capital does not exercise its right of first offer within such 30-day period, the Partnership will be free to proceed with the sale of the Commercial Component to a third party on the terms and conditions set out above at a price equal to or greater than the purchase price as presented to First Capital in connection with its right of first offer.

If the sale of the Commercial Component is not completed for any reason before the expiry of the Third Party Sale Period, then First Capital's option to purchase the Commercial Component will renew and it will have the right to deliver the First Capital Initial Notice once again. This process will continue until the Commercial Component is sold or the Option Period (as it may be extended) expires.

Consequences of Default

The Co-Owners Agreement outlines certain events the occurrence of which will result in a default under the terms of the Co-Owners Agreement (a “**Default**”). Circumstances giving rise to a Default will include the insolvency of a Co-Owner, the breach by a Co-Owner of its financial obligations under the Co-Owners Agreement which are not cured within the prescribed 15-business day cure period, certain breaches of the Co-Owners Agreement which are not cured within the prescribed 30-day cure period, a default by a Co-Owner under a Project Financing arrangement, or a Co-Owner transferring any or all of its Co-Owner’s Interest or the shares in the Nominee, other than in accordance with the provisions of the Co-Owners Agreement.

Where a Co-Owner is in Default (such Co-Owner being the “**Defaulting Co-Owner**”), the Co-Owners Agreement will provide the other Co-Owner (the “**Non-Defaulting Co-Owner**”) with the right, upon notice to the Defaulting Co-Owner, to: (i) seek an available remedy at law, including specific performance, injunction, and/or damages; (ii) exercise any of its rights under the Collateral Charge; (iii) remedy the Default and to be reimbursed by the Defaulting Co-Owner on demand for any monies expended in remedying such Default; (iv) exercise any of its legal rights under the Co-Owners Agreement; or (v) require the Defaulting Co-Owner to sell its Co-Owner’s Interest to the Non-Defaulting Co-Owner (a “**Default Buy-Out**”).

Should a Non-Defaulting Co-Owner seek to acquire a Defaulting Co-Owner’s Co-Owner’s Interest pursuant to a Default Buy-Out, the Defaulting Co-Owner and Non-Defaulting Co-Owner will be deemed to have entered into an agreement whereby the Defaulting Co-Owner will have agreed to sell to the non-Defaulting Co-Owner, and the non-Defaulting Co-Owner will have agreed to purchase from the Defaulting Co-Owner, the Co-Owner’s Interest of the Defaulting Co-Owner at a purchase price equal to 95% of the “fair market value” of such interest (such agreement being the “**Default Buy-Out Agreement**” and such purchase price being the “**Default Buy-Out Price**”), all as determined in accordance with the terms of the Co-Owner’s Agreement. The Default Buy-Out Price will be subject to certain prescribed adjustments, including in respect of an insolvency event on the part of the Defaulting Co-Owner, all as more fully described in the Co-Owners Agreement.

In addition to the rights described above, for so long as a Co-Owner is a Defaulting Co-Owner, the Defaulting Co-Owner and the members it has appointed to the Co-Owner’s Committee will be prohibited from voting at any meeting of the Co-Owner’s Committee (and the quorum for such meeting will be reduced to encompass only the appointees to the Co-Owner’s Committee of the Non-Defaulting Co-Owner) or otherwise taking part in the management or conduct of the affairs of the Project, or to act as a Managing Co-Owner. In such a case, the Non-Defaulting Co-Owner will not be relieved of its general obligation to act in accordance with the Commercially Reasonable Standard.

Where a Co-Owner is a Defaulting Co-Owner as a result of a breach of any of its financial obligations under the Co-Owners Agreement, any funds which are distributions to which the Defaulting Co-Owner would otherwise be entitled to receive will instead be applied to cure such Default.

Liability and Recourse

For any agreement or instrument entered into by the Co-Owners or, if applicable, the Nominee, the applicable party or parties to the Co-Owners Agreement will endeavour to ensure that the obligations under any such contract are only with respect to the applicable Co-Owner’s Interest or the Co-Owners’ Interests, and not with respect to any other property or assets of the Co-Owners. In addition, the Co-Owners or, if applicable, the Nominee, will attempt to ensure the rights and obligations of each Co-Owner under any such agreement will be several and the aggregate liability of any Co-Owner will be limited to that Co-Owner’s Proportionate Share of the Co-Owners’ Interests.

Notwithstanding the foregoing paragraph, the Co-Owners will be jointly and severally liable for any obligations which have been approved by the Co-Owners or for which the Co-Owners are deemed to be liable as such (by law or otherwise), and the respective liability of the Co-Owners, as between themselves, will be on a several basis and limited to the respective Co-Owner’s Proportionate Share of the Co-Owners’ Interests.

Each Co-Owner agrees to indemnify the other Co-Owner from its Proportionate Share of all financial obligations under the Approved Obligations, and from all costs, claims, and liabilities incurred by the Co-Owners under the Approved Obligations, or the Co-Owner's separate debts and obligations, whether present or future, in each case that are not Approved Obligations.

Other than with respect to obligations under the Project Financing, any obligation or liability of one Co-Owner to another pursuant to the Co-Owner Agreement or in respect of the Project shall be satisfied and paid out of and enforced, and recourse hereunder shall be had, only against the Co-Owner's Interest of the Co-Owner who has such obligation or liability;

Outside Business

Nothing in the Co-Owners Agreement will restrict the freedom of any Co-Owner or an Affiliate of a Co-Owner (or any other person not acting at arm's length to a Co-Owner) to conduct any business or activity (including the acquisition, development, leasing, sale, operation and management of any real property) and any Co-Owner may conduct such business without accountability to the others. Each Co-Owner will have the absolute right to engage in any other business and any other ventures for its own individual profit and the Co-Owners will be permitted to conduct such activities or businesses even if they may compete with the Project or its operation, or involve services to the Project. No Co-Owner, solely by virtue of the Co-Owners Agreement, will have any interest in any other business or venture engaged in by the other Co-Owner.

In particular, First Capital has made significant investments in the Yorkville area (including Yorkville Village (formerly Hazelton Lanes)), which are expected to directly compete with the Commercial Component. See "*Conflicts of Interest*".

Income and Capital Taxes

Each Co-Owner's Co-Owner's Interest will be separate for income and capital tax purposes, and each Co-Owner will be responsible for paying all income and capital taxes which may become due and payable in respect of its Co-Owner's Interest in the Project.

Accounting and Financial Statements

All financial statements, accounts and financial reports shall be prepared in accordance with IFRS. The Project's financial statements will be audited and prepared within seventy-five (75) days of each fiscal year end.

Adjacent Property Agreement

On April 26, 2019, the Partnership, First Capital, BMOPE, and First Capital Holdings Trust (the "**Adjacent Property Owner**") entered into an agreement re: adjacent property, dated April 26, 2019 (the "**Adjacent Property Agreement**"), to provide for: (i) the terms on which the Development Proposal (as defined below) will be prepared, submitted for approval and amended (if applicable) to rezone both the Property and the Adjacent Property to permit increased residential and commercial density; (ii) the sale by the Adjacent Property Owner to the Co-Owners of the Residential Strata Rights to permit the development of the Property to include the Residential Extension in accordance with the Development Proposal (once approved); (iii) the sale, for nominal consideration, by the Co-owners to the Adjacent Property Owner of the Commercial Strata Rights and the Hotel Strata Rights to permit the development of the Adjacent Property to include the Commercial Extension and the Hotel Extension in accordance with the Development Proposal (once approved); and (iv) the entering into of a joint development and cost sharing agreement which shall provide that the Co-Owners and the Adjacent Property Owner will jointly undertake the excavation and construction of certain jointly constructed facilities and share the costs thereof. The Commercial Extension and the Hotel Extension will be owned by the Adjacent Property Owner and will not form part of the Project. The Adjacent Property Agreement will terminate on the first to occur of (i) the termination of the Property Purchase Agreement without the completion of Closing; and (ii) the ninth (9th) anniversary of the date of the Adjacent Property Agreement having occurred without the Amended Approvals in Final Form having been obtained.

The Adjacent Property Owner is an affiliate of First Capital and, therefore, is not at arm's length with First Capital. See "*Conflicts of Interest — The Adjacent Property Agreement*".

Development Proposal and Amended Approvals

Under the Adjacent Property Agreement, the Partnership and First Capital will cause the Development Managers to prepare the draft proposal for the rezoning of the Property and the Adjacent Property (the "**Development Proposal**") and to submit same to the relevant governmental authority, and thereafter take all actions required, in accordance with the Commercially Reasonable Standard and in the best interest of the Project, to obtain Amended Approvals in Final Form in accordance with the terms of the Adjacent Property Agreement. The Development Proposal will include (i) an increase of the Project's approved residential development density by approximately 38,451 sf (representing approximately 31,504 sf of additional RNSA); (ii) permission to construct an additional 32,910 sf of commercial density on the Property/Adjacent Property; (iii) permission to construct the Hotel Extension within the Hotel Strata Rights; (iv) permission to construct the Commercial Extension within the Commercial Strata Rights; and (v) permission to construct the Residential Extension within the Residential Strata Rights.

In accordance with the Adjacent Property Agreement, if the Partnership or First Capital determine, among other items, that

- (i) in respect of the Amended Approvals, conditions or requirements are imposed by governmental authorities in connection with the Property, Residential Strata Rights and/or Residential Extension, which the Partnership or First Capital determine are not provided for in the Approved Development Plan, and approval by the Co-Owners would constitute a Fundamental Matter;
- (ii) the Amended Approvals vary in any material respect from the Development Proposal and the Partnership and First Capital determine that such variance will materially and adversely affect the development or use of the Property, Residential Strata Rights, and/or the Residential Extension;
- (iii) in respect of the Amended Approvals, conditions or requirements are imposed in connection with the Adjacent Property, Commercial Strata Rights, the Commercial Extension, Hotel Strata Rights, Hotel Extension, or other certain properties as set out in the Adjacent Property Agreement, and which are owned by First Capital or an affiliate, and First Capital or the Adjacent Property Owner determine that (A) the costs required to satisfy such conditions and/or requirements were not anticipated, and are material costs greater than the costs that would typically be incurred by an owner and developer, or (B) it would materially and adversely affect the development and/or use of the aforementioned properties;
- (iv) the Amended Approvals vary in any material respect from the Development Proposal, and First Capital or the Adjacent Property Owner determine that such variance will materially and adversely affect the development and/or use of the Adjacent Property, Commercial Strata Rights, the Commercial Extension, Hotel Strata Rights, Hotel Extension, or other certain properties in the surrounding area set out in the Adjacent Property Agreement, and which are owned by First Capital or an affiliate,

then the Partnership or First Capital will notify the other parties of such occurrence/determination.

Upon the aforementioned notice, the parties to the Adjacent Property Agreement will attempt to resolve the specified issue, including, by (i) amending the Approved Development Plan upon approval by the Co-Owners, (ii) amending the Development Proposal provided it is consistent with the Approved Development Plan, and (iii) if necessary, withdrawing the then current Development Proposal and submitting an Amended Development Proposal, provided it is consistent with the Approved Development Plan.

Strata Purchase Rights

The Adjacent Property Agreement provides that upon receipt of the Amended Approvals in Final Form, the Adjacent Property Owner shall sell to the Co-Owners and the Nominee, the Subject Interest in the Residential Strata Rights for the sum calculated as follows:

$$(a - b - c) \times d$$

Where:

"a" is equal to the total additional RNSA directly resulting from the Amended Approvals in Final Form (beyond the Current Approvals);

"b" is equal to total RNSA resulting from an increase in the residential condominium tower's total number of floors under the Amended Approvals in Final Form, if any (beyond the Current Approvals);

"c" is equal to any increase in RNSA as a result of a reduction in the above-grade amenity space under the Amended Approvals in Final Form, if any (relative to the Current Approvals); and

"d" is equal to \$784.78.

Management currently expects that the Residential Strata Rights Purchase Price will be \$22,972,803. See "*Forward-Looking Information*". The Residential Strata Rights Purchase Price will be paid to the Adjacent Property Owner out of any distributions of Gross Revenue otherwise payable to the Co-Owners in the priority and manner provided for in the Co-Owners Agreement. See "*Revenues and Distributions*".

The Co-Owners and Nominee shall sell to the Adjacent Property Owner the Subject Interests in the Commercial Strata Rights and the Hotel Strata Rights for a purchase price equal to \$10.

The parties shall automatically be entered into a binding agreement of purchase and sale (the "**Strata Purchase Agreement**"), on the terms set out in the Adjacent Property Agreement, once the Amended Approvals in Final Form are obtained, and the closing date shall be 30 days following the date upon which the Subject Interests may be transferred in compliance with the *Planning Act* (Ontario) or such later date as may be mutually agreed upon by the parties to the Adjacent Property Agreement (the "**Strata Closing Date**").

Jointly Constructed Facilities

The Adjacent Property Agreement provides that on or before the scheduled date of commencement of excavation and the construction of the underground parking facilities (the "**Jointly Constructed Facilities**"), the parties to the Adjacent Property Agreement will enter into a joint development and cost sharing agreement which shall provide that the Co-Owners and the Adjacent Property Owner will jointly undertake the excavation and construction of the Jointly Constructed Facilities and share the costs thereof equitably, and on such other terms and conditions as are customarily provided for in joint development and cost sharing agreements for similar developments in the City of Toronto.

Reciprocal Agreement

The Adjacent Property Agreement provides that on the Strata Closing Date, the parties shall enter into a reciprocal agreement which shall provide for the terms and conditions of any required easements in respect of those areas of the Property and the Adjacent Property that are to be shared in accordance with the Approved Development Plan (the "**Shared Areas**"), cost sharing between the Co-Owners and the Adjacent Property Owner in respect of the Shared Areas, and on such other terms and conditions as are customarily provided for in reciprocal agreements for similar developments in the City of Toronto.

Mortgage

Following the creation of the Strata Purchase Agreement, when Project Financing is procured for the Project, the Adjacent Property Agreement provides that the Adjacent Property Owner will grant, as additional security for such Project Financing, a first charge and mortgage against the Residential Strata Rights, or if required by the lender of the Project Financing in accordance with the Adjacent Property Agreement, then against the Residential Strata Rights and the remainder of the Adjacent Property or, in the alternative, First Capital or an affiliate of First Capital will grant such other security as may be acceptable to such lender in lieu of the first charge and mortgage against the Adjacent Property (collectively, the "**Mortgage**"). In each case, the value of the collateral (as determined by the lender) and the amount of the first charge and mortgage shall equal the Residential Strata Rights Purchase Price and be on such other commercially reasonable terms as are acceptable to the lender, the Adjacent Property Owner and the Co-Owners at such time.

Assignment

No party to the Adjacent Property Agreement will be permitted to assign its rights and/or obligations without the prior written consent of the other parties in their Sole Discretion. Notwithstanding the foregoing, each Co-Owner will have the right to assign the Adjacent Property Agreement to a person to whom such Co-Owner is transferring its Co-Owner's Interest in compliance with the terms of the Co-Owners Agreement, provided such person has executed an assumption agreement in favour of the other Co-Owners and the Adjacent Property Owner pursuant to which such person agrees to be bound by all the obligations of such Co-Owner, and the assigning party will thereupon be released from all of its obligations under the Adjacent Property Agreement which arise thereafter. Furthermore, the Adjacent Property Owner will have the right to assign the Adjacent Property Agreement to (i) an affiliate of First Capital to whom the Adjacent Property Owner is transferring an interest in the Adjacent Property, provided that such affiliate of First Capital has executed and delivered an assumption agreement in favour of the Co-Owners pursuant to which it agrees to be bound by all the obligations of the Adjacent Property Owner, and upon such assignment, the Adjacent Property Owner shall be released from all of its obligations under the Adjacent Property Agreement which arise thereafter, and (ii) a bona fide third party lender providing financing that is secured by a mortgage on the Adjacent Property provided that the lender delivers an assumption agreement in favour of the Co-Owners pursuant to which such bona fide third party lender agrees to be bound by all the obligations of the Adjacent Property Owner under the Adjacent Property Agreement, and such financing expressly permits the Mortgage.

The Property Management Agreement

The Co-Owners have agreed to deliver the property management agreement among the Partnership, First Capital, BMOPE, and FCR Management Services LP (the "**Property Manager**"), substantially in the form annexed to the Co-Owners Confirmation Agreement (the "**Property Management Agreement**"), on the Property Purchase Closing.

The Property Management Agreement provides that the Property Manager will be responsible for implementing all decisions and policies of the Co-Owners, and to perform all services necessary for the proper, efficient and economic management, operation, maintenance, and repair, of the Property, subject to and in accordance with the Approved Budget and the Annual Plan. The Property Manager will be responsible for, among other things, dealing with all tenant-related matters (including leasing, sub-leasing and the securing of leases and extensions thereof), documentation and relationship management, preparing a rental policy and leasing budget, the collection of rent and enforcement of tenant obligations and insurance-related matters, and providing monthly tenant liaison and document status reports in form and content satisfactory to the Co-Owners. The Property Manager will also be responsible for certain aspects of budget planning and reporting as well as the receipt of rental revenues and the payment of permitted disbursements.

The Property Manager is entitled to receive a fee of 3.5% of the gross revenue of the Property as consideration for its day-to-day property management duties, and will be entitled to receive \$15,000 per month for predevelopment interim property management fees (collectively, the "**Management Fee**"). In

addition to the Management Fee, the Property Manager will also be entitled to a leasing fee based on a fixed percentage of the first five years' net rent, and a further decreased fixed percentage for every year thereafter until the tenth year of the subject lease's term, after which point no further leasing fees will be payable. Leasing fees will be subject to certain minimum per square foot payments, as well as certain incremental payments based on the number of square feet leased, some of which may differ based on certain criteria (e.g. whether the tenant is new or a renewal, and whether the lease is brokered or non-brokered). The Property Manager will also be entitled to certain ongoing administration fees for lease administration, construction supervision and design, and tenant co-ordination as further set out in the Property Management Agreement, which administration fees incrementally decrease based on hard cost thresholds. All out-of-pocket expenses properly incurred by the Property Manager in the course of providing services under the Property Management Agreement will be reimbursed by the Co-Owners.

The Co-Owners and the Property Manager will provide mutual indemnities in connection with actions or claims arising from breaches of the Property Management Agreement, actions or omissions or gross negligence or wilful misconduct on the part of the indemnifying party. The Property Management Agreement will continue in force until terminated in accordance with its terms and is non-assignable without the written consent of the other parties, except in the case of an assignment by the Property Manager to an affiliate thereof (as further defined in the Property Management Agreement).

The Property Manager will be reimbursed for all reasonable and necessary costs, charges and expenses as such costs are incurred or expended by it in the performance of the work and services contemplated by and in accordance with the Property Management Agreement.

The Property Manager is an Affiliate of First Capital and, therefore, is not at arm's length with First Capital. See "*Conflicts of Interest — The Property Management Agreement*".

The Development Management Agreement

The Co-Owners have agreed to deliver the development management agreement among the Partnership, First Capital, BMOPE, First Capital Asset Management LP (the "**FCR Development Manager**") and Greybrook Development Inc. (the "**Greybrook Development Manager**", and collectively with the FCR Development Manager, the "**Development Managers**"), substantially in the form annexed to the Co-Owners Confirmation Agreement (the "**Development Management Agreement**"), on the Property Purchase Closing.

The Development Management Agreement provides that the Development Managers will manage and develop the Project, as independent contractors, and shall act in the best interests of the Co-Owners, and at all times act in a fiduciary capacity with respect to the proper protection of and accounting for the Project and all revenues and proceeds thereof, including, without limitation, maintaining adequate books and records with respect to the Project, and preparing a draft Development Plan. The Development Managers will be responsible for all day-to-day decision making relating to the development of the Project, including coordinating pre-marketing efforts; negotiating and directing the performance of all contracts between the Development Managers and other consultants, contractors, and third parties; coordinating the overall design and preparation of plans, specifications, and development approvals; and supervising the construction manager for the Project (the "**Construction Manager**").

The Development Manager is entitled to receive a fee of 2% of the Total Gross Revenue Proceeds, plus HST, as consideration for its day-to-day development management duties (the "**Development Fee**"). The Development Fee will be payable in instalments, with the first instalment being paid on the date of the first construction loan advance for the Project (the "**First Advance Date**") and shall be comprised of 2% of the expected Total Gross Revenue Proceeds determined as of the First Advance Date multiplied by a fraction representing the proportionate amount of the Project that has been completed by such date. The balance of the Development Fee is payable in equal monthly instalments over the projected construction period for the Project, in instalment amounts determined by the cost consultant and adjusted from time to time based on the development and construction schedule, and the actual Total Gross Revenue Proceeds. Except upon termination of the engagement of either the Greybrook Development Manager or the FCR

Development Manager, the Development Fee will be paid to the Greybrook Development Manager and the FCR Development Manager in equal fifty percent (50%) proportions.

The Co-Owners shall indemnify and hold the Development Managers harmless from and against any losses, actions, or claims, sustained by the Development Managers by reason or in connection with the performance of their obligations and duties under the Development Management Agreement, except for any losses, actions, or claims, incurred or asserted against the Co-Owners by reason of either the Greybrook Development Manager or FCR Development Manager respective gross negligence, wilful misconduct, or failure to perform its duties and obligations under the Development Management Agreement, which the respective Development Manager shall indemnify, defend and hold the Co-Owners harmless from.

The Development Management Agreement will continue in force until the later of (i) two (2) years after the last condominium unit of the Project is completed and occupied, or (ii) upon the return of the bond provided to Tarion Warranty Corporation, unless otherwise terminated in accordance with the terms thereof.

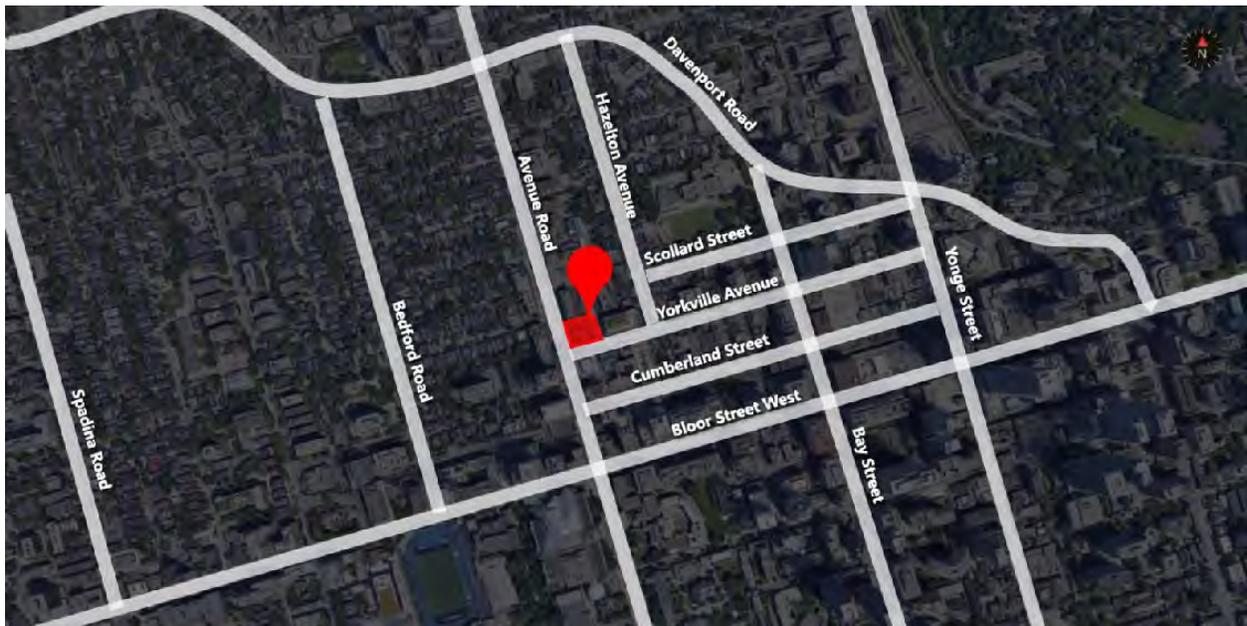
The Greybrook Development Manager and the FCR Development Manager are affiliates of the Partnership and First Capital, respectively, and, therefore, are not at arm's length with the Partnership or First Capital. See "*Conflicts of Interest — The Development Management Agreement*".

The Project

Location of the Property

The site is favourably positioned on the northeast corner of Yorkville Avenue and Avenue Road within the historic village neighbourhood commonly referred to as "Yorkville". The area is recognized as one of downtown Toronto's most exclusive neighbourhoods, and it is also one of Canada's premier retail shopping districts. The site itself is municipally known as 140 Yorkville Avenue and 33 Avenue Road, and the land area is approximately 24,034 sf (0.55 acres).

The image below displays the location of the Property and its boundaries.



The Project

The Property is currently LPAT approved to build 251,955 sf of gross floor area (GFA) with 21,227 sf of commercial and 230,728 sf of residential density. For the purposes of the Project, the Partnership assumes that additional density can be added through the existing LPAT proceeding in accordance with usual practises and procedures and that the existing and obtained City heritage approval from March 2019 does not need to be varied. See “*Risk Factors — Risks Relating to the Business of the Partnership — Zoning Risks*”.

The Co-Owners have entered into an agreement concerning the future acquisition of certain air and subsurface rights in 136 Yorkville Avenue (the adjoining property east of the project). These two properties are intended to be developed jointly, which is projected to increase the total GFA attributable to the project to 299,564 sf.

The purchase price paid for these real property rights in 136 Yorkville Avenue will be calculated using a formula that considers the additional RNSA that accrues to the Project as a result of their inclusion. Currently, the purchase price is expected to amount to approximately \$23 million. The purchase price for these rights will not be paid up front. It will be paid, in priority, to the First Capital affiliate that owns 136 Yorkville Avenue out of the Project’s available distributable cash. The First Capital affiliate that owns 136 Yorkville will agree to mortgage the property, or provide alternative financing, in each case with a collateral value that is equal to the purchase price (approx. \$23 million). This will have the effect of reducing the Project’s cash equity requirements for the benefit of the Co-Ownership.

The Project is expected to include 30,385 sf of retail and/or commercial GFA. The financial projections assume that the Partnership’s interest in the commercial component will be sold upon completion of the Project.

For further information about the Project, see the investor presentations attached as Schedule “C” to this Offering Memorandum.

Highlights: Marketability

The Lead Agent and Greybrook Realty, the parent corporation of the General Partner, commissioned a consultant (the “**Consultant**”) to review, among other things, the marketability of the Project. The Consultant provided a written report dated March 29, 2019 (the “**Report**”). Some of the findings of the Report are set forth below. Management believes that the Report’s conclusions regarding the marketability of the Project are favourable, on balance.

Although Management believes the Report is reliable, it has not independently verified any of the data or statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by the Consultant. Accordingly, Management cannot, and does not, provide any representations or assurance as to the accuracy or completeness of any of the information or data and, accordingly, disclaims any liability in relation to such information or data.

FCR and Greybrook Realty also plan to engage the Consultant as the sales and marketing program manager for the Project.

The Report makes the following observations:

The Report defines luxury condominiums in Toronto as falling within a price category of over \$3,000,000 with no upper limit. For the purposes of the Report, Yorkville is defined loosely by the boundaries of Yonge St. to the east, Bedford Rd. to the west, Bloor St. to the south and Davenport Rd to the north, with a few exceptions north of Davenport and south of Bloor.

The Report divides the existing luxury condominium market in Yorkville into two segments: buildings built after 2010 and buildings built prior to 2010.

The average per square foot sale price in 2018, based on 44 sales in 12 buildings, for Yorkville luxury condominium units in buildings built after 2010 was between \$1,264 - \$2000. The average per square foot sale price, broken down by building, is set out below:

1 St Thomas St. (South of Bloor St.)	\$ 1463 (3 sales)
80 Yorkville Ave.	\$ 1365 (1 sale)
100 Yorkville Ave.	\$ 1433 (3 sales)
155 Cumberland Ave.	\$ 1992 (1 sale)
50 Yorkville Ave.	\$ 2000 (6 sales)
55 Scollard St.	\$ 1615 (9 sales)
36 Hazelton Ave.	\$ 1550 (2 sales)
88 Davenport Rd.	\$ 1423 (7 sales)
181 Davenport Rd.	\$ 1264 (7 sales)
133 Hazelton Ave.	\$ 1276 (2 sales)
206 Bloor St West	\$ 1364 (1 sale)
77 Charles St.	\$ 1361 (2 sales)

Virtually all of these projects have a mixture of small and large condominium units and the reported sales relate to units of all sizes and price ranges in such buildings, all of which buildings were completed within the past ten years. All of the condominium units share certain characteristics that would be considered typical, and 'must haves' for this category of property, including minimum ten foot ceilings (excluding any bulkheads) full height floor to ceiling windows, full concierge service and valet parking for residents and guests and outdoor space (balconies or terraces).

The average per square foot sale price in 2018, based on 37 sales in 9 buildings, for Yorkville luxury condominium units in buildings built prior to 2010 was between \$700 - \$1,206. The average per square foot sale price, broken down by building, is set out below:

38 Avenue Rd.	\$ 1088 (7 sales)
10 Bellair St.	\$ 1206 (5 sales)
175 Cumberland Ave.	\$ 957 (6 sales)
77 Avenue Rd.	\$ 967 (2 sales)
55 Avenue Rd.	\$ 846 (1 sale)
18A Hazelton Ave.	\$ 700 (1 sale)
99 Avenue Rd.	\$ 982 (4 sales)
110 Bloor St.	\$ 835 (7 sales)
4 Lowther Ave.	\$ 1004 (4 sales)

These buildings were considered luxury buildings at the time of their construction, but resale prices suffered because of a lack of ceiling height, smaller punch windows, dated finishes and dated amenity and lobby spaces. The services offered to residents, including concierge service and valet parking (where available) contribute to their reputation as luxury buildings, but any purchaser today faces a high cost of renovation to bring their interior standard closer to a level commensurate with today's requirements. As a result, although the locations of these buildings still command a premium, the resale figures show that buyers will pay a much greater premium to purchase in more recently completed buildings than invest a significant amount in a full scale renovation.

The Yorkville market saw a total of 31 resales on MLS between \$3,000,000 and \$6,000,000 over the past year. The average sale price of these 31 suites was \$3,876,000, comprising 2 bedrooms plus a den (or 3rd bedroom), and 3 baths. Four Seasons Private Residences saw the biggest increase in values, with several suites selling for over \$2,000 psf. The Report noted that these suites, although selling in the \$5 million range, still require updating, some renovation and redecorating. The Report notes that buyers of these suites are spending another \$400 - \$600 psf in upgrades and changes.

36 Hazelton saw a drop in resale value as the two sales were both located on the lower level of the building. In 2017, the building experienced two resales at over \$2,000 psf. The Report posits that this price change speaks to the lack of inventory of larger suites with clear views and outdoor space.

The Report noted that the market demand for large suites over 3,000 sf in full service buildings with views still continues and market inventory is low.

The Report also referenced three sales that were not on MLS that sold recently: (a) the Penthouse at Four Seasons Private Residence (9,038 sf) sold for \$31,000,000, or \$3,429 psf; (b) the 16th floor of 155 Cumberland St. (6,539 sf) sold for \$21,000,000 or \$3,211 psf; and (c) the Penthouse of Museum House (206 Bloor West) (5,618 sf) sold for \$11,000,000, or \$1,957 psf.

The Report noted that the market was fairly robust in the spring of 2018 through the early fall of 2018, with an average days on market being 31 days for suites over \$3 million. However, by December the market experienced a traditional seasonal slowdown. To date, the market has not recovered in terms of volume of sales, but prices are marginally edging upward. Lack of inventory is a large factor, as the majority of suites available today are under 1,500 sf in size and, as such, are not appealing to the high end buyer.

In terms of resale condominium units currently on the market with asking prices in excess of \$3,000,000, there are: (a) 12 suites listed on MLS for sale, and (b) two additional suites that are available, but are not listed publicly. Of the 12 suites listed on MLS, the average asking price is \$7,791,357 (the lowest asking price is \$3,099,000 and the highest asking price is \$28,750,000), the average rooms are 3 bedrooms and 4 bathrooms and the average days on market is 53. Of these 12 suites, eight are over 3,000 sf and six suites are actively marketed on MLS.

Conclusion:

The Report noted that there are currently no options in Yorkville, or even within the downtown and midtown areas, for luxury buyers requiring large (over 2,500 sf), brand new residences, with full services and the highest level of finish and customization, in a homogeneous building. Purchasers looking at resales are hesitant to commit to long term costly renovations that are required to bring older suites up to the buyers' desired level of finish and decoration. The category of buyer who wishes to customize large space in Yorkville, in a building featuring the newest materials and options, currently has no choices.

Buyers for ultra-luxury condominiums share several common attributes; they seek a lifestyle purchase commensurate with their own needs and look to the builder to provide the customization necessary to satisfy their own requirements.

The Report concluded that the luxury market can accommodate new construction prices in the range of \$2,700 psf to \$3,250 psf and that the Project is expected to support sales prices of \$3,000 psf to \$3,250 psf. It anticipates that 25% to 35% of the suites will be presold in the first two months of the sale launch, with the balance expected to be sold over the next two years.

The Report also contained detailed recommendations with respect to the amenity mix and build form for the Project and Management intends to incorporate the Report's recommendations in the Development Plan.

Zoning

The Property is located at the north east corner of Yorkville Avenue and Avenue Road in the City of Toronto, municipally known as 140 Yorkville Avenue and 33 Avenue Road.

The Property is in the downtown Toronto area and is designated as a Mixed Use Area under the City of Toronto's Official Plan. The Property is subject to Site and Area Specific Policy ("SASP") 211 (height transitions) and SASP 398 (Ontario Legislative Assembly Building site lines).

The Property has site specific zoning approval (the "**Zoning Approval**") from the Local Planning Appeal Tribunal ("**LPAT**") for a 29 storey mixed-use building with residential and commercial uses, indoor community space and a privately-owned publically accessible outdoor space ("**POPS**"). The final required site density is 299,564 sf. The Co-Owners have agreed to work with an affiliate of FCR to increase the approved density to permit 19 hotel suites to be included as part of the development plans, which will be

achieved by amending the LPAT decision before a final order is issued. The hotel suites will be owned by the Adjacent Property Owner and will not form part of the Project. This site-specific zoning by-law has not been finalized pending completion of the site plan application.

Before a final order can be issued by the LPAT, engineering studies must be finalized to the satisfaction of the City of Toronto, a zoning by-law amendment must be prepared, section 37 and site plan agreements must be executed, a not-for-profit corporation must be created to manage the indoor community space and POPS, and a cash contribution of \$2,000,000 must be made to the not-for-profit.

33 Avenue Road is identified as a heritage building designated under Part IV of the Ontario *Heritage Act*. City Council approved the proposed alterations to the designated building on February 26, 2019, permitting the mixed-use development subject to conditions. A Heritage Easement Agreement is required and will be registered on title. It is not anticipated that changes will be required to the heritage approval to add additional density to the site.

See “*Forward-Looking Information*” and “*Risk Factors — Risks Relating to the Business of the Partnership — Zoning Risks*”.

Environmental Investigations of the Property

The Vendor retained a qualified environmental engineering consulting firm (the “**Vendor’s Environmental Consultant**”) to perform a Phase One environmental site assessment (“**Phase One ESA**”) of the Property (the “**Phase One ESA Report**”). The Vendor’s Environmental Consultant delivered the Phase One ESA Report in September 2018. No reliance letter was provided to the Partnership. The Vendor’s Environmental Consultant concluded that, based on the information obtained and reviewed as part of the Phase One ESA Report, the Property has historically been used for commercial and residential uses dating back to the 1880s.

Based on its investigations, the Vendor’s Environmental Consultant concluded that potential environmental impacts to the Property are anticipated to be low. However, the Vendor’s Environmental Consultant identified potential or actual sources of contamination including the possible historical heating of the buildings by fuel oil, use of the Property by a publishing company that stored and handled chemicals and ink, use of fill materials at the Property, and possible impacts from adjoining properties use for storage of industrial liquid wastes. The Vendor’s Environmental Consultant also identified uses at nearby properties with potential environmental impacts including underground storage tanks and an ECA waste disposal site located approximately 200 metres northwest of the Property. Based on the findings of the Phase One ESA, a subsurface soil and ground water quality investigation was recommended.

Both the Vendor’s Environmental Consultant and a qualified environmental engineering consulting firm retained by an affiliate of FCR (collectively, the “**Environmental Consultants**”) prepared Phase Two environmental site assessments (the “**Phase Two ESAs**”). Phase Two environmental site assessment reports (the “**Phase Two ESA Reports**”) dated November 27, 2018 and April 8, 2019 were issued. While the November 27, 2018 testing identified elevated values for metals and inorganics in the soil (sodium, lead and mercury) at three borehole locations to a depth of 3m, there were no exceedances beyond this depth. The April 8, 2019 testing concluded that all parameters meet the applicable Table 3 (non-potable) standards established for the Residential/Parkland/Institutional property standards with the exception of electrical conductivity. It has not been determined whether a record of site condition (“**RSC**”) will be required.

A geotechnical report dated November 29, 2012 (“**Geotechnical Report**”), which was prepared by a qualified consultant for preliminary design purposes identified that only one borehole was drilled beyond the footprint of the building due to site access difficulties. As a result, the utility of the results are limited. Positive dewatering is required prior to excavation below the groundwater table to control groundwater levels and address the potential for bottom heave during construction (a common strategy in this area of Toronto). The results and findings of the Geotechnical Report have been accounted for in project design and additional construction costs have been accounted for.

Functional servicing reports were prepared in January and December 2015 along with a report on water distribution modelling prepared in February 2016 (“**FSR Reports**”) by qualified consultants. Based on these reports, sanitary servicing capacity has not been confirmed as available and water main analysis has identified low water pressure that may not meet fire services water flow capacity that will have to be addressed as part of the development process through engineering solutions.

See “*Forward-Looking Information*” and “*Risk Factors — Risks Relating to the Business of the Partnership — Environmental Risks*”.

Projected Timeline

The projected timeline for the Project, set forth in the table below, has been prepared by Management in consultation with First Capital. Based on its experience in the real estate development industry, as of the date of this Offering Memorandum, Management believes the projected timeline to be reasonable. There can be no assurance, however, that the projected timeline will be met. None of the Partnership or the Agents undertakes any obligation to update or revise any of this information, whether as a result of new information, future events or otherwise, unless required to do so by applicable law. See “*Forward-Looking Information*” and “*Risk Factors*”.

PROJECTED TIMELINE	
Offering Closing / Equity Capital Infusion	Q3 2019
Construction / Sales Start	Q2 2021
Construction Complete / Distributions	Q3 2024

Project completion is expected over an approximate five-year period from the Offering date. The anticipated completion date may be delayed or extended if, among other things, the construction, development and/or sales process takes longer than expected, if certain government approvals are not forthcoming or for any number of other reasons. See “*Risk Factors — Risks Relating to the Business of the Partnership*”.

Projected Returns

Set forth in Schedule “B” to this Offering Memorandum, among other information, are the projected investor returns, on an average annual (non-compounding) basis, based on a 5-year investment horizon. Schedule “B” to this Offering Memorandum depicts several scenarios for the Project. Each of these scenarios is based on different underlying assumptions regarding the Project, including, among other things, assumptions about revenues and cost of sales. All of the material assumptions are set forth in Schedule “B” to this Offering Memorandum and in “*Forward-Looking Information*”.

None of the Partnership or the Agents undertakes any obligation to update or revise any of the information set forth in Schedule “B”, whether as a result of new information, future events or otherwise, unless required to do so by applicable law. See “*Forward-Looking Information*” and “*Risk Factors*”.

For further information about the Project, see the investor presentations attached as Schedule “C” to this Offering Memorandum.

First Capital Realty Inc.

FCR is a Canadian publicly traded real estate company listed on the TSX (TSX: FCR) with a market capitalization of over \$4.5 billion as at April 29, 2019, and real estate investments valued at \$9.9 billion.

FCR is one of Canada’s largest owners, developers and managers of retail-focused urban properties and it owns an interest in over 25.5 million sf of gross leasable area across more than 166 properties.

Since 2001, FCR has developed over 3.5 million sf of retail space in urban markets of the GTA and the Golden Horseshoe area; London, Guelph, and Kitchener-Waterloo; Ottawa and Hull region; the Greater Montreal Area and Quebec City; Calgary and Edmonton; and the Greater Vancouver Area.

For additional details, visit FCR's website at www.firstcapitalrealty.ca. The contents of the website do not form part of this Offering Memorandum.

None of FCR, First Capital, the Property Manager or the FCR Development Manager is involved in the Offering or affiliated with the Partnership, the Trust, the General Partner or the Administrator.

BMO Private Equity (Canada) Inc.

BMOPE invests alongside best in class real estate industry partners with which they have longstanding relationships, including REITs, private equity and pension funds. The fund invests in institutional quality real estate developments and value-add projects situated within urban centres. More specifically, BMOPE's investment focus is targeted towards office, retail, multi-family or urban mixed-use projects with a target equity investment size between \$10 - \$75 million per project.

The fund is 100% proprietary and is managed by a team of dedicated real estate professionals with extensive real estate underwriting and transaction execution capabilities. The team has executed on over \$50 billion of real estate transactions over the past 10 years, including some of the largest real estate deals in Canadian history.

BMOPE is not involved in the Offering or affiliated with the Partnership, the Trust, the General Partner or the Administrator.

BACKGROUND AND REASONS FOR THE OFFERING

On October 11, 2013, Greybrook Yorkville LP, a limited partnership organized by Greybrook Realty, completed the Initial Offering. Greybrook Yorkville LP formed the Vendor with Empire and the bulk of the proceeds of the Initial Offering were used by the Vendor to acquire the Property. The Vendor acquired its interest in the Property for an aggregate purchase price, subject to customary adjustments, of approximately \$75,198,000. The Vendor expects that it will have expended, up to and including the Property Purchase Closing, approximately \$36,396,805 developing the Property.

The Vendor was formed for the purpose of using the Property to construct and sell a substantially similar development. After the acquisition of the Property, the Vendor completed a significant amount of development work, which increased the value of the Property, including securing the Zoning Approval. During this intervening period, the price for development land in the City of Toronto in particular, rose substantially.

In the fourth quarter of 2018, Empire and Greybrook Yorkville GP Inc., the general partner of the Vendor, decided that, due to the longer than projected timeline that occurred to obtain development approvals for the Property and the expected increased value of the Property, they would explore selling the Property. Following the receipt of various proposals related to the sale of the Property, Empire, together with Greybrook Yorkville GP Inc., the general partner of the Vendor, agreed to sell the Property to First Capital Acquisition Corp. Following negotiations among Empire and its counsel, on behalf of Empire and Greybrook Yorkville GP Inc., as the general partner of the Vendor, and First Capital Acquisition Corp. and its counsel, on December 24, 2018, First Capital Acquisition Corp. entered into the Property Purchase Agreement with the Vendor.

Following the execution of the Property Purchase Agreement, Management determined that there was an opportunity to acquire the Property with First Capital and BMOPE and participate in the sales and construction phase of the development. After completing its due diligence, Greybrook Realty determined that the development and construction proposal (which subsequently became the Project) met its risk-adjusted investment criteria. It negotiated the proposal to form and organize the Co-Ownership with First Capital and BMOPE, and caused the Partnership to enter into, on April 26, 2019, the Assignment

Agreement and the Co-Owners Confirmation Agreement with First Capital and BMOPE. See “*Analysis and Due Diligence*”.

ANALYSIS AND DUE DILIGENCE

Greybrook Realty, the parent corporation of the General Partner, structured the Offering and, through the General Partner, will actively manage the Partnership and its investment in the Project.

Greybrook Realty typically targets real estate development equity investment opportunities, involving experienced developers, with low to moderate risk profiles and that would be expected to generate an average annual rate of return (on a non-compounding basis), net of fees, of at least 20%. After completing its due diligence, Greybrook Realty determined that the Project meets its risk-adjusted investment criteria.

Pursuant to the structuring services agreement between Greybrook Realty and the Partnership dated as of May 10, 2019, in addition to providing certain other services to the Partnership, Greybrook Realty conducted due diligence and research in connection with the Project and engaged consultants and other third parties to provide various professional services.

Greybrook Realty conducted a market analysis of the Yorkville neighbourhood and the surrounding area and determined that there is a strong demand for ultra-luxury high-rise condominium units and high-end commercial space in the neighbourhood. Together with the Lead Agent, Greybrook Realty commissioned the Consultant to review, among other things, the marketability of the Project. See “*Business of the Partnership — The Project*”. Greybrook Realty used the Report to evaluate the reasonableness of its investment thesis for the proposed residential development on the Property and the corresponding material pricing, product and amenity mix and absorption rate assumptions that underlie the projected investor returns set forth in Schedule “B”, which assumptions were confirmed by the Report.

Since the completion of the Initial Offering, Greybrook Realty worked closely with Empire to develop the Property. Accordingly, Greybrook Realty has an in-depth understanding of the zoning and environmental status of the Property. Nevertheless, with a view to ensuring that the proposed Development Plan yield and development approval and construction timeline for the Project are reasonably achievable, Greybrook Realty retained outside counsel, with subject matter expertise, to review the available municipal land use policies and regulations and environmental due diligence materials. See “*Conflicts of Interest*”.

The proposed budget for the Project was reviewed in detail and discussed and negotiated with First Capital and BMOPE and, ultimately, was determined to be reasonable by Greybrook Realty and Management.

The terms of the Co-Owners Agreement and the Assignment Agreement were negotiated at arm’s length with First Capital and BMOPE.

PURCHASES OF UNITS AND TRUST UNITS

Subscription Procedure for Units

Investors resident in the Provinces may purchase Units through an Agent, or through other dealers appointed by the Lead Agent that are qualified under applicable securities laws to offer and sell Units in the Provinces, by signing a subscription agreement in a form acceptable to the Lead Agent and the General Partner. The minimum investment in the Partnership is 250 Class A Units (\$25,000) or 250 Class B Units (US\$25,000), payable by certified cheque, bank draft or wire transfer, subject to the Partnership’s right, at its sole discretion, to accept a subscription which is for less than the minimum investment amount. Following acceptance of an investor’s subscription for Units and acceptance of the investor’s payment of the subscription amount, the investor will become a limited partner of the Partnership (a “**Limited Partner**”) on the Offering Closing Date (or if there is more than one closing of the Offering, on the date of the closing at which such investor’s subscription and payment are accepted).

Units may not be purchased by any investor (i) who is not a resident of Canada or a partnership that is not a “Canadian partnership” for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), including all proposed amendments to the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum, (ii) which is a “financial institution”, as defined in subsection 142.2(1) of the Tax Act, (iii) who is a person or partnership, an interest in which is a “tax shelter investment” or which would acquire Units as a “tax shelter investment” for the purposes of the Tax Act, or (iv) who is a person or partnership that would cause the Partnership to be a “SIFT partnership” within the meaning of the Tax Act. Units are not a qualified investment under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans or tax-free savings accounts, each as defined in the Tax Act (collectively, “**Plans**”), or trusts governed by deferred profit sharing plans (“**DPSPs**”) and, accordingly, may not be purchased by Plans and DPSPs.

Subscriptions received will be subject to rejection or allotment in whole or in part, and the Lead Agent reserves the right to close the subscription books at any time without notice. The General Partner shall have the right, in its sole discretion, to refuse to accept a subscription. Any subscription monies received in respect of a rejected order will be refunded without interest or deduction.

The General Partner will reject a subscription submitted by a subscriber who is, or who acts on behalf of a person who will have a beneficial interest in Units being subscribed for and who is, a Non-Resident, a partnership which is not a “Canadian partnership” for purposes of the Tax Act, a “financial institution” as defined in subsection 142.2(1) of the Tax Act, or a person or partnership, an interest in which is a “tax shelter investment” or which would acquire Units as a “tax shelter investment” for purposes of the Tax Act, or a person or partnership that would cause the Partnership to be a “SIFT partnership” within the meaning of the Tax Act. The General Partner may require subscribers to provide evidence reasonably satisfactory to it that such subscribers, or the persons who will have a beneficial interest in Units being subscribed for, are not within such categories.

The Partnership, together with the Agents, may complete the Offering in one or more closings, provided, however, that the initial closing of the Offering shall not take place unless and until \$38,750,000 of Units has been subscribed for. The Offering Closing Date (or if there is more than one closing of the Offering, the date of the initial closing) is currently expected to be July 9, 2019 but may occur on such earlier or later date as may be agreed to by the Partnership and the Lead Agent. The funds representing payment of the purchase price of Units will be held in the trust account of Cassels Brock & Blackwell LLP, legal counsel for the Partnership, until directed by the Partnership to be released for the purpose of the Offering Closing. If \$38,750,000 of Units are not subscribed for on or before the Offering Closing Date (or if there is more than one closing of the Offering, the date of the initial closing), the full amount of the subscription price will be returned to subscribers without interest or deduction.

Allocated Units

A maximum of \$3,875,000, in aggregate, of Class A Units and Class B Units (collectively, “**Allocated Units**”), representing 10% of the size of the Offering, has been reserved for allocation for purchase by staff members, friends and family members of Greybrook Realty and of the Lead Agent. Allocated Units are not subject to reduction or allotment in the event the Offering is oversubscribed, and there is no requirement or assurance that any Allocated Units will be taken up and paid for. Allocated Units will be sold to staff members, friends and family members of Greybrook Realty and of the Lead Agent on the same terms, and at the same price, as the other Class A Units and Class B Units offered in the Offering.

In connection with the Trust Units Offering, a maximum of \$3,875,000 of Trust Units, representing 10% of the number of Trust Units offered in the Trust Units Offering (assuming the maximum offering) (collectively, “**Allocated Trust Units**”), has been reserved for allocation for purchase by staff members, friends and family members of Greybrook Realty and of the Lead Agent. In any event, however, the total amount of all Allocated Units and Allocated Trust Units taken up and paid for shall not exceed, collectively, \$3,875,000. To ensure the total value of Allocated Units and Allocated Trust Units does not exceed the above-stated maximum of \$3,875,000, the value of Allocated Units consisting of Class B Units

and the value of Allocated Trust Units consisting of class B units of the Trust will be determined based on the Closing Exchange Rate.

Subscription Procedure for Trust Units

For information on the subscription procedure for Trust Units, see “*Subscription Procedure*” in Schedule “A” “*The Greybrook Yorkville III Trust*”.

PLAN OF DISTRIBUTION

The proceeds of the Offering will be used by the Partnership as follows: (i) to make the Partnership’s capital contribution pursuant to the Co-Owners Agreement, which is required to enable the Co-Owners and the Nominee to acquire the Property and to carry out the Project; and (ii) to pay fees and expenses to the Agents and Greybrook Realty, all as more particularly described in this Offering Memorandum. See “*Business of the Partnership — The Co-Owners Agreement — Total Capital Contribution*”, “*—Agents’ Fee and Expenses*”, “*—Greybrook Realty Fees*”, “*—Offering and Maintenance Costs Agreement*” and “*—Use of Proceeds*”. The remainder of the proceeds of the Offering will be used to cover the balance of the costs incurred by the Partnership in connection with the Offering, as well as the future ongoing costs of the maintenance and operations of the Partnership and the Trust, including, without limitation, legal, accounting and audit fees and expenses.

On the Property Purchase Closing, a portion of the Estimated Total Equity Capital Contribution (of which only the Partnership capital contribution is anticipated to be funded in full on the Property Purchase Closing) will be used by the Co-Owners (i) to fund the payment of the remaining outstanding balance of the Property Purchase Price that will not be funded using the proceeds of the Acquisition Financing; (ii) to fund costs incurred in connection with the Property Purchase Closing such as, but not limited to, land transfer taxes, premiums for title insurance policies, the fees and disbursements of counsel to First Capital incurred in connection with the Property Purchase Closing, and the reimbursement of the costs incurred by First Capital, or its affiliate, in connection with the Letters of Credit; (iii) to fund certain due diligence and Project-related costs, such as consultants’ fees, incurred by First Capital prior to the Property Purchase Closing; and (iv) to fund the Project’s pre-construction soft costs, including, but not limited to, the interest on the Acquisition Financing, property taxes, consultants’ fees and any fees charged by governmental authorities in connection with the development of the Property.

Agents’ Fee and Expenses

Pursuant to the agency agreement dated as of May 10, 2019 among the Partnership, the Lead Agent and the Co-Agents, if any (the “**Agency Agreement**”), at the Offering Closing (or if there is more than one closing of the Offering, at each closing in respect of Units sold in such closing), the Partnership will pay each Agent a selling commission of 8% for each Unit it sold in the Offering (the “**Agents’ Fee**”). Pursuant to the Agency Agreement, the Partnership will also pay the Lead Agent an additional \$91,667 in respect of costs and expenses incurred by the Lead Agent in connection with the Offering (the “**Offering Expenses**”). If there is more than one closing of the Offering, the Offering Expenses shall be paid to the Lead Agent at the first closing. The portion of the Agents’ Fee payable to the Lead Agent and the Offering Expenses are payable in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of the Lead Agent. The number of Class A Units and the number of Class B Units that the Lead Agent may receive in lieu of cash consideration shall be calculated on the basis of \$100 per Class A Unit, in the case of Class A Units, and on the basis of the Canadian dollar equivalent of US\$100, converted at the Closing Exchange Rate, in the case of Class B Units. The Agents’ Fee payable to the Co-Agents is payable in cash only.

The Lead Agent reserves the right to use any portion of the Agents’ Fee payable to it to provide inducements to investors to encourage participation in the Offering and/or the Trust Units Offering and for other purposes.

Pursuant to the Agency Agreement, the Lead Agent is permitted to appoint other duly registered dealers in the Provinces, in the United States or the State of Israel as its agent to assist in the Offering, and the

Lead Agent may determine the remuneration payable to such other dealers. The Lead Agent has retained SDDCo Brokerage Advisors LLC, a broker-dealer registered in the United States, to facilitate the offer and sale of Units in the United States in accordance with all applicable United States federal laws, state laws and regulations. The Lead Agent has retained Keren 35 Ltd. as its sub-agent in the State of Israel in connection with the Offering.

Greybrook Realty Fees

The Partnership will pay the below-described fees to Greybrook Realty for services rendered to the Partnership, and to be rendered to the Partnership in the future, by Greybrook Realty pursuant to two separate services agreements, each dated as of May 10, 2019, between Greybrook Realty and the Partnership (collectively, the “**Greybrook Realty Services Agreements**”):

- (a) a fee of 3% of the subscription price per Unit (being \$3, in the case of a Class A Unit, and US\$3, in the case of a Class B Unit (converted into Canadian dollars at the Closing Exchange Rate)), which fee will be paid at the Offering Closing (or if there is more than one closing of the Offering, at each such closing in respect of Units sold in such closing) (the “**Structuring Fee**”); plus on the completion of the Project, an amount (such amount, the “**Success Fee**”) equal to 5% of the difference between (a) the Project’s profits payable to the Partnership following the return, in full, of each Co-Owner’s capital contribution and (b) \$5,416,666 (representing, collectively, the aggregate amount of the Agents’ Fee, the Offering Expenses, the Structuring Fee, the Cash Distribution Services Fee and the Offering and Maintenance Costs); and
- (b) a fee of \$550,000 for the provision of, among other services, cash distribution management, record keeping, internal audit, compliance, investor relations and administration services and for Greybrook Realty’s agreement to cover the costs and expenses incurred by the Trust in connection with the Trust Units Offering (the “**Cash Distribution Services Fee**”).

These fees, excluding the Success Fee, are payable in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of Greybrook Realty. If Greybrook Realty, in its sole discretion, opts to receive payment of all or a portion of those fees capable of being paid in Units, the number of Units to be issued in payment to Greybrook Realty will be calculated on the basis of \$100 per Class A Unit, in the case of Class A Units, and on the basis of the Canadian dollar equivalent of US\$100, converted at the Closing Exchange Rate, in the case of Class B Units. The Success Fee is payable in cash exclusively.

The General Partner is a direct, wholly-owned subsidiary of Greybrook Realty. The terms of the Greybrook Realty Services Agreements were not negotiated at arm’s length by the parties. Copies of the Greybrook Realty Services Agreements are available for review, upon request.

Offering and Maintenance Costs Agreement

In order to hedge its exposure in respect of a certain portion of the offering costs incurred by the Partnership in connection with the Offering (which portion excludes the future ongoing costs of the Partnership’s maintenance and operations) (the “**Syndication Costs**”), and any risk that the net proceeds of the Offering (after all other obligations of the Partnership have been paid or accounted for) might not be sufficient to cover the Syndication Costs as a result of an inaccurate estimate of their amount, or their unforeseen escalation, or for any other reason, the Partnership entered into an agreement with Greybrook Realty dated as of May 10, 2019 (the “**Offering and Maintenance Costs Agreement**”). Pursuant to the Offering and Maintenance Costs Agreement, Greybrook Realty has agreed to pay the Syndication Costs, for and on behalf of the Partnership, regardless of the amount of the Syndication Costs, provided that the Partnership remits to Greybrook Realty the excess, if any, of the amount budgeted by the Partnership for the Syndication Costs over their actual amount. The aggregate of the Syndication Costs and the future ongoing costs of the Partnership’s maintenance and operations is the amount shown as “Offering and Maintenance Costs” in the use of proceeds table below. See “—Use of Proceeds”.

The Partnership has budgeted \$250,000 for the Syndication Costs. If the Syndication Costs exceed \$250,000, Greybrook Realty will suffer a loss; and if the Syndication Costs are less than \$250,000, Greybrook Realty will make a profit. Based on the past experience of the sole director and the officers of the General Partner and the principals of Greybrook Realty in transactions similar to the Offering, the budgeted amount represents a reasonable estimate of the Syndication Costs. However, because unforeseen circumstances can arise at any time, it is possible that Greybrook Realty will suffer a financial loss under this arrangement or may realize a profit.

The amount to be remitted to Greybrook Realty pursuant to the Offering and Maintenance Costs Agreement may be paid in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of Greybrook Realty. If Greybrook Realty, in its sole discretion, opts to receive payment of all or a portion of such amount in Units, the number of Units to be issued in payment to Greybrook Realty will be calculated on the basis of \$100 per Class A Unit, in the case of Class A Units, and on the basis of the Canadian dollar equivalent of US\$100, converted at the Closing Exchange Rate, in the case of Class B Units.

The General Partner is a direct, wholly-owned subsidiary of Greybrook Realty. The terms of the Offering and Maintenance Costs Agreement were not negotiated at arm's length by the parties.

The fees payable pursuant to the Greybrook Realty Services Agreements and the Offering and Maintenance Costs Agreement are payable to Greybrook Realty in Canadian dollars.

Use of Proceeds

The table below sets forth the Partnership's intended use of the gross proceeds of the Offering in Canadian dollars.

All US dollar subscription proceeds from the sale of Class B Units will be converted by the Partnership into Canadian dollars at the Closing Exchange Rate. There can be no assurance as to what the Closing Exchange Rate will be.

Use	Amount of Proceeds
<i>Gross proceeds</i>	\$38,750,000
Agents' Fee	\$3,100,000
Offering Expenses	\$91,666
Structuring Fee	\$1,162,500 ⁽¹⁾⁽²⁾
Cash Distribution Services Fee	\$550,000 ⁽¹⁾
Offering and Maintenance Costs	\$512,500 ⁽¹⁾⁽³⁾
Net proceeds	\$33,333,334

Notes:

- (1) The amounts of the Structuring Fee, the Cash Distribution Services Fee and the Offering and Maintenance Costs are expressed net of HST. The Partnership will pay HST on all of such fees and costs and will make a claim for the corresponding input tax credits.
- (2) The Success Fee is omitted from the table, as it will not be paid out of the proceeds of the Offering. The Success Fee will be paid out of the Partnership's portion of the Project's profits (if any). See "*—Greybrook Realty Fees*".
- (3) The Offering and Maintenance Costs amount represents the aggregate of the Syndication Costs and the future ongoing costs of the Partnership's maintenance and operations. Pursuant to the Offering and Maintenance Costs Agreement, Greybrook Realty has agreed to pay the Syndication Costs for and on behalf of the Partnership regardless of their actual amount. See "*—Offering and Maintenance Costs Agreement*".

The table below sets forth the Partnership's intended use of the net proceeds of the Offering in Canadian dollars:

Use	Amount of Proceeds
Funding of 33⅓% of the outstanding aggregate balance of the Property Purchase Price that will not be funded by way of the Acquisition Financing	\$22,760,000 ⁽¹⁾

Use	Amount of Proceeds
Funding of 33⅓% of (i) the Project's pre-construction soft costs and (ii) the Property Purchase Closing costs, including, but not limited to, land transfer tax, the fees and disbursements of First Capital's solicitors and the Letters of Credit costs	\$10,573,334 ⁽²⁾⁽³⁾
Total	\$33,333,334

Notes:

- (1) This amount represents that portion of the outstanding balance of the Property Purchase Price that will be payable by the Partnership. This amount is an approximate amount, as it will be subject to customary adjustments. The remainder of the outstanding balance of the Property Purchase Price will be funded by way of the Acquisition Financing and, if necessary, First Capital's capital contribution and BMOPE's capital contribution, although First Capital and BMOPE will only contribute a portion of their respective maximum capital contributions on the Property Purchase Closing. It is anticipated that the Acquisition Financing will be repaid out of the proceeds of construction financing procured for the Project. See "*Business of the Partnership — Purchase of the Partnership's Interest in the Property*", "*Business of the Partnership — The Co-Owners Agreement — Total Capital Contribution*" and "*Business of the Partnership — The Co-Owners Agreement — Project Financing*".
- (2) This amount is an approximate amount. Because the \$22,760,000 amount shown in the table is subject to certain adjustments provided for in the Property Purchase Agreement, the amount that actually will be used to fund 33⅓% of the costs enumerated in this line item will be equal to (i) the amount of the net proceeds of the Offering (being \$33,333,334), less (ii) the amount actually used to fund 33⅓% of that portion of the outstanding aggregate balance of the Property Purchase Price that will not be funded by way of the Acquisition Financing. As a result, the amount that actually will be used to fund 33⅓% of the costs enumerated in this line item will not be exactly \$10,573,334.
- (3) This amount ultimately will be lower than shown if First Capital and BMOPE do not fund the full amount of their respective maximum capital contributions under the Co-Owners Agreement and, as a result, make the Equalization Payment.

Fee Methodology

Management conducted an overall assessment of the reasonableness of the fees expected to be paid by investors in the Offering, including the fees to be paid to Greybrook Realty pursuant to the Greybrook Realty Services Agreements. For the purposes of its analysis, Management compared such fees to those typically paid by investors purchasing investment products similar to Units.

Comparison

Management views an investment in the Offering as being most similar to a traditional private equity investment. Both an investment in the Offering and a private equity investment (i) target similar risk-adjusted rates of return (in the range of a greater-than-20% average annual rate), (ii) involve the active participation of management in supervising the investment, (iii) provide periodic reporting to investors and (iv) have medium- to long-term investment horizons.

Management expects that investors will pay fees, in aggregate, that are lower than the fees that would be paid by an investor in a traditional private equity investment with a "2 and 20" fee model. This conclusion is based on the assumption that a private equity manager would be entitled to receive (i) a 2% annual advisory fee on capital deployed and (ii) a 20% carried interest on all returns that exceed a hurdle rate of 8%.

One noteworthy difference between the fee structure of the Offering and the traditional private equity investment fee model is the fact that, in the Offering, a substantial portion of the fees will be collected upfront, whereas traditional private equity firms typically charge their fees on an annual basis. Since the Partnership is a closed sole-purpose vehicle, all fees and expenses required for the duration of the Project must be collected on the Offering Closing Date. Traditional private equity firms typically include capital call provisions in their limited partnership agreements that enable them to call additional funds, when and if required. When all of the adjusted fees in the Offering are amortized over the term of the Project, they represent an amount that is higher than the 2% annual advisory fee typically charged by traditional private equity firms.

The portion of the Development Fee payable to the Greybrook Development Manager was not considered as part of the fee analysis set out above. This is because Management believes that the

Development Fee payable under the Development Management Agreement is substantially equivalent to the development fee that a comparable arm's-length development manager would have charged to provide similar services. Since the Co-Owners would have been required to retain and pay a development manager regardless, Management believes that the Development Fee (including the portion thereof payable to the Greybrook Development Manager) does not represent an additional cost to the Project or the Partnership.

Alignment of Interests and Incentives

The Success Fee is expected to represent a significant amount of the total fees to be paid by investors in the Offering, and it is to be paid solely out of the Gross Revenues distributed to the Partnership (if any). Management believes this fee structure aligns the interests of Greybrook Realty, on the one hand, and those of its investors, on the other hand, resulting in all interested parties being incentivized to maximize the Project's profits.

CONDITIONS PRECEDENT TO THE CLOSING OF THE OFFERING OF UNITS

The completion of the Offering is conditional upon the following conditions being satisfied, to the satisfaction of the General Partner, in its sole discretion:

- (a) subscriptions for Units being purchased in the Offering, the aggregate purchase price of which shall be no less than \$38,750,000 (taking into account the amount of the aggregate purchase price of Class B Units following conversion into Canadian dollars at the Closing Exchange Rate), shall have been received and accepted by the General Partner, on behalf of the Partnership, in the General Partner's sole discretion;
- (b) a duly completed subscription agreement for each subscriber for Units shall have been received and accepted by the General Partner and such subscription agreement shall be in full force and effect, and all representations and warranties of the subscriber contained therein shall be true and correct, on the Offering Closing Date;
- (c) a certified cheque, bank draft or wire transfer for the applicable subscription amount shall have been received from each subscriber and deposited in trust with the Partnership's solicitors;
- (d) the issue and sale of Units to each subscriber shall be exempt from the prospectus requirements pursuant to National Instrument 45-106—*Prospectus Exemptions* ("NI 45-106") or such other prospectus exemption as may be available; and
- (e) the General Partner shall have received such other documentation relating to the Offering as the General Partner considers necessary or desirable.

THE LEAD AGENT

The Partnership may be considered to be a "related" or "connected" issuer (as such terms are defined in National Instrument 33-105—*Underwriting Conflicts* ("NI 33-105")) of the Lead Agent. See "*Conflicts of Interest — The Lead Agent*".

The Lead Agent was incorporated under the *Business Corporations Act* (Ontario) on June 24, 1975 and is registered as a dealer in the category of exempt market dealer under the *Securities Act* (Ontario) and the applicable securities legislation in all of the Provinces.

The Lead Agent's expertise in real estate investments ranges from equity investments in commercial and residential real estate development to mezzanine financing and bridge lending.

The name, municipality of residence, position with the Lead Agent and principal occupation of the sole officer and sole director of the Lead Agent, as of the date of this Offering Memorandum, are set forth below:

Name and Municipality of Residence	Position with the Lead Agent	Principal Occupation
Sasha Sasa Cucuz, Toronto, Ontario	Chief Executive Officer	Chief Executive Officer and a Dealing Representative of the Lead Agent, in which capacity he spends a significant part of his working time on the business and affairs of Greybrook Realty; and a member of the board of directors of Greenbrook TMS Inc., a reporting issuer of which Greybrook Corporation, the majority indirect shareholder of Greybrook Realty and the General Partner, is indirectly a significant shareholder

PERSONAL INFORMATION

By purchasing Units, the purchaser acknowledges that the Partnership, the General Partner, the Agents, and their respective advisors, may each collect, use and disclose his, her or its name, residential address and telephone number and other specified personally identifiable information (the “**Information**”), including the number and dollar value of Units that a purchaser has purchased and the exemption relied on, for purposes of meeting legal, regulatory and audit requirements and as otherwise permitted or required by the terms of the subscription agreement, law or regulation. The purchaser authorizes the indirect collection of the Information and consents to the disclosure of the Information to the securities regulatory authorities. In the event the purchaser has any questions with respect to the indirect collection of such Information by the securities regulatory authorities, the purchaser should contact the applicable securities regulatory authority using the contact details provided in the subscription agreement.

The Partnership may establish and maintain a file of each purchaser’s Information for the purposes set out above, which will be accessible at the principal office of the General Partner. Authorized employees and agents of the General Partner will have access to the Information. The purchaser may request access to or correction of his, her or its Information in the Partnership’s possession by writing to the President of the General Partner at the principal office of the General Partner.

In addition, by purchasing Units, the purchaser acknowledges that certain of the Information, together with his, her or its capital contribution to the Partnership and other prescribed information, will be set forth in the record of the Partnership required to be kept pursuant to *The Partnership Act* (Manitoba) and will form part of the public record.

THE PARTNERSHIP AGREEMENT

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

Limited Liability of Limited Partners

Under the terms of the Partnership Agreement and subject to *The Partnership Act* (Manitoba), the liability of Limited Partners is limited to the amount paid for their Units and their share of the undistributed income of the Partnership. Limited Partners generally will not be liable for any debt, obligation or default of the

Partnership beyond their investment in the Partnership. See also “*Risk Factors — Risks Relating to Investing in Units — Potential Loss of Limited Liability*”.

Units

The beneficial interests of the Partnership are divided into three classes of units of limited partnership interest: Class A Units, Class B Units and Class C Units. The Partnership is authorized to issue an unlimited number of Class A Units, an unlimited number of Class B Units and an unlimited number of Class C Units. Class A Units and Class C Units are denominated in Canadian dollars, and Class B Units are denominated in US dollars. Units may be issued only as fully paid and non-assessable, and fractional Units will not be issued. Each Unit entitles the holder to the same rights and obligations as a holder of any other Unit, and no such holder is entitled to any privilege, priority or preference in relation to any other. Each holder of a Class A Unit and each holder of a Class C Unit is entitled to one vote at all meetings of Limited Partners for each Class A Unit and Class C Unit held. Each holder of a Class B Unit is entitled to that number of votes equal to the Canadian dollar equivalent of US\$1.00 at the Closing Exchange Rate. For example, if the Closing Exchange Rate is such that US\$1.00, converted into Canadian dollars at the Closing Exchange Rate, equals \$1.299, then each Class B Unit would entitle the holder thereof to 1.299 votes. The Limited Partners are entitled to participate on a *pro rata* basis, based on their respective capital contributions to the Partnership, with respect to any and all distributions to Limited Partners made by the Partnership. The percentage ownership interest in the Partnership of a holder of Class B Units, and therefore the level of his, her or its *pro rata* participation in distributions of the Partnership, will depend on the Closing Exchange Rate.

On the dissolution of the Partnership, holders of record holding outstanding Units as at the date of termination of the Partnership are entitled to receive, on a *pro rata* basis, based on their respective capital contributions to the Partnership, all of the assets of the Partnership remaining after payment of all debts, liabilities and liquidation expenses of the Partnership and after payment to the General Partner of an amount equal to 0.001% of the value of such remaining assets, to a maximum of \$100.

Limited Partners will not be entitled to receive a certificate or other instrument representing Units or evidencing ownership of Units from the General Partner, transfer agent or any other person, and the ownership of Units will be evidenced solely and conclusively by the record maintained by the General Partner. The General Partner may, but is not required to, issue to each Limited Partner, upon request, a certificate indicating that such Limited Partner is the owner of the number and class of Units set out on the certificate.

Redemption of Units

Class A Units and Class B Units are not redeemable. Class C Units are redeemable on demand by the holder thereof. The Trust will be the sole holder of Class C Units. Under Section 3.25 of the Partnership Agreement, the redemption price of a Class C Unit is set at 95% of the fair market value thereof, as determined by the General Partner at the time of redemption, less the costs of implementing the redemption to a maximum of 2% of the fair market value of the Class C Unit being redeemed (the “**Redemption Price**”).

Class C Units are redeemable for cash, Class A Units, Class B Units or one or more promissory notes of the Partnership (“**Redemption Notes**”), or a combination thereof. See Section 3.25 of the Partnership Agreement for more information.

If the Trust elects to redeem one or more Class C Units for Redemption Notes, then Redemption Notes shall be issued to the Trust, in an aggregate principal amount equal to the Redemption Price (per Class C Unit) multiplied by the number of Class C Units being redeemed, and shall be:

- (a) unsecured and bearing interest, from and including the issue date (which shall be the applicable redemption date), at a market rate of interest as determined by the General Partner at the time of issuance, having regard to debt obligations of a comparable term issued by comparable issuers, and payable annually in arrears (with interest accruing after as well as before maturity, default and judgment and on overdue interest);

- (b) subordinated and postponed to all senior indebtedness, if any, and may be subject to specific subordination and postponement agreements with holders of senior indebtedness, if any;
- (c) subject to earlier prepayment without penalty, due and payable on the seventh anniversary of the date of issuance; and
- (d) subject to other standard terms and conditions, as the General Partner may approve.

Restrictions on Transfers of Units

The Partnership Agreement provides that Units may be sold only in accordance with the terms of the Partnership Agreement and may not be sold, assigned, transferred, conveyed, encumbered or disposed of, in whole or in part, without the prior written consent of the General Partner, which consent may be given or withheld in its sole discretion. Any attempt by a Limited Partner to sell, assign, transfer, convey, encumber or transfer Units without the prior written consent of the General Partner shall result in a default by such Limited Partner.

Any permitted transfer must be made in accordance with the applicable requirements of Canadian securities laws. See "*Resale Restrictions*".

Power of Attorney

The Partnership Agreement contains an irrevocable power of attorney in respect of various enumerated matters, authorizing the General Partner, on behalf of Limited Partners, among other things, to execute any amendments to the Partnership Agreement (subject to any required approvals) and all instruments necessary to effect the dissolution of the Partnership (pursuant to the terms of the Partnership Agreement) as well as any elections, determinations or designations under the Tax Act or the taxation legislation of any Province or territory in Canada with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership.

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

Allocation of Net Income or Loss

The net income or loss of the Partnership for accounting and income tax purposes for each fiscal year will be allocated among the General Partner and Limited Partners as follows:

- (a) 0.001% of the net income or loss for the fiscal year will be allocated to the General Partner, to a maximum of \$100; and
- (b) the balance of the net income or loss for the fiscal year will be allocated to Limited Partners on a *pro rata* basis, in accordance with their *pro rata* participation in distributions of the Partnership.

The net income and loss of the Partnership for tax purposes in respect of a fiscal year shall be allocated among the General Partner and Limited Partners in the same manner as allocations of accounting income and losses, in accordance with the terms of the Partnership Agreement. For greater certainty, the General Partner shall be entitled to make allocations of income or losses of the Partnership for tax purposes in respect of a fiscal year to any person who has been a Limited Partner at any time in such fiscal year.

Distributions

The General Partner is authorized to effect cash distributions on Units in its sole discretion once the Partnership has received sufficient funds in respect of the Project to commence making such

distributions. The amount of cash to be distributed will be based upon the difference between the Partnership's gross receipts and its operating expenses (as such terms are defined in the Partnership Agreement), making due allowance for any applicable withholding taxes and working capital provisions. Prior to any other distributions, the Partnership shall return all the capital contributions of Limited Partners. Limited Partners who hold Class A Units or Class C Units shall receive distributions in Canadian dollars. Limited Partners who hold Class B Units shall receive distributions in US dollars.

Reporting to Limited Partners

The General Partner will prepare and send, or cause to be prepared and sent or, to the extent permitted by law, prepare and make available, to each Limited Partner audited annual financial statements of the Partnership as at December 31 in each year within 90 days from the end of the Partnership's fiscal year. The General Partner may provide Limited Partners with such additional financial or other reports as it may, in its discretion, determine from time to time.

On or before the 90th day of each year, or by such earlier date as may be required from time to time under the Tax Act, the General Partner shall provide, or cause to be provided, to Limited Partners the information pertaining to the Partnership that is necessary to permit them to complete their respective income tax returns for the preceding year.

Meetings of Limited Partners

Meetings of Limited Partners may be called by the General Partner in accordance with the terms of the Partnership Agreement. Limited Partners may vote either in person or by proxy at meetings. At any such meeting, each Limited Partner (other than a defaulting Limited Partner) who holds Class A Units or who holds Class C Units will be entitled to one vote for each Class A Unit or Class C Unit that is registered in such Limited Partner's name. Each Class B Unit registered in the name of a Limited Partner will entitle such Limited Partner to the number of votes equal to the Canadian dollar equivalent of US\$1.00 at the Closing Exchange Rate. For example, if the Closing Exchange Rate is such that US\$1.00, converted into Canadian dollars at the Closing Exchange Rate, equals \$1.299, then each Class B Unit registered in such Limited Partner's name will entitle him, her or it to 1.299 votes.

Pursuant to the Partnership Agreement, the following matters require the approval of Limited Partners by special resolution, which means a resolution approved by a vote cast in person or by proxy, by holders of more than 66⅔% of the aggregate number of issued and outstanding Units at a duly constituted meeting of Limited Partners or a written resolution signed by Limited Partners holding in the aggregate more than 66⅔% of the aggregate number of issued and outstanding Units:

- (a) issuing debt and/or debt instruments of the Partnership;
- (b) other than as specifically permitted in the Partnership Agreement, the sale, exchange or other disposition of all or substantially all of the assets of the Partnership, whether in a single transaction or a series of related transactions, except in conjunction with an internal reorganization;
- (c) waiving any default on the part of the General Partner, other than in respect of any insolvency, receivership or bankruptcy of the Partnership, on such terms as Limited Partners may determine and releasing the General Partner from any claims in respect thereof;
- (d) changing the business of the Partnership;
- (e) approving the dissolution or termination of the Partnership;
- (f) amending, modifying, altering or repealing any special resolution previously passed by Limited Partners;
- (g) amending the Partnership Agreement except as otherwise provided in Section 9.1 thereof;

- (h) a merger or consolidation involving the Partnership, except for a merger or consolidation involving only the Partnership and its affiliates;
- (i) continuing the Partnership if the Partnership is terminated by operation of law;
- (j) consenting to any judgment entered in a court of competent jurisdiction against the Partnership; and
- (k) in the name of the Partnership from time to time, borrowing funds from or incurring indebtedness or liabilities in favour of, the General Partner or its affiliates or associates, (unless such funds are borrowed, or such indebtedness or liabilities are incurred, on commercially reasonable arm's length terms), and guaranteeing the payment and performance of the obligations of any affiliate or associate of the Partnership, including granting security on the Partnership's interest in the Property and the Project, provided, however, that the Partnership may grant (without a special resolution) any security on such interest in connection with the Project, including to secure any of the Partnership's obligations under the Co-Owners Agreement.

Indemnification of General Partner

The General Partner and each of its directors, officers, employees and agents, among others, will be indemnified by the Partnership to the fullest extent permitted by law out of the assets of the Partnership for all liabilities, claims, losses, costs and expenses incurred by them in the manner and to the extent provided by Section 6.7 of the Partnership Agreement.

Books and Records

The General Partner, on behalf of the Partnership, shall keep, at the Partnership's principal office, appropriate books of proper and complete accounts, records, and registers of the operations and affairs of the Partnership, including the record of the names and addresses of all Limited Partners.

The books of the Partnership will be maintained for financial reporting purposes in accordance with International Financial Reporting Standards.

The General Partner will ensure that the Partnership complies with all other applicable reporting and administrative requirements.

The financial statements of the Partnership shall be audited.

Right to Inspect Books and Records

The Partnership Agreement provides that a Limited Partner can, for a purpose reasonably related to such Limited Partner's interest as a Limited Partner, upon reasonable demand and at its own expense, have furnished to it: a current list of the name and last known address of the General Partner and each Limited Partner; copies of the Partnership Agreement, the current record of the partners of the Partnership and their respective capital contributions; copies of any documents filed by the Partnership with Canadian securities regulatory authorities; copies of minutes of meetings of the Partnership; and such other information regarding the affairs of the Partnership as is required to be provided to a Limited Partner under applicable partnership legislation.

The General Partner may, and intends to, keep confidential from Limited Partners trade secrets or other information, the disclosure of which, in the reasonable opinion of the General Partner, should be kept confidential in the best interests of the Partnership or which the Partnership is required by law or agreements with third parties to keep confidential.

Operating Expenses

The Partnership is responsible for the payment of all fees and other amounts payable pursuant to the Agency Agreement, the Greybrook Realty Services Agreements and the Offering and Maintenance Costs Agreement.

The terms of the Greybrook Realty Services Agreements and the Offering and Maintenance Costs Agreement were not negotiated at arm's length by the parties to those agreements. See "*Plan of Distribution — Greybrook Realty Fees*", "*—Offering and Maintenance Costs Agreement*" and "*—Use of Proceeds — Fee Methodology*".

The Partnership is also responsible for the payment of all other costs, charges and expenses incurred in connection with its maintenance and operations, which include, without limitation, any out-of-pocket fees and expenses, annual audit costs and other fees payable to the auditors, fees and expenses of legal counsel, advisors and agents, the costs of convening and conducting meetings of Limited Partners and taxes, if any.

The Trust was formed and organized for the ultimate benefit of the Partnership. From and following the Offering Closing, the General Partner shall incur, directly in the name of the Partnership, all of the Trust's legal and audit expenses, filing and reporting fees and other expenses incurred solely for the purpose of maintaining and/or dissolving the existence of the Trust, and such expenses shall be paid directly by the Partnership to the third parties to whom such expenses are owed.

Default of Limited Partners

In the event that a Limited Partner is in default with respect to the provisions of the Partnership Agreement, then for so long as such default is continuing, the defaulting Limited Partner shall not be entitled to vote on any matters that he, she or it would otherwise have been entitled to vote on pursuant to the terms of the Partnership Agreement and his, her or its Units will not be counted when determining whether quorum and/or the requisite approval threshold has been met.

However, pursuant to the terms of the Partnership Agreement, in the event that a Limited Partner's default is his, her or its having become a "Non-Resident", a "financial institution", a partnership which is not a "Canadian partnership", a person or partnership, an interest in which is a "tax shelter investment" or which would acquire Units as a "tax shelter investment", or a person or partnership that would cause the Partnership to be a "SIFT partnership", all within the meaning of the Tax Act, or such Limited Partner's default is a failure to provide evidence satisfactory to the General Partner with respect to his, her or its residency or partnership or tax status, then the General Partner will require the defaulting Limited Partner to dispose of all of his, her or its Units. Failing that, the General Partner, subject to compliance with applicable securities laws, will be entitled (but not obligated) to sell such Units or to acquire such Units on behalf of the Partnership. In addition, the defaulting Limited Partner will be deemed to have ceased to be a partner of the Partnership, with effect immediately before the date of default, and will not be entitled to vote on any matters that he, she or it would otherwise have been entitled to vote on pursuant to the Partnership Agreement and will not be entitled to receive any distributions on Units held by him, her or it. Such Units will be deemed not to be outstanding until acquired by the Partnership or a party that does not contravene the residency requirements of the Partnership Agreement.

Dissolution of Partnership

Subject to following the procedures set out in Section 10.3 of the Partnership Agreement, the Partnership will terminate upon the earliest to occur of: (i) the removal or deemed removal of a sole general partner, unless such general partner is replaced as provided in the Partnership Agreement; (ii) the date of occurrence of the last of (A) the sale of all of the Property, and (B) the distribution of all distributable cash of the Partnership in accordance with the terms of the Partnership Agreement; (iii) the date specified in a special resolution approving the dissolution or termination of the Partnership; and (iv) the date of dissolution caused by operation of law.

MANAGEMENT OF THE PARTNERSHIP

The General Partner

The General Partner was incorporated under the *Business Corporations Act* (Ontario) on April 17, 2019. The name, municipality of residence and position with the General Partner of the sole director and the officers of the General Partner, and their principal occupations, are set forth below:

Name and Municipality of Residence	Position with the General Partner	Principal Occupation
Peter Politis, Toronto, Ontario	Director, President and Secretary	Director, Chief Executive Officer and Secretary of Greybrook Realty; and a Dealing Representative of the Lead Agent
Karl Brady, Toronto, Ontario	Chief Financial Officer	Chief Financial Officer of Greybrook Realty and its affiliates, including the Lead Agent and Greybrook Capital

Functions and Powers of the General Partner

The General Partner has all the rights and authority of a general partner according to *The Partnership Act* (Manitoba) and any other right or authority otherwise granted by law. It is authorized to carry on the business of the Partnership and, subject to the terms of the Partnership Agreement, has full power and exclusive authority to administer, manage, control and operate the business of the Partnership.

The General Partner's duties include negotiating, executing and performing all agreements on behalf of the Partnership, opening and managing bank accounts in the name of the Partnership, spending the capital of the Partnership in the exercise of any right or power under the Partnership Agreement, issuing Units as contemplated by the Partnership Agreement, making distributions of distributable cash, mortgaging, charging, pledging or creating a security interest in the property of the Partnership (in accordance with the terms of the Co-Owners Agreement), managing, controlling and developing all activities of the Partnership, incurring all costs and expenses in connection with the Partnership, preparing or causing to be prepared financial statements, income tax returns and financial and accounting information as required by the Partnership, ensuring that Limited Partners are provided with financial statements and other reports as are required from time to time, selecting the auditors of the Partnership and negotiating the terms of their engagement, appointing the Partnership's nominees to the Nominee's board of directors and any replacement thereof, appointing the Partnership's principal members and alternative members to the Co-Owner's Committee, making any and all decisions relating to the business, the Property and/or the Project, including all Major Decisions and Fundamental Matters, and all other decisions relating to or affecting the Partnership, making all decisions concerning the Adjacent Property Agreement and/or the Adjacent Property, making all decisions concerning any sale or proposed sale of a Co-Owner's Interest and/or the sale of the Commercial Component pursuant to Article 10 of the Co-Owner's Agreement (see "*Business of the Partnership — The Co-Owners Agreement — Right of First Offer on Transfer*" and "*—Sale of Commercial Component*"), selling all or any part of the Partnership's Co-Owner's Interest pursuant to the terms of the Co-Owners Agreement and carrying out the objects and purposes of the Partnership.

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

Reimbursement of the General Partner

The General Partner is entitled to recover out-of-pocket expenses, including, but not limited to, fees paid to third parties for services rendered to the General Partner and expenses incurred for and on behalf of the Partnership which are the responsibility of the Partnership. See "*The Partnership Agreement — Operating Expenses*".

Greybrook Realty

Issuers organized and managed by Greybrook Realty, the parent corporation of the General Partner, are currently involved in 52 active real estate development projects located across the GTA, Southern Ontario and South Florida. Approximately \$982,000,000 in real estate development equity has been raised by the Lead Agent to capitalize such issuers and to fund the issuers' investments in those real estate development projects.

Members of the management team responsible for advising the Partnership have significant experience in the real estate development industry. They are identified in the table below:

Name	Residence	Offices & Titles	Years with Greybrook Realty ⁽¹⁾	Years of Real Estate Development Industry Experience	No. of Active Projects/Equity Raised (\$ 000,000) ⁽²⁾	No. of Active Comparable Projects/Equity Raised (\$ 000,000) ⁽³⁾
Peter Politis	Toronto, Ontario	<ul style="list-style-type: none"> • Director, President and Secretary of the General Partner • Director, Chief Executive Officer and Secretary of Greybrook Realty • Dealing Representative of the Lead Agent 	15.0	15.0	52/982	16/395
Sasha Cucuz	Toronto, Ontario	<ul style="list-style-type: none"> • Director, Chief Executive Officer and Dealing Representative of the Lead Agent 	14.5	14.5	52/982	16/395
Karl Brady	Toronto, Ontario	<ul style="list-style-type: none"> • Chief Financial Officer of the General Partner • Chief Financial Officer of Greybrook Realty and its affiliates, including the Lead Agent and Greybrook Capital 	2.0	4.0 ⁽⁴⁾	18/419 ⁽⁴⁾	5/120 ⁽⁴⁾

Notes:

- (1) The numbers shown in this column are approximate values, and they include years spent at predecessors of Greybrook Realty or their respective affiliates.
- (2) This column states the number of active real estate development projects that each of the named individuals is involved in managing and the approximate amount of aggregate equity raised by the Lead Agent in connection with those real estate development projects. The numbers shown in this column do not take into account the Project or any Greybrook Realty-organized offering that has not yet closed.
- (3) This column states the number of active high-rise real estate development projects that each of the named individuals is involved in managing and the approximate amount of aggregate equity raised by the Lead Agent in connection with those real estate development projects. Certain of these projects include components that are not high-rise in nature. The equity amounts are not adjusted to account for such components. The numbers shown in this column do not take into account the Project or any Greybrook Realty-organized offering that has not yet closed.
- (4) Mr. Brady joined Greybrook Realty in April 2017. He acquired a substantial amount of his real estate development industry experience at the place of his previous employment.

Peter Politis

Mr. Politis is a private equity professional with over a decade of experience in structuring, financing and managing private equity transactions in the real estate, healthcare and technology industries. He oversees the strategic direction of Greybrook Realty. As the Chief Executive Officer of Greybrook Realty, he leads Greybrook Realty's deal origination and asset management practice and is responsible for providing oversight and approval of the firm's investments and portfolio acquisitions.

Sasha Cucuz

Mr. Cucuz is an experienced private equity professional. As the Chief Executive Officer of the Lead Agent, he directs the firm's capital markets activities across its focus areas in real estate and healthcare. Mr. Cucuz, who has worked on over 25 capital markets transactions during the past decade, has significant buy-side transaction expertise.

Mr. Cucuz also sits on the advisory boards of several issuers organized by Greybrook Realty that are currently involved in active real estate development projects located across the GTA and Southern Ontario. In this capacity, he provides ongoing project oversight and advice and is responsible for making significant project-related decisions.

Karl Brady

Mr. Brady, Greybrook Realty's Chief Financial Officer, is the Chief Financial Officer of the General Partner.

Mr. Brady has over ten years of experience in finance and management. He commenced his career at a mid-size public accounting firm in Ireland following his graduation from ITT Dublin, in Ireland, with a BBS (Accounting) in September 2007. From November 2011 to September 2013, he worked at Collins Barrow LLP, in Toronto. Thereafter, until April 2017 when he joined Greybrook Realty, Mr. Brady was the Director of Finance at Centurion Asset Management Inc., a private asset manager specializing in real estate and other alternative asset classes. In that role, he was responsible for the financial management of numerous funds and investments.

Mr. Brady is a Chartered Professional Accountant, Chartered Accountant and Chartered Accountant (Ireland).

Auditors and Legal Counsel

The auditors of the Partnership are MNP LLP, 3100 Steeles Avenue East, Suite 700, Markham, Ontario, L3R 8T3. The General Partner may replace the auditors at any time, at its discretion, without any approval of, or prior notice to, Limited Partners. The auditors' remuneration is fixed by the General Partner from time to time and is payable out of the assets of the Partnership.

Legal counsel for the Partnership is Cassels Brock & Blackwell LLP, Toronto, Ontario, assisted by MLT Aikins LLP in respect of Manitoba limited partnership matters (together "**Legal Counsel**"). Certain disclosure relating to income tax consequences and eligibility for Plans and DPSPs presented under the heading "*Certain Canadian Federal Income Tax Considerations*" and the heading "*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans*" in Schedule "A" "*The Greybrook Yorkville III Trust*" has been prepared by Cassels Brock & Blackwell LLP.

Legal Counsel acts as counsel to Greybrook Realty and, in the future, may serve as counsel to Greybrook Realty or its affiliates with respect to other investment entities sponsored or managed by Greybrook Realty or its affiliates. Legal Counsel does not represent, and has not represented, prospective investors in the negotiation of business terms relating to the Offering or in respect of the ongoing operations of the Partnership. Prospective investors should recognize that they have had no independent representation in the organization or structuring of the Offering.

CONFLICTS OF INTEREST

Property Purchase Agreement

On October 11, 2013, Greybrook Yorkville LP, a limited partnership organized by Greybrook Realty, completed the Initial Offering. The gross proceeds of the Initial Offering were \$41,400,000. Greybrook Yorkville LP formed the Vendor with Empire and the bulk of the proceeds of the Initial Offering were used by the Vendor to acquire the Property.

The Vendor acquired its interest in the Property for a purchase price, subject to customary adjustments, of approximately \$75,198,000. The Vendor expects that it will have expended, up to and including the Property Purchase Closing, approximately \$36,396,805 developing the Property. The expenditure of these funds and Empire's and Greybrook Yorkville GP Inc.'s, the general partner of Greybrook Yorkville LP, collective efforts led to the receipt of the Zoning Approvals.

The Vendor holds title to and is the beneficial owner of the Property. Greybrook Yorkville LP holds a 57.93% limited partnership interest in the Vendor and Empire holds the remaining 42.07% limited partnership interest in the Vendor. Accordingly, the sale of the Property is a non-arm's length transaction because Greybrook Yorkville LP, a Greybrook Realty affiliate, is a 57.93% indirect beneficial owner of the Property. Greybrook Realty organized the Partnership and the General Partner is a wholly-owned subsidiary of Greybrook Realty.

On December 24, 2018, in accordance with the Property Purchase Agreement, First Capital Acquisition Corp. agreed to pay the Vendor the Property Purchase Price (\$170,700,000, subject to the making of the usual adjustments and any other adjustments provided for in the Property Purchase Agreement) for the Property.

On April 26, 2019, in accordance with the Assignment Agreement, the Property Purchase Agreement was assigned to the Nominee. The Nominee is jointly owned by the Partnership, First Capital and BMOPE, each as to a 33⅓% interest.

Under the Co-Owners Agreement, the Partnership will ultimately indirectly fund 33⅓% of the cash portion of the Property Purchase Price and certain related costs and expenses. The Property Purchase Agreement was negotiated by Empire and Greybrook Yorkville GP Inc. for and on behalf of the Vendor, as vendor, and First Capital Acquisition Corp., as purchaser. See "*Background and Reasons for the Offering*".

The Agent acted as the private placement agent for Greybrook Yorkville LP in connection with the Initial Offering and it is also acting as the lead private placement agent for the Partnership in connection with the Offering. The Agent was paid commissions and expenses in the aggregate amount of \$3,485,500, Greybrook Realty received fees and payments in the amount of \$1,742,000 and Greybrook Capital received fees and payments in the amount of \$850,000, for services that the Agent, Greybrook Realty and Greybrook Capital, respectively, provided to Greybrook Yorkville LP in connection with, among other things, the Initial Offering. Greybrook Realty will also be paid a success fee of approximately \$4,080,000 in connection with the sale of the Property. The Partnership will pay the Agent the commissions and expenses, and Greybrook Realty the fees, described under the heading "*Plan of Distribution*".

The Co-Owners Agreement

Pursuant to the terms of the Co-Owners Agreement, the Co-Owners will not be limited or restricted in their ability to carry on or participate in other business ventures for their own account, or for the account of others, even if such other businesses or ventures are similar to or compete with the Project. A Co-Owner will not, by virtue of the Co-Owners Agreement, have any interest in any other business or venture engaged in by another Co-Owner, whether or not such other business or venture competes with the Project. The Co-Owners Agreement does not provide for any restrictions in this regard on any Affiliates of the Co-Owners. See "*Business of the Partnership — The Co-Owners Agreement — Outside Business*".

In particular, First Capital has made significant investments in the Yorkville area (including Yorkville Village (formerly Hazelton Lanes)), which are expected to directly compete with the Commercial Component.

Greybrook Yorkville II Limited Partnership

Greybrook Yorkville II Limited Partnership, a limited partnership organized by Greybrook Realty, and an affiliate of First Capital, jointly acquired the lands and premises municipally known as 101 Yorkville Avenue (the "**Yorkville II Property**"). The Yorkville II Property is located proximate to the Property and

the Yorkville II redevelopment project, which has yet to be completed, may compete directly with the Project for luxury retail tenants.

In addition to the Yorkville II Property, other limited partnerships organized by Greybrook Realty, together with affiliates of developers unrelated to First Capital, have jointly acquired lands and premises for the development of projects within the Bloor-Yorkville neighbourhood and in areas proximate thereto, which may compete directly with the Project.

The terms of the Co-Owners Agreement do not prevent or restrict the Partnership or its Affiliates from conducting any business or activity (including the acquisition, development, leasing, sale, operation and management of any real property) in the Bloor-Yorkville neighbourhood or elsewhere, or from engaging in projects which compete with the Project. See "*Business of the Partnership — The Co-Owners Agreement — Outside Business*".

In the future, Greybrook Realty may itself, or together with First Capital and/or BMOPE or an unrelated developer, seek to acquire lands and premises within the Bloor-Yorkville neighbourhood or surrounding areas for the purpose of developing projects of a commercial, retail, residential or mixed-use commercial/retail/residential nature that may compete the Project for buyers or, in certain cases, for adjoining lands or premises. Such projects may replicate the Project's development, construction and marketing strategy and target luxury buyers of a similar calibre.

FCR Yorkville Properties

FCR is one of the largest owners, property managers and developers of retail properties in the Bloor-Yorkville neighbourhood. FCR's Yorkville retail assets include Yorkville Village (formerly Hazelton Lanes), the Adjacent Property and various other properties in Yorkville. FCR's Yorkville retail properties, both present and future, will compete directly with the Project for luxury retail clients.

The terms of the Co-Owners Agreement do not prevent or restrict First Capital or its Affiliates from conducting any business or activity (including the acquisition, development, leasing, sale, operation and management of any real property) in the Bloor-Yorkville neighbourhood or elsewhere, or from engaging in projects which compete with the Project. See "*Business of the Partnership — The Co-Owners Agreement — Outside Business*".

Adjacent Property Agreement

The Adjacent Property Owner, First Capital Holdings Trust, is an Affiliate of First Capital and, therefore, is not at arm's length with First Capital. If the Amended Approvals vary in any material respect from the Development Proposal, the Adjacent Property Owner is entitled to consider whether the variance will materially and adversely affect the development and/or use of the Adjacent Property, Commercial Strata Rights, the Commercial Extension, Hotel Strata Rights, Hotel Extension, or other certain properties in the surrounding area set out in the Adjacent Property Agreement, and which are owned by First Capital or an affiliate. See "*Business of the Partnership — Adjacent Property Agreement*".

The Property Management Agreement

The Property Manager, FCR Management Services LP, is an Affiliate of First Capital and, therefore, will not be at arm's length with First Capital. The grounds for termination by the Partnership, set out in the Property Management Agreement and the Co-Owners Agreement, are restrictive, providing that the agreement may only be terminated under certain very limited circumstances. While the Property Management Agreement requires the Property Manager to implement all decisions and policies of the Co-Owners and perform all services necessary for the proper, efficient and economic management, operation, maintenance and repair of the Property, including with respect to leasing matters, budget planning and the provision of books and records, there is no assurance that such matters will be properly carried out on the part of the Property Manager.

The Development Management Agreement

The First Capital Development Manager, First Capital Asset Management LP is an Affiliate of First Capital and, therefore, will not be at arm's length with First Capital. The Greybrook Development Manager, Greybrook Development Inc., is an Affiliate of Greybrook Realty and, therefore, will not be at arm's length with Greybrook Realty. The Greybrook Development Manager will be paid 50% of the Development Fee.

The grounds for termination, set out in the Development Management Agreement and the Co-Owners Agreement, are restrictive, providing that the agreement may only be terminated under certain very limited circumstances. While the Development Management Agreement requires the Development Managers to act in the best interests of the Co-Owners and in a fiduciary capacity with respect to the day-to-day decision making relating to the development of the Project and the protection of and accounting for the Project and all revenues and proceeds thereof, including maintaining adequate books and records with respect to the Project, there is no assurance that such duties and responsibilities will be properly carried out on the part of the Development Managers.

Agreements with Greybrook Companies

The General Partner has entered into, on behalf of the Partnership, the Greybrook Realty Services Agreements and the Offering and Maintenance Costs Agreement with Greybrook Realty. The General Partner is a direct, wholly-owned subsidiary of Greybrook Realty, and Greybrook Realty is an indirect, majority-owned and controlled subsidiary of Greybrook Capital. The indirect shareholders of Greybrook Capital include (i) Greybrook Corporation, (ii) Mr. Cucuz and (iii) Mr. Politis. None of these agreements were negotiated at arm's length, and none of them is subject to early termination other than in limited circumstances, such as the mutual agreement of the parties. See "*Plan of Distribution*". Copies of these agreements are available for review, upon request.

The Lead Agent

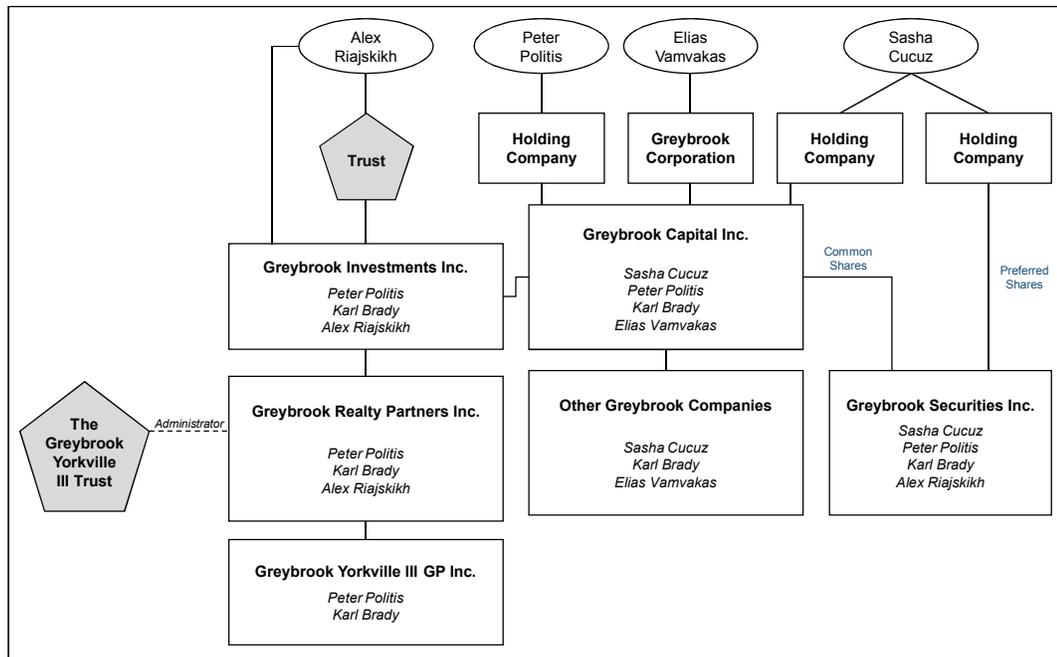
The terms of the Offering were not negotiated at arm's length between the Lead Agent and the Partnership.

The Partnership may be considered to be a "related" or "connected" issuer (as such terms are defined in NI 33-105) of the Lead Agent by reason of the following facts:

1. Greybrook Capital owns all of the issued and outstanding common shares in the capital of the Lead Agent, and Mr. Cucuz, who is the sole director, the Chief Executive Officer and a dealing representative of the Lead Agent, indirectly through a holding company, owns all of the issued and outstanding preferred shares in the capital of the Lead Agent;
2. indirect shareholders of Greybrook Capital include (i) Greybrook Corporation, (ii) Mr. Cucuz and (iii) Mr. Politis, who is a dealing representative of the Lead Agent, the sole director and an officer of the General Partner and the sole director and officer of Greybrook Realty, which is the parent corporation of the General Partner and a majority-owned, indirect subsidiary of Greybrook Capital; Greybrook Realty is also the administrator of the Trust; Messrs. Cucuz and Politis are also officers of Greybrook Capital;
3. although Mr. Cucuz's principal occupation is being the Chief Executive Officer and a dealing representative of the Lead Agent, in such capacity, he spends a significant part of his working time on the business and affairs of Greybrook Realty, for which his entire compensation is paid by Greybrook Realty; in addition, Mr. Cucuz is also an officer, director and manager of a number of different companies, of which Greybrook Corporation and Greybrook Capital are shareholders, either directly or indirectly;
4. the Lead Agent acts exclusively for certain companies that are either directly or indirectly controlled and/or owned, in whole or in part, by Greybrook Corporation, which companies are therefore the Lead Agent's sole revenue source;

5. Karl Brady, who is an officer of the General Partner, is the Chief Financial Officer of Greybrook Realty and, in such capacity, also performs finance functions for Greybrook Realty's affiliates, including the Lead Agent and Greybrook Capital; Mr. Brady is compensated by the Lead Agent and is also eligible to participate in the long-term incentive plan sponsored by Greybrook Realty (the "Greybrook Realty LTIP");
6. Alex Riajskikh is a dealing representative of the Lead Agent and Executive Director, Private Capital Markets of Greybrook Realty; he is also an indirect shareholder of Greybrook Realty;
7. other employees and independent contractors of the Lead Agent, including dealing representatives of the Lead Agent, also have roles and responsibilities, and, in some cases, hold senior positions, with Greybrook Realty; in many cases, employees and independent contractors of the Lead Agent receive compensation from Greybrook Realty (in addition to receiving compensation from the Lead Agent) and, in most cases, are eligible to participate in the Greybrook Realty LTIP; and
8. Elias Vamvakas, who is a permitted individual of the Lead Agent (as such term is defined in National Instrument 33-109 — *Registration Information*), is the sole director and officer of Greybrook Corporation, which is indirectly beneficially owned and controlled by, collectively, Mr. Vamvakas and members of his family; Greybrook Corporation is the largest shareholder of Greybrook Capital and an indirect shareholder of Greybrook Realty and the General Partner; Mr. Vamvakas is also a director and/or officer of a number of different companies, of which Greybrook Corporation and Greybrook Capital are shareholders, either directly or indirectly, including Greybrook Capital itself; Mr. Vamvakas is the sole director and an officer of Greybrook Capital.

The following chart sets forth diagrammatically the above-described relationships:



The Lead Agent will not receive any benefit in connection with the sale of Units other than the portion of the Agents' Fee payable to it and the Offering Expenses. The portion of the Agents' Fee payable to the Lead Agent and the Offering Expenses are payable in cash, Class A Units or Class B Units, or any combination thereof, at the sole discretion of the Lead Agent. The Lead Agent reserves the right to use

any portion of the Agent's Fee payable to it to provide inducements to investors to encourage participation in the Offering and/or the Trust Units Offering and for other purposes. See "*Plan of Distribution — Agents' Fee and Expenses*".

Prospective investors in Trust Units are urged to review the "related" or "connected" issuer disclosure set out on pages A-5 and A-6 of Schedule "A" "*The Greybrook Yorkville III Trust*".

Allocated Units and Allocated Trust Units

Allocated Units, in the maximum aggregate amount of \$3,875,000 of Class A Units and Class B Units representing 10% of the size of the Offering, have been reserved for allocation for purchase by staff members, friends and family members of Greybrook Realty and of the Lead Agent. Allocated Units are not subject to reduction or allotment in the event the Offering is oversubscribed, and there is no requirement or assurance that any Allocated Units will be taken up and paid for. Allocated Units will be sold to staff members, friends and family members of Greybrook Realty and of the Lead Agent on the same terms, and at the same price, as the other Class A Units and Class B Units offered in the Offering.

Allocated Trust Units, in the maximum aggregate amount of \$3,875,000 of Trust Units and representing 10% of the size of the Trust Units Offering (assuming the maximum offering), have been reserved for allocation for purchase by staff members, friends and family members of Greybrook Realty and of the Lead Agent. In any event, however, the total amount of all Allocated Units and Allocated Trust Units taken up and paid for shall not exceed, collectively, \$3,875,000.

RISK FACTORS

There are certain risks inherent in an investment in Units and in the activities of the Partnership, which investors should carefully consider before investing in Units. Prospective investors should review the risks relating to an investment in Units with their legal and financial advisors.

In addition to the risk factors set out below, investors in Trust Units should review the risk factors set out in "*Risks Related to Investing in Trust Units*" in Schedule "A" "*The Greybrook Yorkville III Trust*".

Risks Relating to the Business of the Partnership

Risk of Investment in the Business

There is no assurance that the Project will be operated successfully. The potential return to investors depends on the revenues generated by the Project. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the Partnership.

The Project will be subject to the risks inherent in the development of a condominium project in the GTA and the development of a ultra-luxury high-rise condominium project generally, including the inability to obtain acquisition, construction or mortgage financing on reasonable terms or at all, the inability or failure or unwillingness of First Capital, when and if required, to provide or procure guarantees, security and other credit support to secure Project Financing, the inability to sell a sufficient number of residential condominium units and/or the Commercial Component at projected prices or at all, the failure or refusal of purchasers of residential condominium units in the Project to complete their purchases, the ability to attract the calibre of tenants required to achieve the projected blended lease rate for the Commercial Component, undisclosed liabilities relating to the Property, fluctuations in or volatility of real estate markets (particularly the residential property market in the GTA and the City of Toronto and the volatility associated with the sale of newly constructed ultra-luxury residential condominium units), general economic and market conditions in Canada and globally, including interest rates, currency exchange rates, changes in government regulations (including with respect to mortgages on residential property, municipal development and construction approvals), increased regulation of the Canadian housing market (specifically changes targeting the GTA), changes in capital controls in wealth exporting nations, increased regulation to combat tax evasion and avoidance, changes in trade relations between Canada and wealth exporting nations, failure to repay or refinance mortgages resulting in foreclosures or powers of sale, construction delays due to force majeure, strikes, shortages of materials or labour, competition

from other properties, limits on insurance coverage and increases in development costs caused by general economic conditions.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of development or construction activities or the completion of development or construction activities once undertaken. In addition, development projects of this kind entail risks that investments may not perform in accordance with expectations and the risk of litigation (and its accompanying risks) with contractors, subcontractors, suppliers, partners, First Capital, the Property Manager, the FCR Development Manager, BMOPE and others. Any failure by the Partnership to effectively manage all development initiatives may negatively impact the financial performance and business prospects of the Partnership.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, interest payments, insurance costs, professional services and advisory fees and all related charges, must be made regardless of whether or not the Project is producing sufficient income to service such expenses. Any financing procured for the Project, including, but not limited to, the Acquisition Financing and, subsequently, the construction financing, will require debt service payments. If mortgage payments on the Property are not satisfied on a timely basis, losses could be sustained as a result of the exercise by the lenders of their rights of foreclosure or sale.

Adjacent Property Rights

There can be no assurance that the Amended Approvals in Final Form, as contemplated by the Adjacent Property Agreement, will be obtained in the form contemplated or at all. Unless the parties agree otherwise, the Adjacent Property Agreement will automatically terminate if the Amended Approvals are not received within nine years. If the Adjacent Property Agreement is terminated before the Amended Approvals in Final Form are received, then the joint development of the Property with the Adjacent Property will not proceed as planned and the additional residential and commercial density that forms part of the Project's financial projections will not be obtained. In this case, the Co-Owners would be forced to proceed with the development of the Property under the current zoning approvals, which would be expected to negatively impact the Project's profitability.

In addition, the Adjacent Property Agreement sets forth a number of specific issues pursuant to which the parties will be required to work together to amend the Approved Development Plan to resolve the specific issue, including if First Capital determines that conditions and/or requirements have been imposed by governmental authorities with respect to the Amended Approvals in respect of, or which affect, the Adjacent Property, the Commercial Strata Rights, the Commercial Extension, the Hotel Strata Rights, the Hotel Extension and certain other properties as set out in the Adjacent Property Agreement, and which are owned by FCR or an affiliate, and FCR or the Adjacent Property Owner determine, in accordance with the Commercially Reasonable Standard, that such conditions and/or requirements will materially and adversely affect the development or use of the Adjacent Property, the Commercial Strata Rights, the Commercial Extension, the Hotel Strata Rights, the Hotel Extension and certain other properties as set out in the Adjacent Property Agreement, and which are owned by FCR or an affiliate. There can be no assurance that such issues will be able to be resolved in a timely manner or at all.

Zoning Risks

The current site specific LPAT approval was obtained under a previous planning regime and is considered a grandfathered legacy approval obtained through the previous, more favourable, development approvals process.

The timelines and success of the Project contemplate amending the existing LPAT decision prior to the issuance of a final LPAT order. They also assume that a new planning application does not need to be filed with the City of Toronto.

There are several agreements and approvals that remain outstanding, including adding the Adjacent Property to the approval and increasing site density, all of which must be obtained under the existing practices and procedures of the LPAT before it issues its final order. Management is reasonably satisfied

that all remaining agreements and approvals can be completed within the context of the existing LPAT file.

However, there have been significant changes to the applicable City policies, by-laws and provincial land use and development approvals processes in the past two years that create a more onerous and restrictive approvals process. The new planning regime includes a range of Official Plan amendments, zoning by-law provisions, and design guidelines that were not applicable to the site-specific approval obtained for the Property. These guidelines and amendments will apply to any future planning approval required for the Property.

Management understands that no changes are required to the existing City of Toronto approval to alter the heritage building forming part of the Property. Any changes required to the heritage approval will require a further approval from City Council. While City Council did approve the changes, heritage opposed the application and it is reasonable to expect they will not support any further changes. It is possible that the City Council will not support further changes to the heritage.

While currently not contemplated, delays in obtaining any planning or heritage approvals could affect the profitability of the Project in a material and adverse manner. There can be no guarantee that required development approvals can be obtained as planned, that approvals can be implemented on a timely basis, or that they can be obtained at all. See "*Business of the Partnership — The Project — Zoning*".

Competition

The development of condominium projects is highly competitive in the GTA, with numerous developers continuously undertaking and marketing projects. The Project competes with numerous condominium project developers (including within the Bloor/Yorkville corridor), which own, or may in the future develop and own, developments that compete directly with the Project and some of which may have greater capital resources.

In the face of competition, the Project may lose existing and potential buyers, and there may be pressure to discount sale prices below what would otherwise be charged in order to attract buyers. As a result, the Project's revenues may decrease, which could impair its ability to satisfy debt service obligations and the Partnership's ability to pay distributions. In addition, increased competition for buyers may require the Project Manager to make improvements to developments or provide inducements to buyers that it would not have otherwise made or provided. Any unbudgeted capital improvement that is required to be undertaken may reduce cash available for debt servicing, operations and distributions.

Ultra-Luxury Real Estate Market

The Project is subject to the risks associated with fluctuations in or the volatility of the market for ultra-luxury real estate properties generally, including in Toronto and the Bloor-Yorkville neighbourhood in particular. Luxury markets are increasingly impacted by macroeconomic factors from political uncertainty, natural disasters and terrorism fears to high equity prices, shifting buyer demographics, currency risks, and increased taxes and buying restrictions on residential real estate. The demand for ultra-luxury real estate properties is affected by numerous factors, including, but not limited to, general economic and market conditions in Canada and globally, including interest rates and currency exchange rates, changes in government regulations, including changes in capital controls in wealth exporting nations and increased regulation to combat tax evasion and avoidance, changes in trade relations between Canada and wealth exporting nations, the availability of financing and the supply of suitable buildings which meet buyers' requirements. These factors are subject to change. A drop in the demand for, or increase in the supply of, ultra-luxury real estate properties generally, including in Toronto and in the Bloor-Yorkville neighbourhood in particular could materially adversely affect the ability of the Project to attract buyers for the condominium units and/or the Commercial Component and the value of the condominium units and/or the Commercial Component, and, as a result, the Project's anticipated profitability and cash flows could be materially adversely affected.

The Toronto Real Estate Market

The Project is subject to the risks associated with fluctuations in or the volatility of the City of Toronto real estate market and, specifically, the market for newly constructed condominium units in the City of Toronto. The demand for newly constructed condominium units in the City of Toronto is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, the supply of condominium units, participation by foreign investors in the City of Toronto real estate market and general economic conditions. The City of Toronto real estate market is subject to change, and there can be no assurance that demand for newly constructed condominium units in the City of Toronto will not decline. A drop in the demand for, or increase in the supply of, condominium units in the City of Toronto could materially adversely affect the Project's viability, and, as a result, the Project could be temporarily delayed or cancelled.

Retail Real Estate Market in Toronto

The negotiation of the Property Purchase Agreement and the Co-Owners Agreement has required Management and, where applicable, its advisors, to assess and estimate the value and marketability of the Commercial Component in the context of the current and anticipated economic environment and the luxury retail property conditions in Toronto. The valuation of commercial real estate for the purpose of a luxury retail development necessarily involves the making of numerous assumptions (including the applicable capitalization rate realized on exit) and the application of judgment and expertise, all of which are subject to uncertainty. While, in assessing the value and marketability of the Commercial Component, Management believes it has followed general industry practice and has relied on reliable source data, observations and, where applicable, professional advisors, there is a risk that Management's assessment of the value and marketability of the Commercial Component may not accurately reflect the current or future value of the Commercial Component, as determined by the market, and may fail to anticipate or account for economic, commercial real estate market or other conditions which may have a material adverse effect on the value of the Commercial Component and, thereby, the Project, and/or a Limited Partner's return on his, her or its investment in Units.

Regulatory Developments Affecting the Ontario Housing Market

The OFHP, introduced in 2017, is a set of 16 measures aimed at helping more people find affordable housing, bringing stability to the real estate market and protecting the investment of homeowners in Ontario. These measures include a 15% non-resident speculation tax for non-Canadian citizens, non-permanent residents and non-Canadian corporations buying residential properties containing one to six single-family residences in the GGHA, which includes Toronto. Single-family residences include detached and semi-detached homes, townhomes and condominiums. In addition, the *Rental Fairness Act, 2017* (Ontario) provides for an expansion of rent control by restricting residential rent increases in excess of a provincial rent increase guideline (1.8% in 2019) and includes various other protections for residential tenants.

Other components of the OFHP, which were announced but have not yet been implemented through legislation, include empowering Toronto, and potentially other interested municipalities, to introduce a tax on vacant homes in order to encourage owners to sell or rent unoccupied units. The OFHP includes other additional measures, including a targeted \$125 million, five-year program to encourage the construction of new purpose-built rental apartment buildings by rebating a portion of development charges. In conjunction with the introduction of the OFHP, the Province of Ontario announced its intention to work with municipalities and other partners to identify provincially owned surplus lands that could be used for affordable and rental housing development and to understand better and tackle practices that may be contributing to tax avoidance and excessive speculation in the housing market. The OFHP also provides for a new Housing Supply Team of provincial employees tasked to identify barriers to specific housing development projects and work with developers and municipalities to find solutions. These policies represented the previous (Liberal) Ontario government's multi-faceted plan to address Ontario's rising housing costs.

Although it campaigned on a platform of preserving some elements of the OFHP, Ontario's current (Progressive Conservative) government has not provided its official position regarding all components of the OFHP. On November 15, 2018, the current Ontario government announced measures to address the availability and affordability of housing in the Province of Ontario. Specifically, the Ontario government announced the Housing Supply Action Plan to be launched in the spring of 2019, an exemption from the rent control provisions of the OFHP for new homes that are first occupied after November 15, 2018 and the discontinuation of the development charges rebate program introduced under the OFHP. To date, these proposed policies and changes to the OFHP have not yet been implemented through legislation or regulations.

On May 2, 2019, the Government of Ontario revealed its Housing Supply Action Plan ("HSAP") called "More Homes, More Choice." HSAP is a suite of legislative changes to 13 different statutes intended to increase the supply of housing that is affordable. The new measures are intended to streamline the overly complex development approvals process to remove unnecessary duplication and barriers, making costs and timelines more predictable. The plan would also streamline and simplify the process for creating new rental housing options. As part of HSAP, the Government of Ontario is also launching a new growth plan called "A Place to Grow: Growth Plan for the Greater Golden Horseshoe" to address the needs of the region's growing population, diversity and local priorities. It is anticipated that the proposed legislative changes could be passed before the end of the legislative session on June 6, 2019, while "A Place to Grow" will come into force on May 16, 2019. There can be no certainty as to when such changes will come into effect, if at all.

At the federal level, the Government of Canada's most recent changes to the residential mortgage underwriting regulatory regime, in the form of Guideline B-20 from the Office of the Superintendent of Financial Institutions ("OSFI"), came into effect on January 1, 2018. OSFI is a federal government agency that, among other things, regulates banks in Canada. Guideline B-20 focuses on the minimum qualifying rate for uninsured mortgages, expectations around the loan-to-value frameworks and limits and restrictions on transactions designed to circumvent the loan-to-value limits.

Among other things, Guideline B-20 expanded the minimum qualifying rate, or "stress test", to uninsured mortgages. Previously, the stress test only applied to mortgages requiring insurance (those with down payments under 20%). The stress test is designed to test if a borrower would be able pay the mortgage if interest rates increased. Under the new rules, borrowers are tested at the greater of a five-year benchmark rate published by the Bank of Canada and the contractual mortgage rate plus 2%. Broadening the application of the stress test to uninsured mortgages is anticipated to decrease purchasing power and, in turn, depress demand for housing and decrease price growth.

In addition to the stress test, Guideline B-20 requires lenders to enhance their loan-to-value measurements and limits to ensure that they are not providing mortgages that are too large compared to the underlying property values. The rules also restrict certain lending arrangements that are designed to circumvent the loan-to-value limits.

The new rules follow a series of stringent regulatory changes at the federal level. In 2016, the notable changes included an increase in the required down payment on homes valued at more than \$500,000 for borrowers in need of mortgage insurance, a higher bar for stress tests of insured mortgage borrowers and changes to portfolio insurance eligibility.

In late 2016, the Government of Canada launched a consultation on lender risk sharing for government-backed insured mortgages. The purpose of the consultation was to determine whether modifying the distribution of risk in the housing finance system, by requiring mortgage lenders to manage a certain portion of loan losses on insured mortgages that default, would enhance the current housing financing system. The consultation ended in February 2017, and the Government of Canada has announced no further proposals on this matter.

In 2016, OSFI updated the regulatory capital requirements for loans secured by residential real estate properties in the revised Capital Adequacy Requirements Guideline (the "**CAR Guideline**"). The CAR

Guideline aims to regulate capital requirements to keep pace with developments in the Canadian mortgage market, such as the increase in housing prices in some markets.

The recent regulatory changes and the increased regulatory scrutiny, outlined above, have had a cooling effect on the demand for newly constructed homes, townhomes and condominiums in many Canadian markets as of the date of this Offering Memorandum. In August 2018, Statistics Canada released an article which noted that the introduction of Guideline B-20 had “led to reduced purchasing power for most potential borrowers”, an effect that was “further dampened by increasing mortgage rates.” Statistics Canada noted that the new federal and provincial regulations together with contractionary monetary policy have produced an “overall flatness in prices” for new homes across the GGHA through the second half of 2017 and the first half of 2018. While new home prices declined in the City of Toronto during the first half of 2018, Statistics Canada identified that price levels in the other census metropolitan areas in the GGHA, which includes Toronto, remained flat over that same period. In November 2018, the Bank of Canada released an analytical note which suggested that the revision of Guideline B-20 and the prior tightening of mortgage insurance rules, together with rising interest rates, had slowed overall mortgage activity while noting that reduced borrowing can be both a cause and effect of changes in house price trends. In its January 2019 Monetary Policy Report, the Bank of Canada noted that “provincial and municipal housing market policies, the tighter mortgage finance guidelines and higher mortgage rates continue to weigh on housing activity” and that there is evidence to suggest that “the combined effect of tighter mortgage guidelines and higher interest rates has been larger than previously estimated” by regulators. Notwithstanding currently observable shifts in the market, the long-term effects and implications of these regulatory measures are not yet known. It is also not known whether additional regulatory changes that may negatively impact the Toronto real estate market will be proposed during the term of the Project.

Changes to regulation of the Canadian housing market, including those outlined above, may result in potential purchasers being less willing or unable to purchase newly constructed condominiums located in Toronto, and may result in lenders being less willing or unable to lend to purchasers of residential real estate properties in Toronto. Either of these two factors, if they materialize, may reduce the pool of potential eligible homebuyers and indirectly dampen demand for condominium units in the Property, which, in turn, could materially adversely affect the Project’s marketability and the profits of the Partnership.

Future Financing Needs

The Project will not be able to fund its future capital needs from the Estimated Total Equity Capital Contribution or from income generated from operations. In order to complete the Project, the Co-Owners will be required to procure acquisition financing and construction financing for the Project and permanent financing for the Commercial Component, which Project Financing may or may not be available on favourable terms, if at all. If the development and completion of the Project is more costly than Management’s current projections, the Project may need to obtain additional Project Financing from third party sources to achieve its stated objectives.

The Project’s access to third party sources of financing depends on a number of things, including the market’s perception of the current and potential future market value of the Property, and the ability of First Capital to obtain adequate financing and to provide, or cause an FCR-related party to provide, sufficient credit support in respect of same, if required.

If First Capital is unable or unwilling to obtain financing from third parties for the Project or decides, for any reason, not to provide, or cause an FCR-related party to provide, the required credit support and guarantees, there may be insufficient funds to complete the development of the Project or to satisfy the Project’s debt obligations and the Partnership may be unable to make distributions to the Limited Partners.

Pursuant to the Co-Owners Agreement, the Co-Owners will agree that any Project Financing will be repaid out of the Gross Revenue of the Project. If the Project generates insufficient Gross Revenue to service the Project Financing, lenders under the Project Financing may enforce their security interest in

the Property and the Project, including against the 33 $\frac{1}{3}$ % undivided beneficial interest in the Property held by the Partnership. In such circumstances, the Partnership's principal asset will be at risk of seizure and sale.

Interest rates may fluctuate over time and thus affect the cost of borrowing and potentially the feasibility of the Project and the profits of the Partnership.

Inability to Satisfy Funding Obligations under the Co-Owners Agreement and the Partnership Capital Loan

The Co-Owners Agreement will require each Co-Owner to pay its proportionate share (based on its proportionate share of the Co-Owners' Interests) of all Approved Obligations and to ensure that it has sufficient funds at all times to pay any amount required under the Co-Owners Agreement (the "**Funding Obligations**"). The Partnership anticipates that the Estimated Total Equity Capital Contribution will be sufficient to procure the amount of the Project Financing required to satisfy the expected Funding Obligations. There is, however, no guarantee that the Co-Owners will be able to procure Project Financing in a sufficient principal amount to meet the Funding Obligations, or that any such financing can be obtained on commercially viable terms.

Under the Co-Owners Agreement, the Partnership will have no obligation to contribute its Proportionate Share of the Requested Amount in the case of an Optional Capital Call Notice, or its Proportionate Share of the amount of funds required to be paid by the Co-Owners pursuant to a Demand, and there shall be no proportionate reduction to the Partnership's Co-Owner's Interest under the Co-Owners Agreement, and such amount shall in each case be advanced, on the Partnership's behalf, by First Capital as a Partnership Capital Loan on the terms and conditions further set out in the Co-Owners Agreement.

The Partnership Capital Loan bears an interest rate of 12% per annum. Although all principal and interest thereunder is only payable out of any distributions of Gross Revenue otherwise payable to the Partnership, if a Partnership Capital Loan is advanced the interest accruing thereunder could negatively impact the Partnership's profitability. See "*Business of the Partnership — The Co-Owners Agreement*".

Conflicts of Interest

Pursuant to the terms of the Co-Owners Agreement, the Co-Owners will not be limited or restricted in their ability to carry on or participate in other business ventures for their own account, or for the account of others, even if such other businesses or ventures are similar to or compete with the Project.

Greybrook Yorkville II Limited Partnership, a limited partnership organized by Greybrook Realty, and an affiliate of FCR, jointly own the Yorkville II Property, which is located proximate to the Property. The co-owners of the Yorkville II Property intend to carry out a retail redevelopment project on the Yorkville II Property. The Yorkville II project, which has yet to be completed, may compete directly with the Project's Commercial Component for luxury retail tenants.

FCR is one of the largest owners, property managers and developers of retail properties in Yorkville. FCR's Yorkville retail assets include Yorkville Village (formerly Hazelton Lanes), the Adjacent Property and various other properties in Yorkville. FCR's Yorkville retail properties, both present and future, will compete directly with the Project.

See "*Conflicts of Interest*".

Risk of Change in Investment Return

The amount of cash to be distributed to an investor holding Units and the timing of such distributions are dependent upon the amounts receivable by the Partnership from the Project, if any. At the present time, it is anticipated that no amount will be distributed to any investor for at least a 5-year period. However, it may take longer for the first distribution to be made, if it is made at all. Annualized returns will be affected by, among other factors, the actual length of time that is required to complete the Project.

Interest Rates

Interest rates may fluctuate during the term of the Project and thus affect the cost of borrowing and potentially the feasibility of the Project and the profits of the Partnership. On July 12, 2017, the Bank of Canada increased its target for the overnight interest rate for the first time in almost seven years. Since then, the Bank of Canada increased its target for the overnight interest rate four times—on September 6, 2017, to 1%, on January 17, 2018, to 1.25%, on July 11, 2018, to 1.5%, and on October 24, 2018, to 1.75%. The Bank of Canada has not raised its target for the overnight interest rate since the October 24, 2018 hike. Increases in the Bank of Canada's target for the overnight interest rate can lead to increases in prime lending rates and mortgage rates offered by banks and other financial institutions and lenders. The interest rate charged on a variable-rate mortgage will automatically increase if the underlying reference rate, such as the lender's prime lending rate, increases. If there are further increases in the Bank of Canada's target for the overnight interest rate during the term of the Project, (i) mortgage rates will be expected to rise, which may decrease demand for newly constructed condominiums in Toronto and (ii) the Co-Owners borrowing costs may increase.

Co-Owners Ability to Transfer its Co-Owner's Interest

Following the ROFO Date, the Co-Owner's Agreement, subject to certain restrictions, grants the Co-Owners the ability to sell all or part of their Co-Owner's Interest, provided the Selling Co-Owner first offers such Co-Owner's Interest to the Offeree Co-Owner and, in the case of a sale of a part of such Co-Owner's Interest, seeks the consent of the Offeree Co-Owner. As a result, First Capital or BMOPE may elect to deliver a ROFO Sale Offer to the Partnership in accordance with the Co-Owner's Agreement. At the time the ROFO Sale Offer is delivered to the Partnership it is unlikely that the Partnership will have access to the necessary financial resources to purchase the First Capital or BMOPE Co-Owner's Interest that is the subject of the ROFO Sale Offer. Accordingly, the Partnership will either be required to provide notice to First Capital or BMOPE electing to have First Capital or BMOPE, as applicable, sell the entire Project or approving First Capital or BMOPE sale of all its Co-Owners interest to a third party purchaser. Depending on what the other Offeree Co-Owner elects, the Selling Co-Owner will then either be permitted to sell the entire Project, sell its Co-Owner Interest to the other Co-Owner, or sell its Co-Owner's interest to a third party purchaser, all on the terms further set out in the Co-Owners Agreement.

Where First Capital or BMOPE seeks the Partnership's consent with respect to the sale of a part of First Capital's or BMOPE's Co-Owner's Interest, the Partnership's approval of such sale is at its Sole Discretion. The Partnership will only be able to contest the sale of all or part of First Capital's or BMOPE's Co-Owner's Interest in limited circumstances set out in the Co-Owners Agreement.

The Partnership is relying on First Capital's and the Property Manager's expertise to develop, construct, lease and manage the Project. If First Capital sells its Co-Owner's Interest to a third party, there can be no assurance that such third party will have comparable expertise or that the Partnership will be able to manage the Project collaboratively with such third party purchaser. If First Capital or BMOPE delivers a ROFO Sale Offer, the Partnership may be compelled to sell all of its Co-Owner's Interest in the Project at an inopportune time, which could materially adversely affect the Partnership's profitability. See "*Business of the Partnership — The Co-Owners Agreement — Right of First Offer on Transfer*".

The Partnership's Ability to Transfer its Co-Owner's Interest

The Partnership's ability to transfer or sell all or part of its Co-Owner's Interest, to the extent it determines to sell such interest, could be impacted by a number of factors, including the marketability and prospects of the Project or the Partnership's Co-Owner's Interest at the time of such proposed sale. Any such proposed sale will also be subject to the restrictions on transfers contained in the Co-Owners Agreement, which may have the effect of limiting or preventing the Partnership's ability to sell or transfer all or part of its Co-Owner's Interest.

Environmental Risks

The Environmental Consultant may be required to conduct additional investigations to support the filing of an RSC with the Ministry of Environment, Conservation and Parks. There is a risk that potential concerns

arising from the investigations required to support the filing of an RSC will have an adverse impact on the profitability of the Project. There is also a risk that the process of obtaining an RSC may result in unknown or unforeseen delays with respect to the Project's completion timeline and may result in additional costs which may adversely affect the profitability of the Project and the Partnership.

Environmental legislation, policies and standards have become increasingly stringent in recent years. Under various environmental laws, the Partnership could become liable for the costs of removal or remediation of hazardous or toxic substances present or released on, at or under the Property that have not yet been identified. The failure to remove or remediate such substances, if any, could adversely affect an owner's ability to sell the Property or to borrow using the Property and, the owner of the Property (and the Partnership, indirectly, by virtue of its beneficial ownership of a portion of the Property) could also be subject to claims by private plaintiffs. In addition, enforcement action, including fines and penalties, could be available to governmental authorities in respect of such hazardous or toxic substances present or released on, at or under the Property (and which are not removed or remediated). It is also possible that such authorities could order the Partnership to take steps to study, contain, stop or remedy any such contamination. Such orders can be issued against property owners even in circumstances where those owners did not cause or contribute to the contamination. If remediation or containment steps are required to be taken, the Project's viability and/or profitability, and the profitability of an investor's investment in the Partnership, may be materially adversely affected. The Phase One ESA Report, Phase Two ESA Reports, Geotechnical Report and FSR Reports are (i) based on data and information collected during the Environmental Consultant's work and (ii) based solely on site conditions encountered at the time of the consultants' site visits.

See "*Business of the Partnership — The Project — Environmental Investigations of the Property*".

Changes in Applicable Laws

The Project must comply with numerous federal, provincial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, environmental regulations and other laws generally applicable to the development, construction, marketing of a condominium development, and the sale of newly constructed condominium units in the City of Toronto. Non-compliance with laws could expose the Project and the Partnership to liability. Unanticipated changes in applicable laws could negatively affect the viability or profitability of the Project.

Consequences of Defaults and Insolvency under Co-Owners Agreement

The Co-Owners Agreement sets forth a list of the circumstances which constitute a "Default".

If a Default occurs in relation to a Co-Owner, then the other Non-Defaulting Co-Owner, in addition to being able to avail itself of other remedies (which include, among other things, bringing an action for damages), may compel a sale to it, by the Defaulting Co-Owner, of its Co-Owner's Interest at 95% of its fair market value, determined in accordance with the procedure set forth in the Co-Owners Agreement.

If the Partnership defaults under the Co-Owners Agreement, it may lose some or all of its investment in the Project.

If First Capital, BMOPE or another Co-Owner defaults under the Co-Owners Agreement, the Partnership may not be able to recover all or any of the losses or damages incurred or suffered by it as a result of such default.

Inability to Make Decisions during a Default

In circumstances where a Co-Owner defaults under any of its obligations, covenants or agreements contained in the Co-Owners Agreement, such Co-Owner's right to approve any decision and the ability of its members on the Co-Owners Committee to vote on any resolution of the Co-Owners Committee will be suspended until such time as the defaulting Co-Owner is no longer in default under the Co-Owners Agreement.

If the Partnership defaults under any of its obligations, covenants or agreements contained in the Co-Owners Agreement, its inability to approve any decision or vote on any resolution, which it would have been entitled to do in the absence of such default, may have a material adverse impact on the Partnership.

Limitations on Liability and Recovery of Damages

Should the Co-Owners be required to defend or settle any claim for damages in respect of the Project, it could have a material adverse effect on the value of the Partnership's interest in the Property and the Project, on the return on a Limited Partner's investment and on the ability of the Partnership to recover its capital contribution.

In addition, damages for any default by First Capital, BMOPE or another Co-Owner under the Co-Owners Agreement likely will be limited to the value of First Capital's, BMOPE's or that other Co-Owner's interest in the Property and the Project. There is no assurance that any claim for damage against First Capital, BMOPE or another Co-Owner will be fully, or even partially, recovered so as to mitigate the losses or damages suffered by the Partnership.

Under the Property Management Agreement, the Property Manager will indemnify and save the Co-Owners harmless from any action, cause of action, suit, debt, cost, expenses, damages, claim and demand whatsoever at law or in equity arising out of or relating directly or indirectly to any matters pertaining to or arising in connection with any breach of the Property Management Agreement by the Property Manager, its employees, servants, agents or persons for whom it is in law responsible, or by reason of any gross negligence, unlawful acts or omissions or wilful misconduct of the Property Manager, its officers, directors, employees, servants, agents or persons for whom the Property Manager is in law responsible. Accordingly, there is no assurance that the Partnership will be able to recover fully, or even recover partially, any losses or damages suffered by the Partnership arising from any event or incident involving the Property Manager that causes the Project to suffer losses or damages.

Under the Development Management Agreement, each of the FCR Development Manager and the Greybrook Development Manager will (at their own expense and not as an expense of the Project) indemnify, defend and hold the Co-Owners harmless from and against any and all losses sustained or incurred by or asserted against the Co-Owners by reason of or arising out of each of their respective gross negligence or wilful or intentional misconduct or failure properly to perform any of each of their respective duties and obligations under the Development Management Agreement or in the event the FCR Development Manager or the Greybrook Development Manager acts outside of its authority under the Development Management Agreement, respectively. Accordingly, there is no assurance that the Partnership will be able to recover fully, or even recover partially, any losses or damages suffered by the Partnership arising from any event or incident involving either or both of the FCR Development Manager and the Greybrook Development Manager that causes the Project to suffer losses or damages.

Limited Operating History

The Partnership is a newly organized entity with no operating history. There is no assurance that the Partnership will be able to successfully implement its business plans or operate profitably over the short term or an extended period.

Risks Relating to Investing in Units

Arbitrary Determination of Price

The sale price of Units was arbitrarily determined by the Partnership, having regard to the size of the Offering and the Project's anticipated financial needs, and is not necessarily related to the Project's asset or book value, net worth or other relevant criteria.

Currency Conversion

Although investors have the option to purchase Class A Units denominated in Canadian dollars or Class B Units denominated in US dollars, the Property will be paid for in Canadian dollars. The Partnership will convert all proceeds of sale of Class B Units to Canadian dollars on the Offering Closing Date (and if there is more than one closing of the Offering, on each date of closing) at the Closing Exchange Rate. The percentage ownership interest in the Partnership of a holder of Class B Units will depend on the Closing Exchange Rate. Similarly, the Partnership will convert, from Canadian dollars to US dollars at the Prevailing Exchange Rate, all distributions, if any, made by it to a holder of Class B Units immediately prior to distribution. Accordingly, since the ultimate return on investment, if any, of a holder of Class B Units will depend on the Prevailing Exchange Rate, such holder of Class B Units will be exposed to currency fluctuation. There can be no assurance as to the Prevailing Exchange Rate at any given time.

Nature of Units

The Partnership does not hold registered title to the Property. Units, in and of themselves, do not represent a direct investment in the Property. As holders of Units, Limited Partners do not have the statutory rights normally associated with ownership of shares of a corporation, such as, for example, the right to bring “oppression” or “derivative” actions.

Limited Marketability

Units offered under this Offering Memorandum are speculative securities. There is no market for Units, and it is not anticipated that any market for Units will develop. Additionally, the Partnership Agreement imposes restrictions on the resale of Units. As a result, it may be difficult or impossible to resell Units. Units are not qualified by prospectus, and consequently, the resale of Units is subject to restrictions under applicable securities legislation. See “*Resale Restrictions*”. An investment in Units should be considered only by investors who are able to make a long-term investment and bear the economic risk of the possible loss of their entire investment and bear the risk of being unable to sell their investment. The transfer of a Unit may result in adverse tax consequences for the transferor.

No Participation in Management and Reliance on Others

Limited Partners will have no right or power to participate in the management or control of the business of the Partnership and thus must depend solely upon the ability of the General Partner with respect thereto. In assessing the risks and rewards of an investment in Units, potential investors should therefore appreciate that they are relying on the good faith, experience and judgment of the General Partner and its ability to manage the business and affairs of the Partnership. Similarly, potential investors should appreciate that they are relying on the good faith, experience and judgment of the directors, officers and employees of First Capital, the Property Manager and the FCR Development Manager, and of their respective affiliates, in managing, developing, procuring financing for, constructing, marketing and selling the Project and making appropriate decisions in respect thereof. It would be inappropriate for investors to purchase Units if they are unwilling to rely upon, and entrust such persons with all aspects of the management of the Project.

Furthermore, the loss of one or more of the key individuals employed or retained by First Capital, the Property Manager or the FCR Development Manager, or the loss of one or more of the key individuals involved with FCR could also have a material adverse effect on the Project and the Co-Ownership and, consequently, the Partnership.

Neither the General Partner nor the Partnership maintains key-man insurance.

Net Worth of General Partner and Limitation of Liability

The General Partner will have nominal net worth. In addition, pursuant to the terms of the Partnership Agreement, the General Partner is not liable for any act taken or failed to be taken within the scope of authority conferred on the General Partner, unless such act or omission constitutes gross negligence or willful misconduct in the performance of its obligations under the Partnership Agreement.

Absence of Regulatory Oversight

As the Partnership will offer Units by way of private placement only, the Partnership's activities will not be governed by the securities laws applicable to reporting issuers, such as the continuous disclosure rules.

Tax-related Risks

Canadian federal and provincial tax aspects should be considered prior to investing in Units. See "*Certain Canadian Federal Income Tax Considerations*". The discussion of income tax considerations therein is based upon current Canadian federal income tax laws and regulations and the Tax Proposals (as defined below). There can be no assurance that tax laws will not be changed in a manner that adversely affects a Limited Partner's return.

Units may not be purchased by any investor who is not a resident of Canada or a partnership that is not a "Canadian partnership" for purposes of the Tax Act or which is a "financial institution", as defined in subsection 142.2(1) of the Tax Act, or by a person or partnership, an interest in which is a "tax shelter investment" or which would acquire Units as a "tax shelter investment" for purposes of the Tax Act, or by a person or partnership that would cause the Partnership to be a "SIFT partnership" within the meaning of the Tax Act. While the Partnership will obtain representations from each investor with respect to these issues, in the event that any of those representations is or becomes inaccurate, there could be significant adverse tax consequences to the Partnership and all Limited Partners.

The Tax Act contains rules relating to the federal income taxation of publicly traded trusts and partnerships and their investors (the "**SIFT Rules**"). The SIFT Rules generally do not apply to partnerships, the interests in which are not listed or traded on a stock exchange or other public market. The Partnership and the Trust intend to conduct their affairs in such a manner so as to ensure that the Partnership is not a "SIFT partnership" and will not be subject to the SIFT Rules. No assurance, however, can be given that the SIFT Rules will not apply in a manner that adversely affects the Partnership or a Limited Partner.

Notwithstanding that a distribution is not made in any particular year, the Partnership will be required to allocate any income to Limited Partners each year. As a result, Limited Partners would be required to pay income taxes on any such income that is allocated to them even though they have not received a distribution from the Partnership to utilize to pay such income taxes. There can be no assurance that this will not happen over a number of successive years or from time to time over the course of the existence of the Partnership.

All investors will be responsible for the preparation and filing of their own 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 foreign tax consequences to them.

See "*Certain Canadian Federal Income Tax Considerations*".

Potential Loss of Limited Liability

The provisions of Part II of *The Partnership Act* (Manitoba) provide that the liability of a limited partner is limited to the amount contributed to the partnership, unless the partnership fails to register a declaration under *The Business Names Registration Act* (Manitoba). The General Partner has filed such declaration, and it intends to maintain it in effect during the term of the Partnership. Limited liability can also be lost under *The Partnership Act* (Manitoba) if a limited partner takes an active part in the business of the partnership and the person with whom the limited partner is dealing on behalf of the partnership does not know that the limited partner is a limited partner.

The legislation of a number of Canadian jurisdictions provides for the registration of the Partnership as an extra-jurisdictional limited partnership, thereby affording Limited Partners the limited liability provided by such legislation. The General Partner intends to register the Partnership as an extra-jurisdictional limited partnership in those jurisdictions where the Partnership is advised that it will be carrying on business by

virtue of the Offering or otherwise and where there is provision for registration as an extra-jurisdictional limited partnership in order to preserve the limited liability of Limited Partners. Limited Partners may, however, lose the protection of such limited liability in certain circumstances, including as a result of taking part in the management or control of the business of the Partnership or as a result of non-compliance with applicable legislation governing limited partnerships. There is also a risk, in certain jurisdictions, that Limited Partners may not be afforded limited liability to the extent that principles of conflicts of law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one jurisdiction but which carry on business in another jurisdiction.

The Partnership will try, in the reasonable judgment of the General Partner, to obtain contractual protection in favour of Limited Partners and take any other reasonably available measures for the purpose of preserving their limited liability. However, should limited liability protection be lost for any reason, Limited Partners may be considered to be general partners in the applicable jurisdictions by creditors and others having claims against the Partnership.

Possible Claims against Limited Partners

If the available assets of the Partnership are insufficient to discharge obligations incurred by the Partnership or if the Partnership is dissolved, the creditors of the Partnership may have a claim against a Limited Partner for the repayment of any distributions or return of contributions received by such Limited Partner to the extent that such obligations arose before the distributions or returns of contributions sought to be recovered by the Partnership. A Limited Partner who has transferred his, her or its Units in accordance with the terms of the Partnership Agreement nevertheless remains liable to make such repayments.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable, as of the date of this Offering Memorandum, to a Limited Partner who acquires Units in the Offering. This summary is applicable only to a person who subscribes for Units, as principal, and who, for the purposes of the Tax Act, is a resident of Canada, holds Units as capital property, has not entered and will not enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to his, her or its Units, deals at arm’s length with the General Partner and the Partnership and is not affiliated with the General Partner or the Partnership. Units will generally be considered to be capital property to the holder, provided that the holder does not hold Units in the course of carrying on a business and has not acquired Units in one or more transactions considered to be an adventure or concern in the nature of trade. A holder which, for purposes of the Tax Act, is a person or partnership, an interest in which would be a “tax shelter investment” or holds its Units as a “tax shelter investment” or is a Non-Resident or a partnership that is not a “Canadian partnership” or is a “financial institution”, as defined in subsection 142.2(1), of the Tax Act or a person or partnership that would cause the Partnership to be a “SIFT partnership”, is not eligible to become a Limited Partner, and this summary is not applicable to any such holder. This summary is not applicable to an entity that has elected under the Tax Act to report its Canadian tax results in a currency other than Canadian currency. In addition, this summary does not address the deductibility of interest by a Limited Partner which has borrowed money in order to acquire Units. Such investors should consult their own tax advisors, including with respect to the deduction of interest on money borrowed to acquire Units.

This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum (the “**Tax Proposals**”), and the current published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”). This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial decision or action. Furthermore, this summary does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. No ruling has been sought from the CRA as to the tax position of the Partnership or Limited Partners.

This summary also assumes that neither Units nor any other “investments” in the Partnership or the Trust will be listed or traded at any time on a stock exchange or other public market, such that the Partnership will not be a “SIFT partnership” as defined in subsection 197(1) of the Tax Act. For these purposes, an “investment” would include an interest in or debt issued by the Partnership or the Trust as well as any right that may reasonably be considered to replicate a return on, or the value of, any such interest or debt. A stock exchange or other public market includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by the issuer. No Units or Trust Units will be listed or traded on a stock exchange, and the General Partner does not anticipate that any Units or Trust Units will trade on a trading system or other organized facility on which securities are listed or traded. In the event that the Partnership was considered to be a SIFT partnership, the tax consequences described below may be materially different.

This summary assumes that, at all material times, no interest in any Limited Partner will be a “tax shelter investment” as defined in the Tax Act. Units may be considered to be a tax shelter investment if they are considered to have been financed on a limited recourse basis for purposes of the Tax Act and will be so considered unless (i) *bona fide* arrangements are made in writing at the time that the financing is obtained providing for repayment within a reasonable period, not exceeding ten years; (ii) interest is payable at least annually, at a rate that is not less than the lesser of (I) the prescribed rate under the Tax Act as at the time that the indebtedness arose and (II) the prescribed rate under the Tax Act as is applicable from time to time while the indebtedness remains outstanding; and (iii) interest is paid no later than 60 days after the end of each taxation year. If Units were held by a Limited Partner, an interest in which would be a “tax shelter investment” or which held its Units as a “tax shelter investment” for purposes of the Tax Act, there may be adverse tax consequences to the other Limited Partners and to the Partnership.

Certain Limited Partners that are corporations and have a “significant interest”, as defined in subsection 34.2(1) of the Tax Act, in the Partnership will be required to accrue additional income from the Partnership where such corporations have a taxation year that differs from the Partnership’s December 31 fiscal year end. In general, a corporation will have a “significant interest” in the Partnership where it (together with one or more persons or partnerships related to or affiliated with the corporation) is entitled to more than 10% of the income or loss of the Partnership or the assets (net of liabilities) of the Partnership on its dissolution. The summary below does not address the tax consequences to Limited Partners that are corporations that would have a significant interest in the Partnership as described above, and such Limited Partners should consult their own tax advisors with respect to this issue.

This summary is of a general nature only and is not intended, nor should it be construed, to be legal or tax advice to any particular prospective investor. The income and other tax consequences to a Limited Partner of acquiring, holding or disposing of Units in the Partnership vary according to the status of the Limited Partner, the Province or territory of Canada in which the Limited Partner resides or carries on business and the Limited Partner’s own particular circumstances. **Each Limited Partner should obtain independent advice regarding the income tax consequences under federal and provincial tax legislation of acquiring, holding and disposing of Units based on such Limited Partner’s own particular circumstances.**

Taxation of the Partnership

Under the Tax Act, the Partnership is not liable for Canadian federal income tax. However, the income or loss of the Partnership will be computed for each fiscal period as if it were a separate person resident in Canada. The fiscal period of the Partnership will end on December 31 each year. The income or loss of the 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.

In computing its income, the Partnership will generally be entitled to deduct expenses in the fiscal period of the Partnership in which they are incurred to the extent that they are reasonable and are permitted by the Tax Act. Certain of the Partnership’s expenses may not be deductible and may instead be added to the tax cost of the properties comprising the Project, to the extent that such expenses are reasonable. Generally, costs relating to pre-development activities and land development costs as incurred by the

Partnership to acquire and develop the Project may be required to be capitalized and added to the cost amount of properties comprising the Project or may be treated as depreciable capital property that will be depreciated on a declining balance basis.

The characterization of any gain or loss realized by the Partnership from the disposition of an investment 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 Partnership will earn income and not realize capital gains from its interest in the Project.

The Partnership may generally deduct the costs and expenses of issuing Units in the Offering, incurred by the Partnership and not reimbursed, at the rate of 20% per year and pro-rated where the Partnership's fiscal year is less than 365 days.

Taxation of Limited Partners

The income or loss of the Partnership for Canadian federal income tax purposes for each fiscal period of the Partnership will be allocated among the partners holding Units at any time during that fiscal period. In general, a Limited Partner's share of any income or loss of the Partnership from a particular source (including his, her or its share of any taxable capital gain or any allowable capital loss) will retain its character as such, and any provisions of the Tax Act applicable to that type of income or loss will apply to the share of such income or loss allocated to the Limited Partner.

Each person which is a Limited Partner at the end of a fiscal period of the Partnership will be required to include and, subject to the application of the "at-risk rules" described below, will be entitled to deduct in the manner described below, in computing his, her or its income or loss for tax purposes for his, her or its taxation year in which such fiscal period ends, his, her or its share of the income or loss of the Partnership allocated to the Limited Partner pursuant to the Partnership Agreement for the fiscal period from every source (including his, her or its allocated share, if any, of any taxable capital gain or allowable capital loss of the Partnership), whether or not he, she or it has received or will receive a distribution from the Partnership. Accordingly, the income or loss allocated to a Limited Partner may exceed or be less than the amount of cash (if any) distributed to such Limited Partner.

Subject to the "at-risk rules" and "alternative minimum tax rules" discussed below, a Limited Partner's allocated share of the losses from any source (other than allowable capital losses) of the Partnership for any fiscal period may generally be applied against the Limited Partner's income from any source in order to reduce the Limited Partner's overall net income in the relevant taxation year and, to the extent such amount exceeds other income for that year, may be carried back three years and forward 20 years and deducted in computing taxable income for such other years to the extent and under the circumstances described in the Tax Act.

A Limited Partner's allocated share of the allowable capital losses of the Partnership for any fiscal period may generally be applied against the Limited Partner's taxable capital gains in the relevant taxation year and, to the extent such amount exceeds such taxable capital gains, may be carried back three years and carried forward indefinitely against taxable capital gains realized in such other years to the extent and under the circumstances described in the Tax Act.

The "at-risk rules" contained in the Tax Act generally provide that, notwithstanding the income or loss allocation provisions of the Tax Act, a Limited Partner's allocated share of the losses (other than allowable capital losses) of the Partnership for a fiscal period will be deductible by the Limited Partner in computing his, her or its income for a taxation year only to the extent that his, her or its share of such losses does not exceed its "at-risk amount" in respect of the Partnership at the end of the fiscal period. In general terms, the "at-risk amount" in respect of the Partnership at the end of a fiscal period of the Partnership is generally equal to (i) the adjusted cost base to the Limited Partner of his, her or its Units at that time, plus (ii) subject to certain adjustments, the Limited Partner's share of the income from all sources of the Partnership for the fiscal period, less (iii) subject to certain exceptions, all amounts owing by the Limited Partner (or by a person or partnership which does not deal at arm's length with the Limited Partner) to the Partnership (or to a person or partnership that does not deal at arm's length with the Partnership) and less (iv) subject to certain exceptions, any amount or benefit which the Limited Partner

(or a person who does not deal at arm's length with the Limited Partner) is entitled to receive where the amount or benefit is intended to reduce the impact of any loss the Limited Partner might sustain by virtue of being a member of the Partnership or of holding or disposing of his, her or its Units.

A Limited Partner's share of the losses of the Partnership that is not deductible by the Limited Partner in a taxation year as a result of the application of the "at-risk rules" is considered to be that Limited Partner's "limited partnership loss" in respect of the Partnership for the year. Such a limited partnership loss may be deducted by the Limited Partner (unless the Limited Partner is itself a partnership) in any subsequent taxation year against any income for that year from the Partnership to the extent, generally, that the Limited Partner's "at-risk amount" at the end of the Partnership's last fiscal period ending in that year exceeds the Limited Partner's share of any losses of the Partnership from a business or property for that fiscal period in accordance with the rules contained in the Tax Act.

Amounts relating to the acquisition, holding and disposition of Class B Units must be converted into Canadian dollars using the appropriate exchange rate determined in accordance with the detailed rules of the Tax Act in that regard. A Limited Partner that holds Class B Units may realize income, capital gains or capital losses by virtue of the fluctuation in the value of US dollars relative to Canadian dollars.

Disposition of Units

A Limited Partner who disposes, or is deemed to have disposed, of a Unit will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Unit, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Limited Partner of the Unit. In general, the adjusted cost base to a Limited Partner of a Unit at a particular time will be equal to the actual cost of the Unit plus, subject to certain adjustments, the Limited Partner's allocated share of the income of such Partnership from any source for all fiscal periods of the Partnership ending before the particular time, less, subject to certain adjustments, the Limited Partner's allocated share of the losses of the Partnership from any source for all fiscal periods of the Partnership ending before the particular time (except that where any portion of such losses is considered to be the Limited Partner's "limited partnership loss" in respect of the Partnership, such losses will reduce the adjusted cost base of the Limited Partner's Unit only to the extent that they have been deducted by the Limited Partner) and the amount of any distributions made to the Limited Partner by the Partnership before the relevant particular time. The allocated income for a fiscal period will not be added to the adjusted cost base of a Limited Partner's Units until after the end of that fiscal period. If a Limited Partner disposes of all of his, her or its Units, income or losses of the Partnership allocated to such Limited Partner for the year of disposition will be added to or subtracted from the adjusted cost base of his, her or its Units as if that year was a completed fiscal year. Where the adjusted cost base to a Limited Partner of his, her or its Units is negative at the end of a fiscal period of the Partnership, the negative amount will be deemed to be a capital gain of the Limited Partner. The adjusted cost base of the Limited Partner's Units will be increased by the amount of this deemed capital gain.

In general, one-half of a capital gain must be included in computing the income of a Limited Partner (a "**taxable capital gain**"), and one-half of a capital loss (an "**allowable capital loss**") must be deducted by a Limited Partner from taxable capital gains realized in the year and, to the extent that such allowable capital losses exceed taxable capital gains in the year, may be applied against net taxable capital gains realized in any of the three years preceding the year or any year following the year, to the extent and under the circumstances described in the Tax Act. Where a Limited Partner disposes of a Unit to a tax-exempt person or a Non-Resident, 100% of the capital gain will be included in income as a taxable capital gain. A look-through rule will apply for these purposes where Units are disposed of to a partnership or a Canadian-resident trust (other than a mutual fund trust as defined in the Tax Act) that has certain direct or indirect partners or beneficiaries, as the case may be, that are tax-exempt and/or Non-Residents.

A Limited Partner which is a Canadian-controlled private corporation (as defined in the Tax Act) throughout a taxation year may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

Dissolution of the Partnership

On the dissolution of the Partnership, Limited Partners will generally be considered to have disposed of their Units for proceeds of disposition equal to the fair market value of the property received or receivable by them on the dissolution, and the Partnership will be deemed to have disposed of, and the Limited Partners will be deemed to have acquired, such property at its fair market value.

A capital gain (or capital loss) will be realized by a Limited Partner on the disposition of such Units to the extent that such proceeds, net of reasonable disposition costs, exceed (or are less than) the adjusted cost base of the Limited Partner's Units, calculated as described above. Any income, capital gain or loss realized by the Partnership on the disposition of property in the fiscal period ending as a result of the dissolution of the Partnership will be included in the income or loss of the Partnership for that fiscal period and allocated to the partners in accordance with the Partnership Agreement.

Alternative Minimum Tax

A Limited Partner subject to the alternative minimum tax rules in the Tax Act must generally calculate the minimum tax payable without deducting certain partnership losses allocated to the Limited Partner and associated carrying charges from adjusted taxable income. The realization of a capital gain on the disposition of Units or the realization by the Partnership of a capital gain may give rise to an increased liability for alternative minimum tax. Limited Partners should consult their own tax advisors for advice respecting the application of the alternative minimum tax rules in their particular circumstances.

Filing Requirements

Each Limited Partner will generally be required to file an income tax return reporting his, her or its share of the income or loss of the Partnership. While the Partnership will provide each Limited Partner with the information required for income tax purposes pertaining to him, her or it, the Partnership will not prepare or file income tax returns on behalf of any Limited Partner. Each person who is a partner of the Partnership at any time in a fiscal period of the Partnership is required to make and file an information return in respect of that period in prescribed form, including the income or loss of the Partnership for that period and the allocation of such income or loss among the partners. The filing of an annual information return by the General Partner on behalf of all Limited Partners will satisfy this requirement, and the General Partner is required to make such filing.

Non-Eligibility for Investment by Registered Plans

Units will not be a "qualified investment" under the Tax Act for trusts governed by Plans or DPSPs. Investors considering holding their investment in Plans or DPSPs should refer to Schedule "A" "*The Greybrook Yorkville III Trust*", as Trust Units will be qualified investments for trusts governed by Plans and DPSPs. See the discussion under "*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans — Eligibility for Investment*" in Schedule "A" "*The Greybrook Yorkville III Trust*".

RESALE RESTRICTIONS

The distribution of Units in Canada is being made only on a private placement basis exempt from the requirement that the Partnership prepare and file a prospectus with the applicable Canadian securities regulatory authorities. The Partnership is not a reporting issuer in any Province or territory of Canada and its securities are not listed on any stock exchange in Canada. There is currently no public market for Units in Canada, and none is expected to develop. The Partnership currently has no intention of becoming a reporting issuer in Canada (or the equivalent in any other jurisdiction), filing a prospectus with any securities regulatory authority in Canada or elsewhere to qualify the resale of Units to the public, or listing its securities on any stock exchange in Canada or elsewhere. Accordingly, to be made in accordance with securities laws, any resale of Units in Canada must be made under available statutory exemptions from the prospectus requirements or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Limited Partners are advised to seek legal advice

prior to any resale of their Units, which must, in any event, be made in compliance with the requirements of the Partnership Agreement in this regard, discussed elsewhere in this Offering Memorandum.

LANGUAGE OF DOCUMENTS

By receiving this Offering Memorandum, the purchaser hereby confirms that he, she or it has expressly requested that all documents evidencing or relating in any way to the offer or sale of the securities described herein (including, for greater certainty, any purchase confirmation or notice) be drawn up in the English language only. Par la réception de cette notice d'offre, l'acheteur confirme par les présentes que l'acheteur a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à l'offre ou à la vente des valeurs mobilières décrites aux présents (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the Provinces provides purchasers of securities pursuant to an offering memorandum (such as this Offering Memorandum) with certain statutory rights of action, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a misrepresentation. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the investor within the time limits prescribed by applicable securities legislation. These rights are summarized below.

Ontario Purchasers

In certain circumstances, purchasers resident in Ontario are provided with a remedy for rescission or damages, or both, in addition to any other right they may have at law, where an offering memorandum and any amendment to it contains a misrepresentation. A "misrepresentation" is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by Ontario securities legislation.

The following summary is subject to the express provisions of Ontario securities laws and regulations, and reference is made thereto for the complete text of such provisions. Such provisions may contain limitations and statutory defences not described here, on which the Partnership and other applicable parties may rely. Purchasers should refer to the applicable provisions of Ontario securities legislation for the particulars of these rights or consult with a legal advisor.

The rights of action described below are in addition to, and without derogation from, any other right or remedy available at law to the purchaser. The following is a summary of rights of rescission or damages, or both, available to purchasers resident in Ontario.

Section 5.2 of Ontario Securities Commission Rule 45-501 provides that purchasers who have been delivered an offering memorandum in connection with a distribution of securities in reliance upon the "\$150,000 minimum purchase amount" prospectus exemption in section 2.10 of NI 45-106, the "accredited investor" prospectus exemption in section 2.3 of NI 45-106, and the "Offering Memorandum" exemption in section 2.9 of NI 45-106, have the rights referred to in section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**"). The Ontario Act provides such purchasers with a statutory right of action against the issuer of the securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a misrepresentation.

Where an offering memorandum is delivered to a purchaser and contains a misrepresentation, the purchaser, without regard to whether the purchaser relied on the misrepresentation, will have a statutory right of action against the issuer for damages or for rescission; if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the issuer. No such action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action other than an action for

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

The Ontario Act provides a number of limitations and defences to such actions, including the following:

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

These rights are not available for a purchaser purchasing in reliance upon the “accredited investor” prospectus exemption in section 2.3 of NI 45-106 that is:

- (a) a Canadian financial institution, meaning either:
 - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a province or territory of Canada to carry on business in Canada or a territory in Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

New Brunswick Purchasers

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

- (a) the purchaser has a right of action for damages against:
 - (i) the issuer;
 - (ii) the selling security holder on whose behalf the distribution was made;
 - (iii) every person who was a director of the issuer at the date of the offering memorandum;
 - (iv) every person who signed the offering memorandum; or
- (b) if the purchaser purchased the securities from a person referred to in subparagraph (a)(i) or (ii) above, the purchaser may elect to exercise a right of rescission against the person referred to in that subparagraph, in which case the purchaser shall have no right of action for damages against the person.

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the misrepresentation. However, there are various defences available to the issuer and the selling security holder(s). One such defence is that no person will be liable for a misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence an action for rescission within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

- (a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or
- (b) six years after the date of the transaction that gave rise to the cause of action.

Nova Scotia Purchasers

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) (the "**Nova Scotia Act**"). The Nova Scotia Act provides, in the relevant part, that in the event that an offering memorandum, together with any amendments thereto, or any advertising or sales literature (as defined in the Nova Scotia Act) contains a misrepresentation, a purchaser who purchases the securities referred to in it is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase.

Such purchaser has a statutory right of action for damages against the seller (which includes the issuer) and, subject to certain additional defences, the directors of the seller or, alternatively, while still an owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the seller or the directors. No such action shall be commenced to enforce the right of action for rescission or damages more than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment).

The Nova Scotia Act provides a number of limitations and defences, including the following:

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

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

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

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

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

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

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

Newfoundland and Labrador and Prince Edward Island Purchasers

In Newfoundland and Labrador, the *Securities Act* (Newfoundland and Labrador) and in Prince Edward Island, the *Securities Act* (Prince Edward Island) provide a statutory right of action for damages or rescission to purchasers resident in Newfoundland and Prince Edward Island, respectively, in circumstances where an offering memorandum (such as this Offering Memorandum) or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

Saskatchewan Purchasers

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act, 1988* (Saskatchewan) (the "**Saskatchewan Act**"). The Saskatchewan Act provides, in the relevant part, that in the event that an offering memorandum, together with any amendments hereto contains a misrepresentation, a purchaser who purchases securities covered by the offering memorandum is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase.

Such purchaser has a statutory right for rescission against the issuer or has a right of action for damages against:

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

If such purchaser elects to exercise a statutory right of rescission against the issuer, it shall have no right of action for damages against that person or company. No such action for rescission or damages shall be commenced more than, in the case of a right of rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action, other than an action for rescission, such action shall be commenced before the earlier of (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act provides a number of limitations and defences, including the following:

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

In addition, no person or company, other than the issuer, will be liable if the person or company proves that:

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

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

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

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

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

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of such Act has a right to withdraw from

the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

The foregoing summary is subject to the express provisions of the securities legislation referred to above and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the Partnership may rely.

The statutory rights of action discussed above are in addition to, and without derogation from, any other right or remedy which investors may have at law.

SCHEDULE "A"

See attached.

The Greybrook Yorkville III Trust

All dollar amounts in this Schedule “A” are in Canadian dollars, unless otherwise indicated. References to “Canadian dollars” and “\$” are references to the currency of Canada, and references to “US dollars” and “US\$” are references to the currency of the United States.

Capitalized terms used in this Schedule “A”, but not defined, have the respective meanings attributed to such terms in the Offering Memorandum.

Issuer: The Greybrook Yorkville III Trust (the “**Trust**”), a limited purpose trust formed under the laws of Alberta.

Securities Offered: Class A units of the Trust (“**Class A Trust Units**”) and class B units of the Trust (“**Class B Trust Units**”) and, collectively with Class A Trust Units, “**Trust Units**”).

Price per Security: \$100 per Class A Trust Unit
US\$100 per Class B Trust Unit

Minimum/Maximum Offering: Minimum Trust Units Offering: \$4,000,000 of at least one class of Trust Units (subject to the setting of a lower minimum by Greybrook Realty Partners Inc., the administrator of the Trust (“**Greybrook Realty**”) or, in its capacity as the administrator of the Trust, the “**Administrator**”), acting in its sole discretion) / Maximum Trust Units Offering: \$38,750,000 of Trust Units (the “**Trust Units Offering**”).

Minimum Purchase: 250 Class A Trust Units for \$25,000 or 250 Class B Trust Units for US\$25,000. The Trust may, at its sole discretion, accept a subscription which is for less than the minimum subscription amount.

Minimum Subscribers: 160 individual subscribers for Trust Units of at least one class of Trust Units.

Payment Terms: The aggregate purchase price of Trust Units is payable, in full, by certified cheque, bank draft or wire transfer for the full subscription amount.

Agents: Greybrook Securities Inc., as the lead agent (the “**Lead Agent**”), and other dealers appointed by the Trust that are acceptable to the Lead Agent (the “**Co-Agents**”, together with the Lead Agent, the “**Agents**”).

Pursuant to the agency agreement for the Trust Units Offering, the Lead Agent is permitted to appoint other duly registered dealers in the Provinces, the United States or the State of Israel as its agent in the Trust Units Offering, and the Lead Agent may determine the remuneration payable to such other dealers. The Lead Agent has retained SDDCo Brokerage Advisors LLC, a broker-dealer registered in the United States, to facilitate the offer and sale of Trust Units, in the Trust Units Offering, in the United States, in accordance with all applicable United States federal laws, state laws and regulations. The Lead Agent has retained Keren 35 Ltd. as its sub-agent in the State of Israel in connection with the Trust Units Offering.

Closing Date: The Trust and the Lead Agent may elect to close the Trust Units Offering in one or more closings, provided, however, that the initial closing of the Trust Units Offering shall take place concurrently with a closing of the offering (the “**Offering**”) of units of limited partnership interest (“**Units**”) in Greybrook Yorkville III Limited Partnership (the “**Partnership**”) pursuant to the offering

memorandum of the Partnership to which this Schedule “A” is attached, as such offering memorandum may be amended and restated and/or supplemented from time to time (the “**Offering Memorandum**”) or, if there is more than one closing of the Offering, concurrently with the first such closing. The date of closing of the Trust Units Offering (or if there is more than one closing of the Trust Units Offering, the initial closing thereof) will be July 9, 2019 or such other earlier or later date as may be agreed to by the Trust and the Lead Agent (the “**Trust Units Offering Closing Date**”). The Trust and the Lead Agent may terminate the Trust Units Offering at any time. All subscription monies will be returned to subscribers in the event that the Trust Units Offering does not close for any reason, including by reason of the absence of the required minimum number of separate subscribers or the absence of subscriptions, in the aggregate, for the required minimum amount of Trust Units. See “—*Subscription Procedure*”.

Currency Conversion:

All US dollar subscription proceeds from the sale of Class B Trust Units will be converted into Canadian dollars by the Trust at the Closing Exchange Rate on the Trust Units Offering Closing Date (and, if there is more than one closing of the Trust Units Offering, on each date of closing). The percentage ownership interest in the Trust of a holder of Class B Units will depend upon the Closing Exchange Rate. Similarly, the portion of any revenues or profits earned by the Co-Ownership and distributed to a holder of Class B Trust Units will be converted from Canadian dollars to US dollars by the Trust immediately prior to such distribution, and the ultimate return on investment, if any, of a holder of Class B Trust Units will depend upon the Prevailing Exchange Rate at the time of such conversion. As a result, a holder of Class B Trust Units will be exposed to changes in the value of the US dollar against the Canadian dollar. There can be no assurance as to what the applicable exchange rate will be at any given time. See “—*Risks Related to Investing in Trust Units — Currency Conversion*”.

Use of Proceeds:

The Trust will use all the proceeds of the Trust Units Offering to purchase class C units of limited partnership interest in the Partnership (“**Class C Units**”) at a price of \$100 per Class C Unit. Prior to its acquisition of Class C Units, the Trust will convert the proceeds of sale of Class B Trust Units in the Trust Units Offering to Canadian dollars, at the Closing Exchange Rate on the Trust Units Offering Closing Date (and, if there is more than one closing of the Trust Units Offering, on each date of closing), and aggregate them with the proceeds of sale of Class A Trust Units in the Trust Units Offering. The Trust will acquire that number of Class C Units equal to the amount of the aggregate proceeds of the Trust Units Offering, in Canadian dollars, divided by \$100, and rounded down to the nearest whole number. As a result, holders of Trust Units (collectively, “**Unitholders**” and, individually, a “**Unitholder**”) will enjoy, indirectly through the Trust, the economic effect of an investment in the Partnership.

Tax Considerations:

There are important tax considerations relating to Trust Units. See “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans — Eligibility for Investment*”.

Selling Commissions:

The Agents will not be paid any selling commissions by the Trust. However, since the proceeds of the Trust Units Offering will be used

by the Trust to acquire Class C Units, the sale of Trust Units will give rise to the payment, by the Partnership to each Agent, of a selling commission of 8% of the subscription price per Trust Unit (referred to as the “**Agents’ Fee**” in the Offering Memorandum) that it sold in the Trust Units Offering. The Lead Agent reserves the right to use any portion of the Agents’ Fee paid to it in order to provide inducements to investors to encourage participation in the Trust Units Offering and for other purposes.

Allocated Trust Units:

In connection with the Trust Units Offering, a maximum of \$3,875,000 of Trust Units, representing 10% of the size of the Trust Units Offering (assuming the maximum offering) (collectively, “**Allocated Trust Units**”), has been reserved for allocation for purchase by staff members, friends and family members of Greybrook Realty and of the Lead Agent. In any event, however, the aggregate amount represented by all Allocated Units and Allocated Trust Units taken up and paid for shall not exceed, collectively, \$3,875,000. Allocated Trust Units are not subject to reduction or allotment in the event the Trust Units Offering is oversubscribed, and there is no requirement or assurance that any Allocated Trust Units will be taken up and paid for. Allocated Trust Units will be sold to staff members, friends and family members of Greybrook Realty and of the Lead Agent on the same terms, and for the same price, as the other Trust Units offered in the Trust Units Offering. To ensure the total value of Allocated Units and Allocated Trust Units does not exceed the above-stated maximum of \$3,875,000, the value of Allocated Units consisting of class B units of limited partnership interest in the Partnership and the value of Allocated Trust Units consisting of Class B Trust Units will be determined based on the Closing Exchange Rate.

Resale Restrictions:

Unitholders will be restricted from selling their Trust Units for an indefinite period. See “—*Resale Restrictions*”.

Additional Risks:

In addition to the risks set out in the “*Risk Factors*” section of the Offering Memorandum, there are certain other risks inherent in an investment in Trust Units and in the activities of the Trust, which investors should carefully consider before investing in Trust Units. See “—*Conflicts of Interest*” and “—*Risks Related to Investing in Trust Units*”.

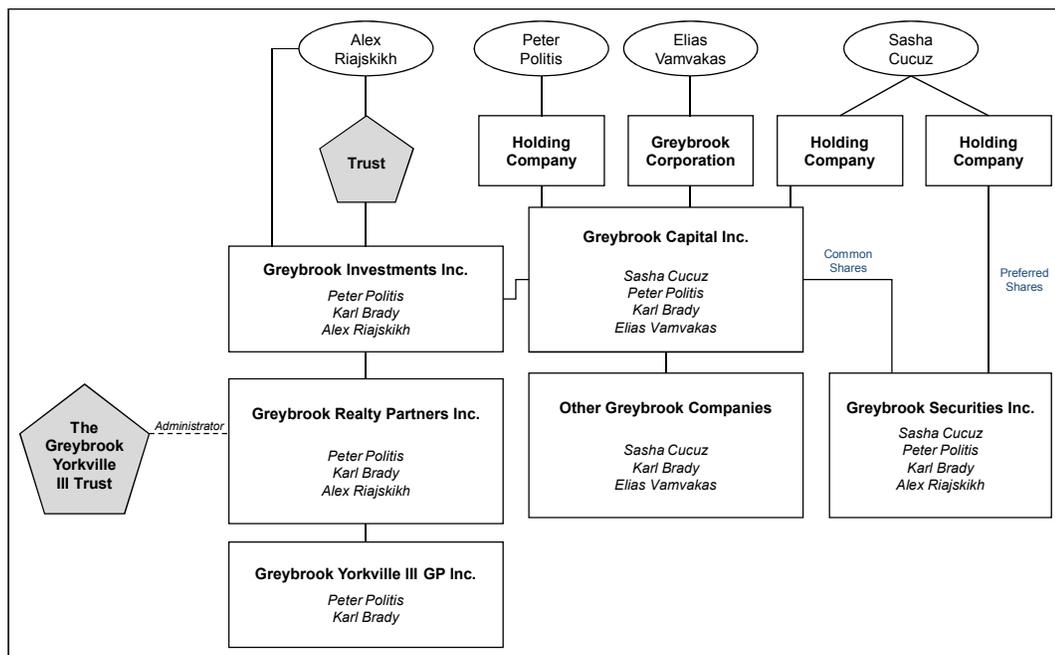
Purchaser’s Rights:

If there is a misrepresentation in the Offering Memorandum, which includes this Schedule “A”, Unitholders will have the benefit of certain statutory rights of action. See “*Statutory Rights of Action*” in the Offering Memorandum.

Each of the Partnership and the Trust may be considered to be a “related” or “connected” issuer (as such terms are defined in National Instrument 33-105 — *Underwriting Conflicts*) of the Lead Agent by reason of the following facts:

1. Greybrook Capital Inc. (“**Greybrook Capital**”) owns all of the issued and outstanding common shares in the capital of the Lead Agent, and Sasha Cucuz, who is the sole director, the Chief Executive Officer and a dealing representative of the Lead Agent, indirectly through a holding company, owns all of the issued and outstanding preferred shares in the capital of the Lead Agent;
2. indirect shareholders of Greybrook Capital include (i) Greybrook Corporation, (ii) Mr. Cucuz (through a holding company) and (iii) Peter Politis (through a holding company), who is a dealing representative of the Lead Agent, the sole director and an officer of the General Partner and the sole director and officer of Greybrook Realty, which is the parent corporation of the General Partner and a majority-owned, indirect subsidiary of Greybrook Capital; Greybrook Realty is also the administrator of the Trust; Messrs. Cucuz and Politis are also officers of Greybrook Capital;
3. although Mr. Cucuz’s principal occupation is being the Chief Executive Officer and a dealing representative of the Lead Agent, in such capacity, he spends a significant part of his working time on the business and affairs of Greybrook Realty, for which his entire compensation is paid by Greybrook Realty; in addition, Mr. Cucuz is also an officer, director and manager of a number of different companies, of which Greybrook Corporation and Greybrook Capital are shareholders, either directly or indirectly;
4. the Lead Agent acts exclusively for certain companies that are either directly or indirectly controlled and/or owned, in whole or in part, by Greybrook Corporation, which companies are therefore the Lead Agent’s sole revenue source;
5. Karl Brady, who is an officer of the General Partner, is the Chief Financial Officer of Greybrook Realty and, in such capacity, also performs finance functions for Greybrook Realty’s affiliates, including the Lead Agent and Greybrook Capital; Mr. Brady is compensated by the Lead Agent and is also eligible to participate in the long-term incentive plan sponsored by Greybrook Realty (the “**Greybrook Realty LTIP**”);
6. Alex Riajskikh is a dealing representative of the Lead Agent and Executive Director, Private Capital Markets of Greybrook Realty; he is also an indirect shareholder of Greybrook Realty;
7. other employees and independent contractors of the Lead Agent, including dealing representatives of the Lead Agent, also have roles and responsibilities, and, in some cases, hold senior positions, with Greybrook Realty; in many cases, employees and independent contractors of the Lead Agent receive compensation from Greybrook Realty (in addition to receiving compensation from the Lead Agent) and, in most cases, are eligible to participate in the Greybrook Realty LTIP; and
8. Elias Vamvakas, who is a permitted individual of the Lead Agent (as such term is defined in National Instrument 33-109 — *Registration Information*), is the sole director and officer of Greybrook Corporation, which is indirectly beneficially owned and controlled by, collectively, Mr. Vamvakas and members of his family; Greybrook Corporation is the largest shareholder of Greybrook Capital and an indirect shareholder of Greybrook Realty and the General Partner; Mr. Vamvakas is also a director and/or officer of a number of different companies, of which Greybrook Corporation and Greybrook Capital are shareholders, either directly or indirectly, including Greybrook Capital itself; Mr. Vamvakas is the sole director and an officer of Greybrook Capital.

The chart below sets forth diagrammatically the above-described relationships:



The Trust

The Trust is a limited purpose trust created under the laws of the Province of Alberta pursuant to the declaration of trust (the “**Declaration of Trust**”), dated as of May 10, 2019, among Peter Politis, as settlor, Computershare Trust Company of Canada, as trustee (the “**Trustee**”), and the Administrator, as administrator.

The following is a summary of only certain terms of the Declaration of Trust and is qualified in its entirety by the Declaration of Trust. Prospective investors should review the Declaration of Trust for complete details of its terms. A copy of the Declaration of Trust is available upon request.

Issuance of Trust Units

An unlimited number of Class A Trust Units and an unlimited number of Class B Trust Units may be issued pursuant to the Declaration of Trust. Each Trust Unit represents an undivided beneficial interest in any distributions to be made from the Trust (whether of income of the Trust, net realized capital gains or other amounts) and in any net assets of the Trust in the event of the termination or winding-up of the Trust. The purchase price of each Class A Trust Unit is \$100, and the purchase price of each Class B Trust Unit is US\$100. Notwithstanding the fact that the purchase price of each Class B Trust Unit is US\$100 and that Class B Trust Units are denominated in US dollars, the capital contribution and capital account of each Unitholder holding Class B Trust Units shall be denominated in Canadian dollars, based on the Closing Exchange Rate, and the value of the assets of the Trust attributable to Class B Trust Units will not be hedged against currency exposure.

Each Class A Trust Unit entitles the holder thereof to one vote at all meetings of Unitholders or in respect of any written resolution of Unitholders. Each Class B Trust Unit entitles the holder to that number of votes equal to the Canadian dollar equivalent of US\$1.00 at the Closing Exchange Rate. For example, if the Closing Exchange Rate is such that US\$1.00, converted into Canadian dollars at the Closing

Exchange Rate, equals \$1.299, then each Class B Trust Unit would entitle the holder thereof to 1.299 votes at all meetings of Unitholders or in respect of any written resolution of Unitholders.

Unitholders will not be entitled to receive a certificate or other instrument representing Trust Units or evidencing beneficial ownership of Trust Units from the Administrator, the transfer agent of the Trust or any other person. The ownership of Trust Units shall be evidenced solely and conclusively by the register maintained by the transfer agent of the Trust.

Selling Commissions

Trust Units will be offered by the Agents on a “best efforts” basis, pursuant to the agency agreement dated May 10, 2019 among the Trust, the Lead Agent and the Co-Agents, if any (the “**Trust Agency Agreement**”).

None of the Agents will be paid any selling commission by the Trust. However, since the proceeds of the Trust Units Offering will be used by the Trust to acquire Class C Units, the sale of Trust Units will give rise to the payment, by the Partnership to each Agent of the Agents’ Fee representing 8% of the subscription price per Trust Unit it sold in the Trust Units Offering. The Lead Agent reserves the right to use any portion of the Agents’ Fee payable to it to provide inducements to investors to encourage participation in the Trust Units Offering and for other purposes. Pursuant to the Trust Agency Agreement, the Lead Agent is permitted to appoint other duly registered dealers in the Provinces, the United States or the State of Israel as its agent in the Trust Units Offering, and the Lead Agent may determine the remuneration payable to such other dealers. The remuneration of the Agents for their services in connection with the Trust Units Offering and the Offering will consist solely of the Agents’ Fee and, in the case of the Lead Agent, an additional \$91,667 in respect of costs and expenses incurred by the Lead Agent in connection with the Offering.

The Lead Agent has retained SDDCo Brokerage Advisors LLC, a broker-dealer registered in the United States, to facilitate the offer and sale of Trust Units, in the Trust Units Offering, in the United States in accordance with all applicable United States federal laws, state laws and regulations. The Lead Agent has retained Keren 35 Ltd. as its sub-agent in the State of Israel in connection with the Trust Units Offering.

Use of Proceeds

The Trust will use all the proceeds of the Trust Units Offering to purchase Class C Units at a price of \$100 per Class C Unit. Prior to its acquisition of Class C Units, the Trust will convert the proceeds of sale of Class B Trust Units in the Trust Units Offering to Canadian dollars, at the Closing Exchange Rate, on the Trust Units Offering Closing Date (and, if there is more than one closing of the Trust Units Offering, on each date of closing) and aggregate them with the proceeds of sale of Class A Trust Units in the Trust Units Offering. The Trust will acquire that number of Class C Units equal to the amount of the aggregate proceeds of the Trust Units Offering, in Canadian dollars, divided by \$100, and rounded down to the nearest whole number. As a result, the Unitholders will enjoy, indirectly through the Trust, the economic effect of an investment in the Partnership.

Activities of the Trust

The Trust is a limited purpose trust established for the benefit of Unitholders and solely to make an investment in, and hold and deal with, Class C Units. The Trustee and the Administrator are not agents of Unitholders. The relationship of Unitholders to the Trustee will be solely that of beneficiaries of the Trust, and their rights will be limited to those conferred on them by the Declaration of Trust. The Trust is not, and is not intended to be or to be operated as, an “investment fund” within the meaning of such term in the *Securities Act* (Alberta).

Trustee

Computershare Trust Company of Canada, the Trustee, is part of Computershare Limited, a global provider of and market leader in transfer agency and share registry, employee equity plans and stakeholder communications. Computershare also specializes in the provision of a variety of other services. It is represented in all major financial markets and has over 14,000 employees worldwide. In 2001, Computershare Trust Company of Canada was continued as a company under the Trust and Loan *Companies Act* (Canada). The Trustee will serve as the trustee of the Trust as well as the registrar and transfer agent of Trust Units.

The Declaration of Trust provides that, subject to certain terms and conditions, the Trustee will have full, absolute and exclusive power, control and authority over the assets of the Trust and over the management of the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the assets of the Trust in its own right, to do all acts and things, as in its sole judgment and discretion, are necessary or incidental to, or desirable for, carrying out the Trust.

The Declaration of Trust specifically provides that the Trustee's exercise of powers and authorities conferred on it, whether pursuant to the Declaration of Trust or by virtue of any present or future statute or rule of law, may not adversely affect the Trust's status as a "mutual fund trust" for purposes of the Tax Act or cause the Trust to become a "SIFT Trust" for purposes of the Tax Act or fail to comply with Section 132(7) of the Tax Act.

The Trustee will cease to hold office when: (a) it resigns or is declared bankrupt or insolvent or enters into liquidation, whether compulsory or voluntary, to wind up its affairs; (b) it is removed by Unitholders; or (c) it ceases to be incorporated under the laws of Canada or a Province or it ceases to be resident in Canada for purposes of the Tax Act. A resignation of the Trustee will become effective 60 days from the date on which the resignation is received in writing by the Trust and the Administrator or on the date specified in such written resignation, whichever is later. Unitholders may remove the Trustee from office by special resolution passed by more than 66⅔% of the votes cast on such resolution by a majority of Unitholders represented in person or by proxy at a meeting of Unitholders called for that purpose (referred to as an "**Extraordinary Resolution**" in the Declaration of Trust and in this Schedule "A" below). Upon the resignation or removal of the Trustee, or upon the Trustee otherwise ceasing to be the trustee of the Trust, the Trustee will cease to have the rights, privileges and powers of the trustee of the Trust, will execute and deliver such documents as the successor trustee will require for the conveyance of the Trust's property, will account to the successor trustee as it may require for all such property and thereupon shall be discharged as the trustee of the Trust.

The Declaration of Trust provides that the Trustee shall exercise its powers and carry on its functions under the Declaration of Trust honestly, in good faith and in the best interests of the Trust and Unitholders and that, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Trustee, in its capacity as the trustee of the Trust, shall not be required to devote its entire time to the business and affairs of the Trust.

The Declaration of Trust provides the Trustee and its directors, officers, employees and agents, and all of their respective representatives, heirs, successors and assigns, with full indemnification, out of the Trust's assets, in respect of:

- (a) any liability and all costs, charges and expenses sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against the Trustee for or in respect of any act, omission or error in respect of the Trust and the Trustee's execution of all duties and responsibilities and exercise of all powers and authorities pertaining thereto;
- (b) any liability and all losses, damages, costs, charges and expenses sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against the Trustee or against such directors, officers, employees, shareholders or agents, as the case may be, for or in respect of the Administrator providing or omitting to provide

services to the Trust or otherwise performing obligations under the Administration Agreement (as defined below) or as delegated or otherwise contemplated under the Declaration of Trust;

- (c) any loss, expenses, claim, proceeding, judgment or asserted liability incurred as a result of the Trustee's administration of the Trust or the exercise by the Trustee of any rights under the Declaration of Trust resulting from or relating to, directly or indirectly, (i) the presence or release of any contaminants on the Property, (ii) any contaminant present on or released from any contiguous property or (iii) the breach or alleged breach of any environmental laws;
- (d) all other costs, charges, taxes, penalties and interest in respect of unpaid taxes; and
- (e) all other expenses and liabilities sustained or incurred by the Trustee in respect of the administration or termination of the Trust.

The indemnification will not be available to the Trustee if any of the foregoing arises out of the Trustee's gross negligence, wilful misconduct or bad faith. The indemnification will survive the termination of the Trust and the resignation or removal of the Trustee. The Administrator has also provided, or will provide, an indemnity to the Trustee.

In addition, the Declaration of Trust contains provisions that limit the Trustee's liability.

Distributions

The Trust will not have any available cash to distribute to Unitholders until and unless the Project generates Gross Revenues and such Gross Revenues (after payment of costs and expenses and the provision of any reserves) get distributed to the Co-Owners, of which the Partnership is one, and the Partnership, in turn, makes cash distributions on Class C Units to the Trust. See "*Business of the Partnership — The Project — Projected Timeline*" in the Offering Memorandum. If, for any reason whatsoever, the Project does not generate Gross Revenues or does not distribute Gross Revenues to the Co-Owners and the Partnership does not make any cash distributions to its partners, then the Trust will not declare payable, or make, any cash distributions to Unitholders. See "*Risk Factors*" in the Offering Memorandum. Accordingly, the Trust does not generally anticipate having the available cash to make regular distributions to Unitholders.

The Trust will distribute and make payable to Unitholders, in cash and/or additional Trust Units, in each taxation year, a sufficient amount of its net income, net realized capital gains and any other applicable amounts for that taxation year so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year.

The Trustee may deduct or withhold from distributions payable to any Unitholder all amounts required or permitted by law to be withheld from such distributions, whether they are in the form of cash, additional Trust Units or otherwise. In the event that withholding taxes are levied on any distribution or redemption amounts distributed pursuant to the Declaration of Trust and the Trust is unable to, or does not, withhold such withholding taxes, the Trust will be permitted to withhold amounts from future distributions to satisfy such withholding tax obligation. Withholding taxes will be generally payable in respect of any distributions by the Trust to Unitholders who are or are deemed to be non-residents of Canada for purposes of the Tax Act ("**Non-Residents**"), whether those distributions are in the form of cash or additional Trust Units. Investors should consult their own tax advisors regarding the tax consequences of investing in Trust Units.

Meetings of Unitholders

General meetings of Unitholders will not be held. A special meeting of Unitholders may be called by the Trustee or the Administrator at any time and for any purpose. In addition, Unitholders, holding in the aggregate not less than 50% of all votes entitled to be voted at a meeting of Unitholders, may requisition

the Trustee to call a special meeting of Unitholders. The requisition shall: (a) be in writing; (b) set forth the name and address of, and the number of Trust Units held by, each Unitholder supporting the requisition; and (c) state in reasonable detail the business to be transacted at the meeting.

The Declaration of Trust provides that Unitholders will be entitled to pass resolutions that will bind the Trust only with respect to:

- (a) the removal of the Trustee;
- (b) the removal of the Administrator;
- (c) the termination of the Trust;
- (d) the provision of direction to the Trustee or the Administrator regarding how any matter to be considered by the limited partners of the Partnership, whether by a written resolution or at a meeting of the limited partners of the Partnership, should be voted on or otherwise dealt with by the Trust; and
- (e) the ratification of any rights plan, distribution reinvestment plan, purchase plan, option plan, incentive option plan or other compensation plan that may be established by the Administrator and that, pursuant to regulatory requirements, requires the approval of Unitholders.

The Declaration of Trust provides that, unless the contrary is otherwise expressly provided for under any provision of the Declaration of Trust, any action taken or resolution passed in respect of any matter requiring the approval of Unitholders will be by a resolution passed as a special resolution at a meeting, duly convened for that purpose, and passed by more than 66 $\frac{2}{3}$ % of the votes cast on such resolution by Unitholders represented in person or by proxy at such meeting (an “**Extraordinary Resolution**”).

Unitholders of record may attend and vote at all meetings of Unitholders either in person or by proxy, and a proxyholder need not be a Unitholder. Unitholders shall vote as a single class on all matters at such a meeting of Unitholders. The Trustee may convene a meeting of only the Unitholders of a particular class of Trust Units if the nature of the business to be transacted at that meeting is only relevant to Unitholders of that class. Unitholders of record of the applicable class may attend and vote at all meetings of the Unitholders of that class either in person or by proxy, and a proxyholder need not be a Unitholder. Two persons present in person or represented by proxy and representing in total at least 50% of the votes attached to the then outstanding Trust Units eligible to vote at a meeting will constitute a quorum for the transaction of business at that meeting.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

Limitation on Non-Resident Ownership

In order for the Trust to maintain its status as a “mutual fund trust” under the Tax Act, the Trust must not be established or maintained primarily for the benefit of persons who are Non-Residents. The Declaration of Trust provides that, if the Trustee becomes aware by written notice that the beneficial owners of 49% of the issued and outstanding Trust Units are, or may be, held by Non-Residents or that such situation is imminent, the Trustee will obtain such advice as it deems appropriate in order to ascertain the tax and other implications that such level of ownership by Non-Residents may have for the Trust and Unitholders. If and to the extent that the Trustee determines that such level of ownership by Non-Residents would have material adverse tax or other consequences to the Trust or Unitholders, the Trustee will ensure that appropriate limitations on ownership by Non-Residents, as provided for in the Declaration of Trust, are met. The Declaration of Trust also provides that, if the Administrator becomes aware that the beneficial owners of 49% of the issued and outstanding Trust Units are, or may be, held by Non-Residents or that such situation is imminent, then the Administrator will arrange to implement the procedures provided for in the Declaration of Trust to ensure limitations on ownership by Non-Residents.

The Declaration of Trust authorizes the Trustee, by or through the Administrator on the Trustee's behalf, to take such action as may be necessary, in the Administrator's opinion, to maintain the status of the Trust as a "mutual fund trust" under the Tax Act, including, without limitation, by the imposition of restrictions on the issuance by the Trust of Trust Units or the transfer by Unitholders of Trust Units to Non-Residents and/or requiring the sale of Trust Units by Non-Residents on a basis determined by the Administrator and/or the suspension of distribution and/or other rights in respect of Trust Units held by Non-Residents transferred in a manner contrary to that required pursuant to the Declaration of Trust or not sold in accordance with the requirements thereof.

The Administrator will make all determinations necessary for the administration of the provisions of the Declaration of Trust relating to the implementation of procedures to limit ownership of Trust Units by Non-Residents. However, unless and until the Administrator is required to do so under the terms of the Declaration of Trust, the Administrator will not be bound to take any proceeding or action with respect to such provisions. The Administrator will not be liable for any violation of restrictions of ownership by Non-Residents.

Amendments to the Declaration of Trust

As a general rule, the Declaration of Trust may be amended only by Extraordinary Resolution. The Declaration of Trust, however, provides that it may be amended by the Trustee, with the approval of the Administrator, without the consent, approval or ratification of Unitholders or any other person, at any time:

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

Notwithstanding the foregoing, no such amendment shall modify the voting rights attached to any Trust Unit or reduce the fractional undivided interest in the assets of the Trust represented by any Trust Unit without the consent of the holder of such Trust Unit. In addition, no such amendment shall reduce the percentage of votes required to be cast at a meeting of Unitholders without the consent of all Unitholders. Unitholders also have no power to amend the Declaration of Trust in any manner which would cause the Trustee to take any action or conduct the affairs of the Trust in a manner which would constitute a breach or default by the Trust or the Trustee under any agreement binding on, or any obligation of, the Trust or the Trustee, including the Administration Agreement (as defined below).

As soon as practicable after the making of any amendment to the Declaration of Trust and, in any event, not later than the date on which the Trust is required to provide annual financial disclosure to Unitholders

in accordance with the Declaration of Trust, the Trustee shall furnish written notification of the substance of such amendment to each Unitholder.

Term of the Trust

The Trust has been established for a term ending on the earlier of May 10, 2040 and the date which is one day prior to the date, if any, the Trust would otherwise be void by virtue of any applicable rule against perpetuities then in force in the Province of Alberta. For the purpose of terminating the Trust by such date, the Trustee shall commence to wind up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

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

The Administrator has the right, authority and absolute discretion to commence the wind-up of the affairs of the Trust and may do so at any time, provided that the Administrator delivers a written notice to that effect to the Trustee, which notice will be effective 45 days following such delivery.

The Administrator shall provide the Unitholders with written notice of the termination: (a) forthwith after a determination by the Trustee to wind up the affairs of the Trust prior to the end of the term of the Trust; (b) forthwith after the adoption of an Extraordinary Resolution to terminate the Trust; or (c) on or before the 15th day following the date the Administrator delivers written notice to the Trustee informing the Trustee that the Administrator will be commencing the wind-up of the affairs of the Trust. The notice shall designate the time or times at which Unitholders may surrender their Trust Units, if any, for cancellation and the date at which the registers of Trust Units shall be closed. After the date such notice is required to be delivered, the Trustee shall undertake no activities except for the purposes of winding up the affairs of the Trust as provided for in the Declaration of Trust, and for this purpose, the Administrator and the Trustee shall continue to be vested with and may exercise all or any of the powers conferred upon them under the Declaration of Trust. After giving the required notice of termination of the Trust to Unitholders, the Trustee and the Administrator shall proceed to wind up the affairs of the Trust as soon as may be reasonably practicable and, for such purpose, shall, subject to any direction contained in any Extraordinary Resolution pursuant to which the Trust is being terminated, sell and convert, or cause to be sold or converted, into money assets of the Trust, including, without limitation, Class C Units held by the Trust, in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Trust. If the Trustee is unable to sell, or cause to be sold, all of the Trust's assets, including Class C Units, subject to obtaining all necessary regulatory approvals, the Trustee may distribute, or cause to be distributed, the remaining assets of the Trust, including such Class C Units, directly to Unitholders in accordance with their pro rata interests. After paying, retiring or discharging, or making provision for the payment, retirement or discharge of, all known liabilities and obligations of the Trust and providing for indemnity against any other outstanding liabilities and obligations, the Trustee shall, subject to obtaining all necessary regulatory approvals, distribute the remaining part of the proceeds of the sale of the assets of the Trust, including Class C Units held by the Trust, together with any cash forming part of the assets of the Trust among the Unitholders on a pro rata basis, based on their converted capital contributions.

Conflicts of Interest

The Declaration of Trust provides that the Trustee and the Administrator are expressly permitted to:

- (a) be, or be an associate or an affiliate of, a person from or to whom assets of the Trust have been or are to be purchased or sold;
- (b) be, or be an associate or an affiliate of, a person with whom the Trust or the Administrator contracts or deals or which supplies services or extends credit to the Trust or the Administrator or to which the Trust extends credit;

- (c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the assets of the Trust, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not the trustee of the Trust or the administrator of the Trust, respectively;
- (d) in the case of the Trustee, carry on its business as a trust company in the usual course while it is the Trustee, including by rendering trustee or other services to the Trust or to other trusts and other persons for gain; and
- (e) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests referred to in (a) to (d) above inclusive, without being liable to the Trust or any Unitholder for any such direct or indirect benefit, profit or advantage.

The Administrator and its affiliates are engaged in, and intend to continue to be engaged in, investments in real estate development projects, some of which may be, or become, competitive with the business and activities of the Partnership and, indirectly, those of the Trust. The Administrator will not be devoting its full time and attention to the administration of the Trust.

Sale in Lieu of a Redemption of Trust Units

The Administrator and its sole director and officer will be permitted, but, under no circumstances, shall be required, to purchase Trust Units from any Unitholder electing to sell any or all of his, her or its Trust Units in lieu of redeeming such Trust Units.

The Administrator

The Administrator is Greybrook Realty Partners Inc., a corporation incorporated under the laws of the Province of Ontario. The General Partner is a direct, wholly-owned subsidiary of the Administrator. See “*Conflicts of Interest*” in the Offering Memorandum and the “related” or “connected” issuer disclosure set out on pages A-5 and A-6 of this Schedule “A”.

The Lead Agent

Each of the Partnership and the Trust may be considered to be a “related” or “connected” issuer (as such terms are defined in National Instrument 33-105 — *Underwriting Conflicts*) of the Lead Agent. See “*Conflicts of Interest*” in the Offering Memorandum and the “related” or “connected” issuer disclosure set out on pages A-5 and A-6 of this Schedule “A”.

The Administration Agreement

Pursuant to the Administration Agreement, dated as of May 10, 2019, among the Trust, the Administrator and the Trustee (the “**Administration Agreement**”), the Trustee has delegated to the Administrator, and the Administrator has agreed to be responsible for, the management and general administration of the affairs of the Trust. The duties of the Administrator include, among other things:

- (a) the undertaking of any matters required by the terms of the Declaration of Trust to be performed by the Trustee, which are not otherwise delegated in the Declaration of Trust or the Administration Agreement, and generally provide all other services as may be necessary or requested by the Trustee for the administration of the Trust;
- (b) the preparation of all returns, filings and documents and the making of all determinations necessary for the discharge of the Trustee’s obligations under the Declaration of Trust;
- (c) the entering into of such agreements with dealers (including affiliates of the Administrator) for the distribution of Trust Units;

- (d) the preparation and provision to the Trustee, for approval for delivery to Unitholders, annual financial statements of the Trust, as well as relevant tax information;
- (e) the preparation, and submission to the Trustee for approval and signature, of all income tax returns and filings and their filing within the time required by applicable tax law;
- (f) the computation, determination and making, on the Trust's behalf, of distributions to Unitholders properly payable by the Trust;
- (g) the preparation and distribution of all materials (including notices of meetings and information circulars) in respect of meetings of Unitholders pursuant to the Declaration of Trust;
- (h) the monitoring of the Trust's status as a "mutual fund trust" under the Tax Act and the provision to the Trustee of written notice when the Administrator believes the Trust is ceasing, or is at risk of ceasing, to be such a mutual fund trust; and
- (i) the attending to of all administrative and other matters (including making determinations) arising in connection with any redemptions of Trust Units.

Subject to the terms of the Declaration of Trust, the Administrator shall have full right, power and authority to execute and deliver all contracts, leases, licenses and other documents and agreements, to make applications and filings with governmental authorities and to take such other actions as the Administrator considers appropriate in connection with the business of the Trust, in the name of and on behalf of the Trust, and no person shall be required to determine the authority of the Administrator to give any undertaking or enter into any commitment on behalf of the Trust, provided that the Administrator shall not have the authority to commit to any transaction which would require the approval of Unitholders in accordance with the Declaration of Trust.

The Administration Agreement provides that the Trustee and the Administrator are expressly permitted to:

- (a) be, or be an associate or an affiliate of, a person from or to whom assets of the Trust have been or are to be purchased or sold;
- (b) be, or be an associate or an affiliate of, a person with whom the Trust or the Administrator contracts or deals or which supplies services or extends credit to the Trust or the Administrator or to which the Trust extends credit;
- (c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the assets of the Trust, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not the trustee of the Trust or the administrator of the Trust, respectively;
- (d) in the case of the Trustee, carry on its business as a trust company in the usual course while it is the Trustee, including by rendering trustee or other services to the Trust or to other trusts and other persons for gain; and
- (e) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests referred to in (a) to (d) above inclusive, without being liable to the Trust or any Unitholder for any such direct or indirect benefit, profit or advantage.

Subject to applicable laws, none of such relationships, matters, contracts, transactions, affiliations or other interests shall be, or shall be deemed to be or create, a material conflict of interest with the Administrator's or the Trustee's duties under the Administration Agreement.

The Administration Agreement provides that the Administrator will be responsible for all expenses incurred by the Administrator in carrying out its obligations and duties as the administrator of the Trust. Pursuant to the Greybrook Realty Services Agreements, the Administrator agreed, in favour of the Partnership to serve as the administrator of the Trust and, in connection therewith, execute and deliver the Declaration of Trust and the Administration Agreement. In addition, the Administrator agreed, in favour of the Partnership, to cover and pay, out of the fees to be paid to the Administrator for services to be rendered to the Partnership by the Administrator pursuant to the Greybrook Realty Services Agreements, all of the remuneration to be paid to the Trustee for services that it shall render pursuant to the Declaration of Trust. See "*Plan of Distribution*" in the Offering Memorandum.

Pursuant to the Administration Agreement, the Trust provides an indemnity to the Administrator.

Transfer of Trust Units

Unitholders may transfer Trust Units only with the approval of the Administrator. The Administrator shall have the power to restrict the transfer of Trust Units on the books of the Trust without liability to Unitholders or others who will thereby be restricted from making a transfer. Any person becoming entitled to Trust Units as a consequence of the death, bankruptcy or mental incompetence of a Unitholder, or otherwise by operation of law, will be recorded as the holder of such Trust Units only upon production of satisfactory evidence and, in the event a unit certificate representing such Trust Units was issued, will receive a new unit certificate representing such Trust Units upon the submission of the existing unit certificate for cancellation. See "*—Resale Restrictions*".

Redemption and Repurchase of Trust Units

A Unitholder will be entitled to demand, at any time, that the Trust redeem all or a portion of the Trust Units registered in the name of such Unitholder. The redemption price is set at 95% of the fair market value per Trust Unit as determined by the Administrator at the time of redemption, less the costs of implementing the redemption to a maximum of 2% of the fair market value of the Trust Units being redeemed (the "**Redemption Price**"). In calculating the fair market value of the Trust Units, the Administrator expects to refer to the value of Trust Units realized in recent transactions involving the transfer of Trust Units or its knowledge of the prices investors are willing to pay for the Trust Units; and in the absence of any reliable information in this regard, the Administrator will use the original capital contribution represented by a Trust Unit, being (i) \$100, in the case of a Class A Trust Unit, and (ii) the product of \$100 and the Canadian dollar equivalent of US\$1.00 at the Prevailing Exchange Rate, in the case of a Class B Trust Unit.

In order to exercise its redemption right pursuant to the Declaration of Trust, a Unitholder must deliver a written redemption notice to the Trust at the office of the Trustee, in a form acceptable to the Trustee acting reasonably, specifying the identity, capacity or authority of the person giving such notice and the number of Trust Units to be redeemed. Upon receipt of such redemption notice, the Unitholder shall cease to have any rights with respect to the Trust Units tendered for redemption, including the right to receive distributions thereon that are declared payable to Unitholders of record on a date which is subsequent to the date of receipt of the redemption notice. The Trust Units in question shall be considered to be tendered for redemption on the date that the Trustee has received the redemption notice and other information or evidence that it deemed necessary, acting reasonably, in order to act on such redemption notice.

The Redemption Price payable in respect of the Trust Units surrendered for redemption shall be satisfied by way of a cash payment on the last day of the calendar month following the end of the month in which the Trust Units in question were tendered for redemption. However, cash payment of the Redemption Price will not be made if the aggregate Redemption Price in respect of all of the Trust Units tendered for redemption in the same month exceeds \$16,667 (although the Administrator, in its sole discretion, may waive such limitation). If the Redemption Price for Trust Units tendered for redemption by a Unitholder will not be paid entirely in cash, the Trustee shall advise such Unitholder in writing that the Redemption Price for the Trust Units tendered for redemption will be paid, in whole or in part, by the distribution of Units (the "**Redemption Units**") if the Unitholder is not a Non-Resident or promissory notes of the Partnership (the

“Redemption Notes”) if the Unitholder is a Non-Resident. The Redemption Notes shall be issued in series, or otherwise, to redeeming Unitholders in principal amounts equal to the Redemption Price (per Trust Unit) multiplied by the number of the Trust Units to be redeemed, and shall be:

- (a) unsecured and bearing interest, from and including the issue date (which shall be the applicable redemption date), at a market rate of interest as determined by the General Partner at the time of issuance, having regard for debt obligations of a comparable term issued by comparable issuers, and payable annually in arrears (with interest accruing after as well as before maturity, default and judgment and on overdue interest);
- (b) subordinated and postponed to all senior indebtedness, if any, and which may be subject to specific subordination and postponement agreements with holders of senior indebtedness, if any;
- (c) subject to earlier prepayment without penalty, due and payable on the seventh anniversary of the date of issuance; and
- (d) subject to other standard terms and conditions, as the General Partner may approve.

The Trust will have the right, but not the obligation, to cause all or any of the Trust Units held by a Unitholder to be repurchased for cancellation by the Trust. This repurchase right may be exercised by the Trust by delivery to the Unitholder of a 30-day advance written notice stating the number of Trust Units to be repurchased for cancellation and, subject to any withholdings required by law, one or more cheques representing the aggregate purchase price of such Trust Units, which, (i) in the case of Class A Trust Units, shall be the amount, in Canadian dollars, equal to the product of (A) \$100 and (B) the number of Class A Trust Units being repurchased and, (ii) in the case of Class B Trust Units, shall be the amount, following its conversion into US dollars at the Prevailing Exchange Rate on the business day on which such Class B Trust Units are being repurchased, equal to the product of (A) the Canadian dollar equivalent of US\$1.00 at the Prevailing Exchange Rate and (B) the number of Class B Trust Units being repurchased. Upon such written notice and the cheques being deemed given to the Unitholder, the repurchase of such Trust Units shall be deemed to have occurred, and the Trust shall be discharged of all liability to the Unitholder in respect of the Trust Units so repurchased (except any liability to pay any distributions then declared but not yet paid), and all rights of the Unitholder in and to such Trust Units shall terminate and be of no further force or effect (except any right to receive any distributions then declared but not yet paid).

The Trustee may deduct or withhold, from all payments or other distributions payable to a Unitholder upon redemption or repurchase of Trust Units, all amounts required or permitted by applicable law to be so withheld, whether those payments or distributions are in the form of cash, Redemption Units, Redemption Notes or otherwise. In the event that withholding taxes are exigible on any distribution or redemption amounts paid pursuant to the Declaration of Trust and the Trust is unable to, or does not, withhold such withholding taxes, the Trust will be permitted to withhold amounts from future distributions to satisfy such withholding tax obligation. Withholding taxes will be generally payable in respect of any distributions by the Trust to Non-Residents, whether those distributions are in the form of cash or additional Trust Units. Non-Residents should consult their own tax advisors regarding the tax consequences of investing in Trust Units.

Resale Restrictions

The distribution of Trust Units in the Provinces is being made only on a private placement basis, exempt from the requirement that the Trust prepare and file a prospectus with the applicable Canadian securities regulatory authorities. The Trust is not a reporting issuer in any Province or territory of Canada, and its securities are not listed on any stock exchange in Canada. There is currently no public market for Trust Units in Canada, and none is expected to develop. The Trust currently has no intention of becoming a reporting issuer in Canada (or the equivalent in any other jurisdiction), filing a prospectus with any securities regulatory authority in Canada or elsewhere to qualify the resale of Trust Units to the public, or

listing its securities on any stock exchange in Canada or elsewhere. Accordingly, to be made in accordance with securities laws, any resale of Trust Units in Canada must be made under available statutory exemptions from the prospectus requirements or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Unitholders are advised to seek legal advice prior to any resale of their Trust Units, which must, in any event, be made in compliance with the Declaration of Trust.

Subscription Procedure

The Trust Units Offering is being made pursuant to various exemptions from the prospectus requirements contained in provincial securities laws. The exemptions relieve the Trust from the provisions of the securities laws of each of the Provinces which otherwise would require the Trust to file and obtain a receipt for a prospectus. Accordingly, prospective investors in Trust Units will not receive the benefits associated with investing in securities issued pursuant to a filed prospectus, including the review of material by provincial securities regulatory authorities.

Investors resident in the Provinces may purchase Trust Units through an Agent, or through other dealers appointed by the Lead Agent that are qualified under applicable securities laws to offer and sell Trust Units in the Provinces, the United States or the State of Israel by signing a subscription agreement in a form acceptable to the Lead Agent and the Administrator. The minimum investment in the Trust is 250 Class A Trust Units (\$25,000) or 250 Class B Trust Units (US\$25,000), subject to the Trust's right, at its sole discretion, to accept a subscription which is for less than the minimum subscription amount. The subscription price is payable by certified cheque, bank draft or electronic funds transfer. Following acceptance of an investor's subscription for Trust Units, the investor will become a Unitholder on the Trust Units Offering Closing Date (or if there is more than one closing of the Trust Units Offering, on the date of closing at which such investor's subscription and payment are accepted).

The Trust and the Lead Agent may elect to close the Trust Units Offering in one or more closings, provided, however, that the initial closing of the Trust Units Offering shall take place concurrently with the closing of the Offering or, if there is more than one closing of the Offering, concurrently with the first such closing. In addition, it is intended that the Trust be, and remain, qualified as a "mutual fund trust" under the Tax Act. The Trust Units Offering will be conditional on at least 160 separate investors in at least one class, each subscribing for at least 10 Trust Units of such class. The Trust Units Offering Closing Date (or if there is more than one closing of the Trust Units Offering, the date of the initial closing thereof) will be July 9, 2019 or such other earlier or later date as may be agreed to by the Trust and the Lead Agent. Each closing of the Trust Units Offering must take place concurrently with a closing of the Offering. The initial closing of the Offering shall not take place unless and until \$38,750,000 of Units have been subscribed for.

Subscriptions for Trust Units received will be subject to rejection or allotment in whole or in part, and the Lead Agent reserves the right to close the subscription books at any time without notice. The Administrator shall have the right, in its sole discretion, to refuse, on behalf of the Trust, to accept a subscription. Any subscription monies received in respect of a rejected order will be returned without interest or deduction. In addition, all subscription monies will be returned to subscribers in the event that the Trust Units Offering does not close for any reason, including by reason of the absence of the required minimum number of separate subscribers or the absence of subscriptions, in the aggregate, for the required minimum number of Trust Units.

In connection with the Trust Units Offering, a maximum of \$3,875,000 of Allocated Trust Units, representing 10% of the Trust Units offered in the Trust Units Offering (assuming the maximum offering), have been reserved for allocation for purchase by staff members, friends and family members of Greybrook Realty and of the Lead Agent. In any event, however, the aggregate amount represented by all Allocated Units and Allocated Trust Units taken up and paid for shall not exceed, collectively, \$3,875,000. Allocated Trust Units are not subject to reduction or allotment in the event the Trust Units Offering is oversubscribed, and there is no requirement or assurance that any Allocated Trust Units will be taken up and paid for. Allocated Trust Units will be sold to staff members, friends and family members of Greybrook Realty and of the Lead Agent on the same terms, and for the same price, as the other Trust

Units offered under the Trust Units Offering. To ensure the total value of Allocated Units and Allocated Trust Units does not exceed the above-stated maximum of \$3,875,000, the value of Allocated Units consisting of class B units of limited partnership interest in the Partnership and the value of Allocated Trust Units consisting of Class B Trust Units will be determined based on the Closing Exchange Rate.

Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans

Eligibility for Investment

Provided that the Trust is, at all relevant times, a “mutual fund trust” for the purposes of the Tax Act, Trust Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act (collectively, “Plans” and, individually, a “Plan”), and trusts governed by deferred profit sharing plans (“DPSPs”). Notwithstanding the foregoing, holders, annuitants or subscribers of Plans (collectively, “Controllers” and, individually, a “Controller”) will be subject to a penalty tax in respect of Trust Units held in a trust governed by such a Plan if such Trust Units are a “prohibited investment” for the purposes of the Tax Act. Trust Units will generally not be a “prohibited investment” for a Plan unless the Controller of the Plan (i) does not deal at arm’s length with the Trust for purposes of the Tax Act or (ii) has a “significant interest”, as defined in the Tax Act, in the Trust. Generally, a Controller will not have a significant interest in the Trust unless the Controller owns 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, either alone or together with persons and partnerships with which the Controller does not deal at arm’s length. In addition, Trust Units will generally not be a “prohibited investment” if such Trust Units are “excluded property” for Plans. Controllers should consult their own tax advisors with respect to the application of these rules in these circumstances.

Redemption Notes or Redemption Units received as a result of an in specie redemption of Trust Units by the Trust are not expected to be qualified investments for Plans or DPSPs. This could give rise to adverse consequences to Plans, DPSPs or the respective Controllers or beneficiaries thereunder. Accordingly, Plans and DPSPs that own Trust Units should consult their own tax advisors in this regard.

Certain Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a subscriber who acquires Trust Units in the Trust Units Offering and who, for purposes of the Tax Act and at all relevant times, is resident or is deemed to be resident in Canada, deals at arm’s length and is not affiliated with the Trust, has not entered and will not enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to his, her or its Trust Units and holds Trust Units as capital property. Generally, Trust Units will be considered to be capital property to a Unitholder, provided that the holder does not hold Trust Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to make an irrevocable election, in accordance with subsection 39(4) of the Tax Act, in order to have such Trust Units and each other “Canadian security”, as defined in the Tax Act, owned by such Unitholder in the taxation year in which the election is made and in subsequent years, deemed to be capital property. Unitholders interested in making this election should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), a Unitholder, an interest in which is a “tax shelter investment” (as defined in the Tax Act), or a Unitholder that has elected to determine its Canadian tax results in a foreign currency pursuant to the “functional currency” reporting rules contained in the Tax Act. Any such Unitholders should consult their own tax advisors with respect to an investment in Trust Units.

This summary 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 (the “**CRA**”). This summary assumes that the Tax Proposals will be enacted in their current form. However, there can be no assurance that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, governmental or judicial decision or action, and does not take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed in this summary.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Trust Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Trust Units will vary depending on a Unitholder’s particular circumstances, including the Province or Provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser or any Unitholder. Prospective investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Trust Units based on their particular circumstances.

This summary does not address any Canadian federal income tax considerations applicable to Non-Residents. Non-Residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Trust Units. All distributions to Non-Residents, whether payable in cash or additional Trust Units, will be net of any applicable withholding taxes.

Status of the Trust

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, will elect to be deemed to have been a mutual fund trust from the date it was established and thereafter 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.

In order for the Trust to qualify as a mutual fund trust, it must satisfy certain requirements, including the requirements that it be a “unit trust” as defined in the Tax Act, it have at least 150 Unitholders of one class, each of whom holds a “block of units” of the class (which would be at least 10 Trust Units, assuming the fair market value of each Trust Unit of the class is \$100 or more) having an aggregate fair market value of not less than \$500, and it has not been established or maintained primarily for the benefit of Non-Residents. This summary assumes that these requirements will be met so that the Trust will be, or will be deemed to be, a mutual fund trust at all relevant times.

The SIFT 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**”). Specifically, 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.

The SIFT Rules do not apply to an entity if no “investments” 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 the Partnership 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 Trust Units or any interest in the Trust or the Partnership to be so listed or traded. On this basis, the SIFT Rules should not be applicable to the Trust or the Partnership. The remainder of this summary assumes that the SIFT Rules do not apply to the Trust or the Partnership. If the SIFT Rules were to apply to the Trust or the Partnership, the income tax considerations discussed below would, in some respects, be materially and adversely different.

Taxation of the Trust

The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under Part I of the Tax Act on its income for the year determined under the Tax Act, including net realized taxable capital gains (if any), less the portion thereof that it deducts in respect of the amounts paid or payable to Unitholders (whether in cash, additional Trust 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 Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount.

The Trust's income will be determined under the Tax Act for each year. The Trust's income will include its share of the income of the Partnership, of which it is a limited partner, for each fiscal year of the 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 the Partnership in respect of its interest in the Partnership (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 the Partnership will be equal to its cost to the Trust plus its share of the income and capital gains of the Partnership allocated to the Trust for fiscal years of the Partnership ending before the particular time, less the Trust's share of losses and capital losses (if any) of the Partnership allocated to the Trust for fiscal years of the Partnership ending before the particular time, and less the Trust's share of any distributions received from the Partnership before the particular time. If the adjusted cost base to the Trust of its interest in the Partnership would otherwise be less than zero at the end of the fiscal year of the 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 Partnership is increased by the amount of such deemed capital gain to zero. If the Partnership were to incur losses for tax purposes, the Trust's ability to deduct such losses may be limited by certain rules under the Tax Act. See "*Certain Canadian Federal Income Tax Considerations — Taxation of Limited Partners*" in the Offering Memorandum.

In computing its income, the Trust may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose 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 Trust Units in the Trust Units Offering, to the extent that such expenses are not reimbursed. The portion of such issue expenses deductible by the Trust in a taxation year is 20% of such issue expenses, pro-rated where the Trust's taxation year is less than 365 days. Any losses incurred by the Trust cannot be allocated to 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.

Under the Declaration of Trust, an amount equal to all of the income of the Trust, together with the non-taxable portion of any net capital gains realized by the Trust (other than capital gains arising on or in connection with a distribution of property of the Trust on a redemption of Trust Units which are designated by the Trust to redeeming Unitholders and capital gains, the tax on which may be offset by capital losses carried forward from prior years or is otherwise recoverable by the Trust) will be payable in the year to the Unitholders by way of cash distributions, except to the extent that the Administrator determines that the Trust does not have sufficient cash, in which case all or a portion of such distribution will be made to Unitholders in the form of additional Trust Units. In the event that all or a portion of a distribution is made via pro rata distribution of Trust Units, the number of Trust Units outstanding immediately thereafter may be consolidated such that each Unitholder will hold, after the consolidation, the same number of Trust Units (except where withholding tax is applicable) as the Unitholder held before the distribution of Trust Units. In this case, each unit certificate, if any, representing a number of Trust Units prior to the

distribution of Trust Units is deemed to represent the same number of Trust Units after the distribution of Trust Units and the consolidation.

The Declaration of Trust provides that where Unitholders elect to have their Trust Units redeemed by the Trust in a particular year, any income and/or the taxable portion of any capital gain realized in that year by the Trust as a result of such redemptions may, at the discretion of the Trustee, be treated as income paid to, and, where applicable, designated as a taxable capital gain of, the redeeming Unitholders. Any amount so designated must be included in the income of the redeeming Unitholders and will be deductible by the Trust.

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

Under the Declaration of Trust, all of the income of the Trust for each year, including taxable capital gains realized by the Trust in the year, will generally be payable in the year to the Unitholders and will generally be deductible by the Trust in computing its taxable income. The Trust does not expect to be liable for any material amount of tax under Part I of the Tax Act.

Taxation of the Partnership

Under the Tax Act, the Partnership itself is not liable for Canadian federal income tax. However, the income or loss of the Partnership will be computed for each fiscal period as if it were a separate person resident in Canada. The fiscal period of the Partnership will end on December 31 each year. The income or loss of the 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.

In computing its income, the Partnership will generally be entitled to deduct expenses in the fiscal period of the Partnership in which they are incurred to the extent that they are reasonable and are permitted by the Tax Act. Certain of the Partnership's expenses may not be deductible and may instead be added to the tax cost of the property comprising the Project, to the extent that such expenses are reasonable. Generally, costs relating to pre-development activities and land development costs as incurred by the Partnership to acquire and develop the Project may be required to be capitalized and added to the cost amount of property comprising the Project or may be treated as depreciable capital property that will be depreciated on a declining balance basis.

The characterization of any gain or loss realized by the Partnership from the disposition of an investment 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 Partnership will earn income and not realize capital gains from its interest in the Project.

The Partnership may generally deduct the costs and expenses of issuing Units pursuant to the Offering, incurred by the Partnership and not reimbursed, at the rate of 20% per year and pro-rated where the Partnership's fiscal year is less than 365 days.

Taxation of Unitholders

Trust Distributions

A Unitholder will generally be required to include in income for a particular taxation year the portion of the net income of the Trust for a taxation year, including the taxable part of net realized capital gains, that is paid or payable to the Unitholder in the particular taxation year, whether such amount is received in cash, additional Trust Units or otherwise. 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 a Unitholder, will effectively retain their 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 having been paid out of the net taxable capital gains of the Trust, such designated amounts will be deemed for tax purposes to be received by a Unitholder in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains. See “—*Dispositions of Trust Units*”.

The non-taxable portion of any net realized capital gains of the Trust, the taxable portion of which was designated to a Unitholder in a taxation year, that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Unitholder in such year (otherwise than as proceeds of disposition of Trust Units) will not generally be included in the Unitholder's income for the year but will reduce the adjusted cost base of Trust Units to the Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and will be added to the adjusted cost base of the Trust Unit such that the adjusted cost base will be zero.

The cost to a Unitholder of additional Trust Units received in lieu of a cash distribution of income or capital gain will be the amount distributed by the issuance of those Trust Units. For the purposes of determining the adjusted cost base to a holder of Trust Units, when a Trust Unit is acquired, the cost of the newly acquired Trust Unit will be averaged with the adjusted cost base of all of the Trust Units of the same class owned by the Unitholder as capital property immediately before that time. A consolidation of Trust Units will not be considered to result in a disposition of Trust Units by Unitholders. The aggregate adjusted cost base to a Unitholder of all the Unitholder's Trust Units will not change as a result of the consolidation of Trust Units; however, the adjusted cost base per Trust Unit will increase.

Amounts relating to the acquisition, holding and disposition of Class B Trust Units must be converted into Canadian dollars using the appropriate exchange rate determined in accordance with the detailed rules of the Tax Act in that regard. A Unitholder that holds Class B Trust Units may realize income, capital gains or capital losses by virtue of the fluctuation in the value of US dollars relative to Canadian dollars.

Dispositions of Trust Units

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

Where Trust Units are redeemed and the redemption price is paid by the delivery of Redemption Units to the redeeming Unitholder, the proceeds of disposition to the Unitholder will be equal to the fair market value of such Redemption Units so distributed. The cost to a Unitholder of any Redemption Units distributed by the Trust to the Unitholder upon redemption of Trust Units will be equal to the fair market value of such Redemption Units at the time of the distribution. The Unitholder who receives Redemption Units will thereafter be required to include in income allocations of income from the Partnership as described in more detail under “*Certain Canadian Federal Income Tax Considerations*” in the body of this Offering Memorandum.

Capital Gains and Capital Losses

One-half of any capital gain (a “**taxable capital gain**”) realized by a Unitholder on a disposition of Trust Units and the amount of any net taxable capital gains designated by the Trust in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain, and one-half of any capital loss (an “**allowable capital loss**”) realized by a Unitholder on a disposition or deemed disposition of Trust Units must generally be deducted only from taxable capital gains realized in the year. To the extent that such allowable capital losses exceed taxable capital gains in the year, such allowable capital losses may be applied against taxable capital gains realized in any of the three taxation years preceding the year or any taxation year following that year to the extent provided for, and in accordance with, the provisions of the Tax Act.

Alternative Minimum Tax

In general terms, net income of the Trust paid or payable to a Unitholder who is an individual or that is one of certain trusts, and designated as net taxable capital gains, and capital gains realized on the disposition of Trust Units may increase the Unitholder's liability for alternative minimum tax.

Special Tax on Certain Corporations

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

Exchange of Tax Information

FATCA (as defined below) and Part XVIII (as defined below) contain due diligence and reporting obligations in respect of "*US reportable accounts*" invested in funds such as the Trust. Unitholders may be requested to provide information to the Trustee, the Administrator or registered dealers through which Trust Units are distributed to identify *US persons* holding Trust Units as well as "*controlling persons*" of Unitholders who are *US persons*. If a Unitholder or its controlling person is a *US person* (including, for example, a US citizen or green cardholder who is resident in Canada) or if a Unitholder does not provide the requested information, Part XVIII will generally require information about the Unitholder's investments to be reported to the CRA. Part XVIII does however set out specific accounts that are exempt from being reported, including Trust Units that are held within certain registered plans. The CRA will automatically provide requisite information directly to the IRS. See "*Risks Related to Investing in Trust Units — United States Withholding Tax Risk*" in this Schedule A for more details.

In addition, the Trust will be subject to reporting regimes implemented by jurisdictions outside of the United States that may require the Trust to report to an applicable government authority information about (i) each Unitholder in the Trust; and (ii) certain persons that indirectly hold, or who control, Trust Units in the Trust though a Unitholder. A Unitholder will be required to provide the Trust with any tax documentation or other information as required for the Trust and the Administrator to comply with any such reporting regimes.

The Tax Act contains International Information Reporting rules similar to the foregoing in respect of non-Canadian non-US resident investors. Pursuant to the International Information Reporting rules, the Trust will be required to have procedures in place to identify its Unitholders, as well as those "*controlling persons*" that indirectly hold Trust Units in the Trust, that are residents of foreign countries (other than the US) and to report required information to the CRA. Specific accounts however are exempt from being reported, including Trust Units that are held within certain registered plans. Such information would then be available for sharing with the jurisdiction in which the Unitholder, or such *controlling person*, resides for tax purposes under the provisions and safeguards of the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters* or the relevant bilateral tax treaty. Under International Information Reporting, Unitholders are required to provide certain information regarding their Trust Units in the Trust for the purpose of such information exchange.

Risks Related to Investing in Trust Units

Currency Conversion

Although investors have the option to purchase Class A Trust Units denominated in Canadian dollars or Class B Trust Units denominated in US dollars, the Property will be paid for in Canadian dollars. The Trust will convert all proceeds of sale of Class B Trust Units to Canadian dollars on the Offering Closing Date (and if there is more than one closing of the Offering, on each date of closing) at the Closing Exchange Rate. The percentage ownership interest in the Trust of a holder of Class B Trust Units will depend on the Closing Exchange Rate. Similarly, the Trust will convert, from Canadian dollars to US dollars at the Prevailing Exchange Rate, all distributions, if any, made by it to a holder of Class B Trust Units immediately prior to distribution. Accordingly, since the ultimate return on investment, if any, of a

holder of Class B Trust Units will depend on the Prevailing Exchange Rate, such holder of Class B Trust Units will be exposed to currency fluctuation. There can be no assurance as to the Prevailing Exchange Rate at any given time.

Limited Marketability

Trust Units offered under this Offering Memorandum are speculative securities. There is no market for Trust Units, and it is not anticipated that any market for Trust Units will develop. Additionally, the Declaration of Trust imposes restrictions on the resale of Trust Units. As a result, it may be difficult or impossible to resell Trust Units. Trust Units are not qualified by prospectus, and consequently, the resale of Trust Units is subject to restrictions under applicable securities legislation. See “—*Resale Restrictions*” in this Schedule A for more details. An investment in Trust Units should be considered only by investors who are able to make a long-term investment and bear the economic risk of the possible loss of their entire investment and bear the risk of being unable to sell their investment. The transfer of a Trust Unit may result in adverse tax consequences for the transferor.

The Trust strongly recommends that prospective investors review the Offering Memorandum in its entirety and consult with their own independent legal, tax, investment and financial advisors to assess the appropriateness of an investment in Trust Units given their particular financial circumstances and investment objectives, prior to purchasing any Trust Units.

Illiquidity of Trust Units

Because there is no public market for Trust Units and they are not generally transferable, an investment in the Trust is an illiquid investment. Trust Units are issued pursuant to exemptions from the prospectus requirements under applicable provincial securities laws, and any disposition of Trust Units will require compliance with those laws. Unitholders may be able to dispose of their Trust Units only through redemption, and they must bear the risk of any decline in the value of Trust Units during the period from the date a notice of redemption is given by them until the redemption date. See “—*Resale Restrictions*”. While Trust Units are redeemable, there are limits on the cash redemptions payable by the Trust, and Unitholders should be aware that, on a redemption, a Unitholder may receive less than the amount of his, her or its original investment and that some (which could be a substantial majority) of the redemption proceeds may be received in the form of Redemption Units or Redemption Notes payable seven years from the date of issue. Investors should, therefore, purchase Trust Units only if they will not need to access the investment in the Trust, and are able to maintain the investment during the life of the Trust, and can afford the risk of loss associated with such investment.

The Redemption Notes are not secured and are subordinated and postponed to all senior indebtedness. As such, there can be no assurances that once secured and senior indebtedness has been paid, there will be funds remaining to pay for obligations under the Redemption Notes.

Effect of Issuing Redemption Notes on Remaining Investors

Redemption Notes will bear interest at market rates prevailing at the time of issuance, and it is not possible to predict what those interest rates might be or what the aggregate obligations of the Partnership might be for Redemption Notes issued. The liability of the Partnership on account of the principal and interest owing on Redemption Notes will be required to be paid (or amounts set aside for payment) on the dissolution or winding-up of the Partnership before any amounts are then distributed or paid to the remaining Partners and so, indirectly, the Unitholders.

Uncertain Valuations

While the Administrator is under an obligation to calculate the fair market value of Trust Units in connection with any redemption thereof, it will do so primarily based on its understanding of the prices investors have recently been, or would then be, willing to pay for Trust Units. Given the illiquidity of Trust Units, the Administrator may not have sufficient information available to it to calculate a fair market value in this manner and, in such circumstances, expects to continue to value Trust Units based on the original

capital contributions represented by them, being (i) \$100, in the case of each Class A Trust Unit, and (ii) the product of \$100 and the Canadian dollar equivalent of US\$1.00 at the Prevailing Exchange Rate, in the case of each Class B Trust Unit, for the purposes of any redemption.

Tax-related Risks

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders. If the Trust were not to qualify as a “mutual fund trust” under the Tax Act, the federal income tax considerations described in the Offering Memorandum, including in this Schedule “A”, would, in some respects, be materially and adversely different.

Maintaining “mutual fund trust” status requires meeting certain ongoing requirements. These requirements generally include that, after the 89th day after the Trust’s first taxation year (provided that the appropriate tax election has been made), the Trust must have at least 150 Unitholders of one class each holding a “block of units” of that class of Trust Units having an aggregate fair market value of not less than \$500. In addition, the Trust may cease to be a “mutual fund trust” where it is considered to be established or maintained primarily for the benefit of Non-Residents unless certain requirements are met. If the Trust were not to qualify as a “mutual fund trust” under the Tax Act, the federal income tax considerations described in this Schedule “A” would, in some respects, be materially and adversely different. If the Trust ceases to qualify as a “mutual fund trust” under the Tax Act, Trust Units will cease to be qualified investments for Plans and DPSPs. There can be no assurance that Trust Units will continue to be qualified investments for Plans and DPSPs. The Tax Act imposes penalties on Plans, DPSPs, Controllers under certain Plans and beneficiaries of DPSPs for the acquisition or holding of non-qualified investments. Even if Trust Units are a qualified investment for a Plan, the Controller of such Plan will be subject to a penalty tax in respect of Trust Units held in a trust governed by such a Plan if such Trust Units are a “prohibited investment” for the purposes of the Tax Act. See “*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans — Eligibility for Investment*”.

Unitholders may be required to include amounts in their taxable income even where they have not received a cash distribution in respect of such amounts. The Declaration of Trust provides that a sufficient amount of the Trust’s net income and net realized taxable capital gains will be distributed each year to Unitholders or otherwise in order to eliminate the Trust’s liability for tax under Part I of the Tax Act. Where such amount of net income and net realized taxable capital gains of the Trust in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized taxable capital gains will be distributed to Unitholders in the form of additional Trust Units. Unitholders will generally be required to include an amount equal to the fair market value of those Trust Units in their taxable income, even where they do not directly receive a cash distribution.

The SIFT Rules generally do not apply to mutual fund trusts or partnerships, investments in which are not listed or traded on a stock exchange or other public market. Each of the Trust and the Partnership intends to conduct its affairs in such a manner so as to ensure that it will not be a “SIFT trust” or “SIFT partnership”, as the case may be, and will not be subject to the SIFT Rules. No assurance, however, can be given that the SIFT Rules will not apply in a manner that adversely affects the Trust or a Unitholder.

Pursuant to rules in the Tax Act, if the Trust experiences a “loss restriction event”, the Trust (i) would be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of its income and net realized capital gains, if any, at such time to holders of beneficial interests in the Trust so that it would not be liable for income tax on such amounts under Part I of the Tax Act), and the Trust (ii) would become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Trust would be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Trust, as those terms are defined in subsection 251.2(1) of the Tax Act. Generally, a majority-interest beneficiary of the Trust would be a beneficiary in the income or capital of the Trust whose beneficial interests, together with the beneficial interests of persons and partnerships

with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Trust. The loss restriction event rules would not apply to a trust that qualifies as a “mutual fund trust” for purposes of the Tax Act and meets certain asset diversification requirements. However, it is not anticipated that the Trust would meet such asset diversification requirements. In the event that the Trust experienced a loss restriction event, such event could give rise to adverse tax consequences to the Trust and adversely affect the return to holders of Trust Units.

Canadian federal and provincial tax aspects should be considered prior to investing in Trust Units. See “—*Certain Canadian Federal Income Tax Considerations and Eligibility for RRSPs and Other Registered Plans*”. The discussion of income tax considerations therein is based upon current Canadian federal income tax laws and regulations and the Tax Proposals. There can be no assurance that tax laws will not be changed in a manner that adversely affects a Unitholder’s return.

Absence of Regulatory Oversight

As the Trust will only offer Trust Units by way of private placement, its activities will not be governed by the securities laws applicable to reporting issuers, such as the continuous disclosure rules.

Nature of Investment

Unitholders do not have statutory rights normally associated with ownership of shares of a corporation, including the right to bring “oppression” or “derivative” actions and rights of dissent. The rights of a Unitholder are based primarily on the Declaration of Trust. Trust Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act, nor are they insured under the provisions of that Act or any other legislation.

Restriction on Ownership of Trust Units

The Declaration of Trust contains provisions limiting the ownership of Trust Units by Non-Residents. As a result, these restrictions may limit the demand for Trust Units or limit the ability to transfer Trust Units, thereby adversely affecting the liquidity and market value of Trust Units.

United States Withholding Tax Risk

Generally, the Foreign Account Tax Compliance provisions of the US Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) impose a 30% US withholding tax on “withholdable payments” made to certain entities, unless such entity enters into a FATCA agreement with the US Internal Revenue Service (the “**IRS**”) (or is subject to an intergovernmental agreement as described below) and adheres to required due diligence and reporting obligations, as applicable.

Under the terms of the intergovernmental agreement between Canada and the US to provide for the implementation of FATCA and its implementing provisions under Part XVIII of the Tax Act (“**Part XVIII**”), the Trust is considered to be a “*reporting Canadian financial institution*”, and as such will be considered to be in compliance with FATCA and not subject to the aforementioned 30% US withholding tax, provided the Trust adheres to the due diligence and reporting obligations imposed in respect of its “*US reportable accounts*.” Specifically, the Trust will not have to enter into an individual FATCA agreement with the IRS, but the Trust will be required to register with the IRS and obtain a Global Intermediary Identification Number.

Unitholders will then be requested to provide information to the Trustee, Administrator or registered dealers through which Trust Units are distributed to identify *US persons* holding Trust Units as well as “*controlling persons*” of Unitholders who are *US persons*. If a Unitholder, or its *controlling person*, is a *US person* (including, for example, a US citizen or green cardholder who is resident in Canada) or if a Unitholder does not provide the requested information, Part XVIII will generally require information about the Unitholder’s investments to be reported to the CRA. Part XVIII mandates that the Trust not provide

the requisite information directly to the IRS but instead report said information to the CRA. The CRA in turn will automatically exchange this information with the IRS.

By investing in the Trust, each Unitholder is deemed to consent to the Trust disclosing required information to the CRA. However, should the Trust be unable to comply with any of its obligations under Part XVIII, imposition of the 30% US withholding tax may affect the net assets of the Trust and may result in reduced investment returns to the Unitholders.

In addition to FATCA, the Trust may also be subject to other similar legislation, regulations or guidance enacted in other jurisdictions, in addition to the United States, which seek to implement similar financial account information reporting and/or withholding tax regimes, including, for example, the Common Reporting Standard or CRS legislation contained in Part XIX of the Tax Act, and/or any associated guidance, intergovernmental agreement, or regulation (collectively referred to as “**International Information Reporting**”). By investing in the Trust, each Unitholder is also deemed to consent to the Trust disclosing such information to the CRA.

As a *reporting Canadian financial institution*, the Trust is subject to the due diligence and reporting obligations that are imposed under FATCA, Part XVIII and/or International Information Reporting, as the case may be, *mutatis mutandis*. It is possible that the administrative costs arising from compliance with FATCA and/or Part XVIII and/or International Information Reporting may also cause an increase in the operating expenses of the Trust.

Unitholder Liability

Recourse for any liability of the Trust is intended to be limited to the assets of the Trust. The Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier (an “**annuitant**”) will be held to have any personal liability as such and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of, or in connection with, any contract or obligation of the Trust or of the Trustee.

Certain Provinces have enacted legislation expressly limiting the liability of trust unitholders; however, that legislation does not apply to the Trust, because the Trust is not a reporting issuer in any jurisdiction of Canada under applicable provincial securities laws. As a result, there can be no assurance that Unitholders will not be held personally liable for the obligations of the Trust.

The Administrator intends to attempt to have every material written contract or commitment of the Trust contain an express disavowal of liability against Unitholders.

Reporting Obligations

The Trust will appoint MNP LLP, Chartered Professional Accountants, as its auditor and will deliver, or otherwise make available, to Unitholders, not later than four months after the fiscal year end of the Trust, audited annual financial statements of the Trust for the most recently completed fiscal year. Copies of the audited financial statements of the Co-Ownership will also be provided to Unitholders after they are received by the Administrator.

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

SCHEDULE "B"

Capitalized terms used in this Schedule "B", but not defined, have the respective meanings attributed to such terms in the Offering Memorandum.

Except as expressly indicated herein, the data, on which the projections and forecasts contained in this Schedule "B" (the "**Forecasts**"), are based, were prepared by Management in collaboration with First Capital. While Management believes that the Forecasts and underlying assumptions are reasonable, such information is inherently imprecise. The Forecasts are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "*Risk Factors*" and elsewhere in this Offering Memorandum. These and other factors could cause results to differ materially from those expressed in the Forecasts. There can be no assurance whatsoever that the Forecasts will be achieved.

The Forecasts constitute "forward-looking information" within the meaning of applicable Canadian securities law and are expressly qualified by the cautionary statements under the heading "*Forward-Looking Information*" in this Offering Memorandum and are made as at the date of this Offering Memorandum. None of the Partnership, the Trust or the Agents undertakes any obligation to publicly update or revise any of the Forecasts, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

The Forecasts have been provided for the purpose of providing information about Management's current expectations relating to the potential revenue and profit with respect to the Project and should not be used for any other purpose.

Readers should not place undue reliance on the Forecasts.

The Forecasts are the sole responsibility of Management. MNP LLP, Chartered Professional Accountants, has neither examined nor compiled the accompanying prospective financial information for the purpose of its inclusion herein, and, accordingly, MNP LLP, Chartered Professional Accountants, does not provide any form of assurance with respect thereto for the purpose of this offering document. The MNP LLP, Chartered Professional Accountants, reports included in this Offering Memorandum relate solely to the historical financial statements of the Trust, the Partnership and the General Partner, respectively. They do not extend to the Forecasts and should not be read to do so.

The Forecasts are expressed in Canadian dollars.

FORECASTS

Project Statistics:

Land Area (acres)	0.55	Total GFA (sf):	299,564
Total Number of Residential Units	91	Total Residential GFA (sf):	269,179
Project Term (years)	5.00	Total Commercial GFA (sf):	30,385
		Average Residential Unit Size (sf):	2,516

Revenue - Average Sale Price ⁽¹⁾	\$ 6,982,000	\$ 7,170,000	\$ 7,359,000	\$ 7,548,000	\$ 7,736,000
Revenue - Average Sale Price (PSF) ⁽¹⁾	\$ 2,775	\$ 2,850	\$ 2,925	\$ 3,000	\$ 3,075
Revenue					
Gross Sales ⁽²⁾	\$ 653,430,700	\$ 670,601,800	\$ 687,772,900	\$ 704,944,000	\$ 722,115,100
Upgrade Sales ⁽³⁾	\$ 29,575,000	\$ 29,575,000	\$ 29,575,000	\$ 29,575,000	\$ 29,575,000
HST	\$ (76,643,134)	\$ (78,618,570)	\$ (80,594,006)	\$ (82,569,442)	\$ (84,544,879)
Other Revenue ⁽⁴⁾	\$ 1,665,300	\$ 1,665,300	\$ 1,665,300	\$ 1,665,300	\$ 1,665,300
Non-Residential Sales ⁽⁵⁾	\$ 82,858,133	\$ 82,858,133	\$ 82,858,133	\$ 82,858,133	\$ 82,858,133
Total Revenue	\$ 690,885,999	\$ 706,081,663	\$ 721,277,327	\$ 736,472,991	\$ 751,668,654
Costs					
Land ⁽⁶⁾	\$ 201,812,665	\$ 201,812,665	\$ 201,812,665	\$ 201,812,665	\$ 201,812,665
Hard Costs ⁽⁷⁾	\$ 223,222,836	\$ 223,222,836	\$ 223,222,836	\$ 223,222,836	\$ 223,222,836
Soft Costs ⁽⁸⁾	\$ 153,515,759	\$ 154,210,616	\$ 154,953,661	\$ 155,703,863	\$ 156,459,625
Total Costs	\$ 578,551,260	\$ 579,246,117	\$ 579,989,162	\$ 580,739,364	\$ 581,495,126
Net Project Profit	\$ 112,334,739	\$ 126,835,546	\$ 141,288,165	\$ 155,733,627	\$ 170,173,528
Estimated Partnership Distribution ⁽⁹⁾	\$ 37,444,913	\$ 42,278,515	\$ 47,096,055	\$ 51,911,209	\$ 56,724,509
Less: Financing Fee ⁽¹⁰⁾	\$ (1,871,251)	\$ (1,864,028)	\$ (1,857,446)	\$ (1,851,191)	\$ (1,845,190)
Less: Partnership Offering and Maintenance Costs	\$ (5,416,667)	\$ (5,416,667)	\$ (5,416,667)	\$ (5,416,667)	\$ (5,416,667)
Plus: Interest Income from Equalization Loan ⁽¹¹⁾	\$ 1,007,559	\$ 1,001,919	\$ 995,889	\$ 989,801	\$ 983,667
Less: Success Fee	\$ (1,558,228)	\$ (1,799,987)	\$ (2,040,892)	\$ (2,281,658)	\$ (2,522,316)
Net Profit to Limited Partners⁽¹²⁾	\$ 29,606,326	\$ 34,199,752	\$ 38,776,939	\$ 43,351,494	\$ 47,924,003
Average Annual Return to Limited Partners⁽¹³⁾	15.3%	17.7%	20.0%	22.4%	24.7%

Notes:

- (1) Based on its experience in the real estate development industry and the due diligence it has conducted, which included a market analysis of recent sales activity in the immediate area where the Property is located, Management believes that, at the time of sale, an average sale price range of between \$2,775 and \$3,075 psf is reasonable for residential condominium units in a development of a kind similar to the Project. Management believes that, at the time of sale, \$2,925 psf will be the most probable average sale price realized in connection with sales of residential condominium units in the Project. This projected average sale price reflects an assumed average residential condominium unit size of 2,516 sf.
- (2) This line item sets forth the projected gross revenues from the sale of condominium residential units (refer to footnote (1) above) and 193 parking stalls. Management believes that, at the time of sale, \$93,782 per parking stall will be the most probable average sale price realized in connection with sales of parking stalls in the Project.
- (3) This line item sets forth the projected net revenues from the sales of upgrades. Management's experience in the real estate development industry and the due diligence it has conducted have led it to estimate that each residential condominium unit sold will generate net upgrade revenues of approximately \$325,000. Management believes this estimate to be reasonable.
- (4) This line item reflects Management's projection of recoveries from condominium unit purchasers for certain pre-paid expenses, including, among other costs: water and gas meters; Tarion enrollment fees; and a portion of the Project's development charges. Management believes this estimate to be reasonable.
- (5) This line item represents Management's estimate of the aggregate value of 30,385 sf of commercial space in the Project. Management believes this estimate to be reasonable. The sale price for commercial space was calculated based on an assumed net lease rate of approximately \$102 psf and an assumed capitalization rate of 3.75%.
- (6) This line item represents Management's estimate of the aggregate of the Property Purchase Price, Residential Strata Rights Purchase Price, closing costs and land transfer tax payable on the acquisition of the Property and Residential Strata Rights.
- (7) This line item represents an estimate of the aggregate of, among other things, hard construction costs and a contingency reserve. The assumptions underlying this estimate reflect Management's understanding of the prevailing market rates for required goods and services in the context of ultra-luxury high-rise condominium developments of a kind similar to the Project.
- (8) This line item represents Management's estimate of the aggregate of, among other costs, development charges and other municipal fees, the costs of consultants, legal fees, closing costs, sales commissions, marketing allowances, land loan financing costs, construction financing costs, insurance costs and management fees. The assumptions underlying this estimate reflect Management's understanding of the prevailing market rates for services required for ultra-luxury high-rise condominium developments of a kind similar to the Project.

- (9) This line item represents an estimate of the aggregate amount of the Gross Revenues (after payment of costs and expenses and the provision of any reserves) projected to become payable to the Partnership pursuant to Section 8.3(b)(i) of the Co-Owners Agreement (being 33½% of the then-remaining Gross Revenues (after payment of costs and expenses and the provision of any reserves) to be distributed pursuant to Section 8.3(b)(i) of the Co-Owners Agreement).
- (10) This line item represents an estimate of the aggregate amount of the Financing Fee projected to become payable to the First Capital Co-Owner, or its affiliate, pursuant to Section 9.4(e) of the Co-Owners Agreement. See "*Business of the Partnership — The Co-Owners Agreement — Project Financing*".
- (11) This line item represents an estimate of the aggregate amount of the Equalization Loan projected to become payable to the Partnership pursuant to Sections 8.1(c)(ii) and 8.3 of the Co-Owners Agreement. The Equalization Loan will bear interest from the date of its advance at the rate of interest equivalent to the interest rate payable under the construction financing. Management estimates that the principal amount of the Equalization Loan will be \$7,158,234.
- (12) Net profit to the Limited Partners is calculated as: (i) the aggregate amount of the Gross Revenues (after payment of costs and expenses and the provision of any reserves) projected to become payable to the Partnership pursuant to Section 8.3(b)(i) of the Co-Owners Agreement (refer to footnote (9) above); less (ii) the Financing Fee; less (iii) the Partnership Offering and Maintenance Costs; plus (iv) the interest income from the Equalization Loan; less (v) the amount of the Success Fee.
- (13) Average annual return to Limited Partners, expressed as a percentage, is calculated by dividing the amount of the projected net profit to the Limited Partners by the amount of the gross proceeds raised in the Offering and then dividing that number by 5.0 (being the projected term of the Project expressed in years).

SCHEDULE "C"

See attached.

YORKVILLE III

DEVELOPMENT OFFERING:
ULTRA-LUXURY HIGH-RISE
CONDOMINIUM

 **Greybrook
Realty Partners**
Asset Management & Advisory Services

FIRST

CAPITAL

STRICTLY CONFIDENTIAL



Renderings are artist's concepts only. Illustrations are subject to change.

IMPORTANT DISCLOSURE INFORMATION AND NOTES

The information contained in this presentation is STRICTLY CONFIDENTIAL. This presentation forms part of, and is qualified in its entirety by, and is incorporated by reference into, the offering memorandum of Greybrook Yorkville III Limited Partnership in respect of a proposed offering, on a private placement basis, of securities in an aggregate amount of \$38,750,000. A copy of the offering memorandum of Greybrook Yorkville III Limited Partnership will be available from Greybrook Securities Inc., the lead placement agent for the offering in Canada, other dealers appointed by Greybrook Yorkville III Limited Partnership that are acceptable to Greybrook Securities Inc., and from SDDco Brokerage Advisors LLC (a FINRA/SIPC member), Greybrook Securities Inc.'s selected dealer for the proposed offering in the United States. The limited partnership will be organized by Greybrook Realty Partners Inc.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and 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 an exemption from such registration is available. Any sale of the securities described herein to U.S. persons is contemplated to be made in reliance on a private placement exemption from registration pursuant to Rule 506(b) of Regulation D and state securities laws.

FORWARD-LOOKING INFORMATION

The forward-looking information in this presentation (information that expresses predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance) is made as of the date of this presentation, April 29, 2019. Forward-looking information involves a number of risks and uncertainties which could cause actual results or events to differ materially from those currently anticipated. The material assumptions applied in reaching the conclusions contained in the within forward-looking information include, among others, (1) an assumption that site acquisition, the development approvals of the project and the procurement of financing all will proceed as planned, (2) an assumption that the required municipal designations, zoning and other governmental approvals will be obtained and (3) assumptions relating to anticipated costs and revenues. We do not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required to do so by applicable law. Past performance is no guarantee of future results.

INVESTMENT RISKS, STATUTORY RIGHTS AND UNDERWRITING CONFLICTS

An investment in the offered securities involves certain risks. This presentation does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the offering memorandum, especially the risk factors relating to an investment in the offered securities, before making an investment decision.

Investors in the offered securities are entitled to the benefit of certain statutory rights of action in the event the offering memorandum, of which this presentation forms part and into which it is incorporated by reference, contains a misrepresentation. These rights are described in the offering memorandum.

Each of Greybrook Yorkville III Limited Partnership and The Greybrook Yorkville III Trust may be considered to be a “related” or “connected” issuer (as such terms are defined in National Instrument 33-105—Underwriting Conflicts) of Greybrook Securities Inc., because, among other reasons, they share common owners and executive managers. Investors who are considering purchasing limited partnership units or trust units should read the offering memorandum before making an investment decision, especially the section titled “Conflicts of Interest” and the section titled “Conflicts of Interest” in Schedule “A” appended thereto.

FOREIGN EXCHANGE DISCLAIMER

In this presentation, unless otherwise expressly stated, all dollar amounts are expressed in Canadian currency. References to “Canadian dollars” and “\$” are references to the currency of Canada, and references to “U.S. dollars” and “US\$” are references to the currency of the United States. Dollar amounts expressed in United States currency assume an exchange rate of \$1 to US\$0.7429 as of April 26, 2019, which assumed exchange rate may not be the exchange rate at which proceeds of the offering raised in U.S. dollars will be converted to Canadian dollars. As a result, investors investing U.S. dollars may be exposed to changes in the value of the U.S. dollar against the Canadian dollar.



THE INVESTMENT

TOTAL OFFERING:	\$ 38,750,000
INVESTMENT VEHICLE:	Limited Partnership and Mutual Fund Trust
MINIMUM INVESTMENT AMOUNT:	\$25,000
REGISTERED PLAN ELIGIBLE:	Trust Units Eligible Investments for RRSP, TFSA, RESP, LIRA and other registered plans
LP UNIT AND TRUST UNIT SALE PRICE:	\$100
EXPECTED PROJECT TERM:	5 years
LOCATION⁽¹⁾:	140-148 Yorkville Avenue; 136 Yorkville Avenue; 33-41 Avenue Road Toronto, Ontario
LAND AREA:	31,439 SQ. FT. (0.72 acres)
GROSS FLOOR AREA (GFA)⁽²⁾:	299,564 SQ. FT.
RESIDENTIAL GFA:	269,179 SQ. FT.
RETAIL GFA:	30,385 SQ. FT.
NUMBER OF CONDO UNITS:	91
AVERAGE UNIT SIZE:	2,516 SQ. FT.
NUMBER OF STOREYS:	29

(1) For a map showing the approximate location of the project site, see pages 18 and 19

(2) GFA shown is excluding commercial and hotel GFA to be retained by First Capital Realty

THE OPPORTUNITY

- Toronto's ascent as a global city, the associated increase in real estate values, along with the corresponding accumulation of wealth, has significantly increased the demand for luxury residential real estate across several key buyer groups:
 - The city's most affluent residents
 - Expatriates with permanent ties to Toronto
 - International real estate investors
- There is currently a considerable gap in the market for luxury high-rise residences that meets the demand of these key buyer groups.
- Ultra-High-Net-Worth-Individuals (UHNWI)⁽¹⁾ are looking to move from their single family homes and transition to a residence that offers a luxurious "lock and leave" lifestyle; while others are looking to upgrade from their current condominium unit to a more luxurious option.
- We have the unique ability to provide all the key attributes these ultra-high-net-worth purchasers desire, including prestigious address, exclusivity, above-standard ceiling heights, outdoor space and bespoke services to create Canada's premier residential development.

(1) UHNWI – Individuals with at least a US\$30 million net worth in investable assets



TORONTO CONTINUES TO RISE IN GLOBAL PROMINENCE



A TOP RANKED GLOBAL CITY AND GROWING ECONOMY

- The Greater Toronto Area (GTA) is expected to grow by nearly 3 million people by 2041 (*Ontario Ministry of Finance*)
- Toronto is Canada's capital for many major industries including being the world's fastest growing tech workforce and a world leader in Artificial Intelligence (*Z/Yen*)
- The GTA is a \$332 billion economy with a labour force of over 4.7 million, is home to more than 800,000 businesses, and produces 18.5% of Canada's GDP. Its economy is larger than any other province (excluding Ontario) with the exception of Quebec, which has a similar size of economy to the GTA (*Toronto Global*)
- Toronto is ranked the 4th leading global fintech center of the Future (*Z/Yen*)
- Toronto Ranked 7th of 140 cities in the 2018 Economist's Livability Survey (*The Economist*)

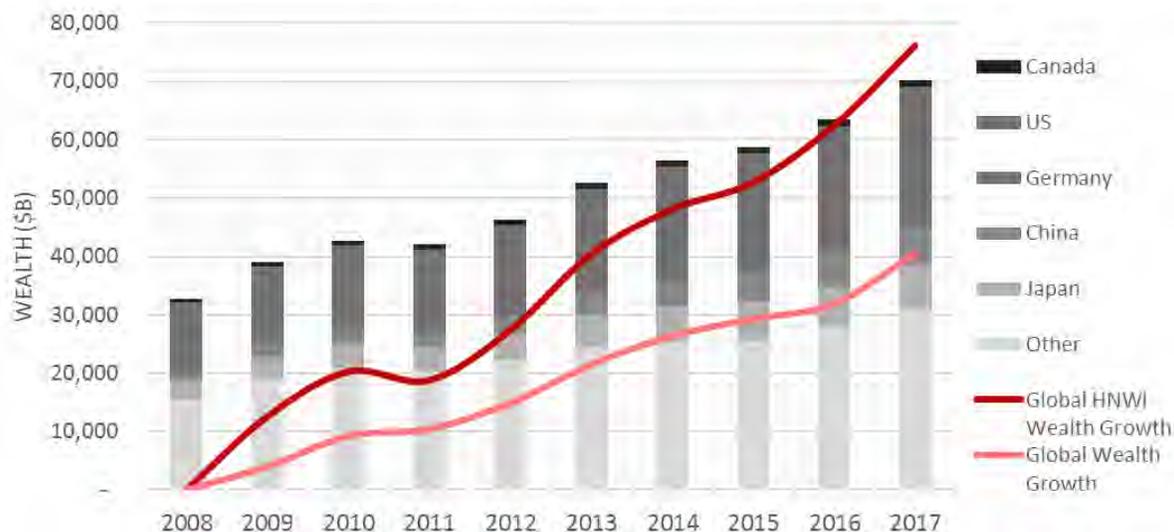
A GLOBAL DESTINATION FOR LUXURY

- Approximately 40% of new international retailers that entered Canada in 2017 were in the luxury segment of the market (*Retail Insider*)
- In 2017, Toronto welcomed 40 new international retailers, the most on record for the city (*CBRE*)
- In 2018, Toronto's Yorkdale Mall averaged \$1,905 in sales Per Square Foot (PSF) making it the 2nd most profitable retail mall in North America (*Retail Council of Canada*)
- Pre-existing luxury retailers in Toronto are doubling down on the success of their brick-and-mortar stores by upgrading and expanding their spaces. The Hermès new Toronto flagship store now occupies almost 13,000 SQ. FT., 10 times the size of its previous Toronto location (*CBRE*)

THE POPULATION OF ULTRA-HIGH-NET-WORTH-INDIVIDUALS IS ON THE RISE

- Total estimated private wealth in Toronto amounts to US\$944 billion, making it the 13th wealthiest city in the world (*New World Wealth*)
- In 2017, Canada had an Ultra-High-Net-Worth population of 10,840, up 13.9% YOY, ranking 5th globally, ahead of France, Hong Kong, United Kingdom, Switzerland and Italy (*Wealth-X*)
- Canada's current High-Net-Worth population is expected to grow by approximately 50% to 503,800 by 2026. The current annual growth rate exceeds that of the U.S. (*Retail Insider*)
- Canada saw 5,000 High-Net-Worth-Individuals flow into the country in 2017 ranking 3rd globally (*Global Wealth Migration Report*). Toronto made up over 20% of this total (*New World Wealth*)
- Toronto is becoming an important settlement hub to a rapidly increasing population of wealthy residents. The city ranks 10th globally in Knight Frank's Wealth Index (ranking based on the city's wealth, investment opportunity and lifestyle) (*Knight Frank*)

HNWI WEALTH GROWTH



Source: Wealth-X - World Ultra Wealth Report 2018

TOP 10 UHNW COUNTRIES

Rank	Country	UHNW population 2017	UHNW wealth (\$bn) 2017	Year-on-year change in population (%)	Year-on-year change in wealth (%)
1	United States	79,595	9,845	▲ 8.9	▲ 12.9
2	Japan	17,915	1,695	▲ 11.0	▲ 13.4
3	China	16,875	2,421	▲ 14.1	▲ 32.8
4	Germany	15,080	1,815	▲ 12.3	▲ 15.6
5	Canada	10,840	1,153	▲ 13.9	▲ 14.8
6	France	10,120	1,077	▲ 17.3	▲ 16.5
7	Hong Kong*	10,010	1,295	▲ 31.0	▲ 31.5
8	United Kingdom	9,370	1,035	▲ 9.3	▲ 10.6
9	Switzerland	6,400	877	▲ 13.9	▲ 15.0
10	Italy	5,960	692	▲ 7.9	▲ 10.8

Source: Capgemini - World Wealth Report 2010-2018

THE DEMAND FOR ULTRA-LUXURY RESIDENCES IS PRIMARILY DRIVEN BY KEY BUYER GROUPS

“RIGHT SIZING”, UHNW BUYERS

Many UHNW Torontonians have transitioned to a life stage where they prefer the ease of condo living. They are not “downsizing”, but rather looking for accommodation that suits their lifestyle (travel considerably, empty nester, looking to reduce the burden of home maintenance, place a high value on privacy, security and exclusivity).

EXPATRIATES WITH PERMANENT TIES TO TORONTO

As the 2nd most multi-cultural city in the world next to Brussels, many foreign nationals now call Toronto home either all or part of the year. These individuals and families have deep and permanent ties to the city, whether through business, extended family, or children attending Canadian schools, and many are accustomed to a higher level of luxury than Toronto has offered to date.

RESIDENTS IN EXISTING LUXURY HIGH-RISE

Our development will arguably have one of the most prestigious residential addresses in Canada and will be the city’s premier, exclusive ultra-luxury condominium. Many UHNWI in Toronto who are currently living in condominium units that were previously regarded as the “gold standard” for luxury in Toronto are seeking a more exclusive, 5-star experience and lifestyle.



56 Leonard (NYC) – Herzog Demeuron



1000 Museum (Miami) - Zaha Hadid



56 Leonard (NYC) – Herzog Demeuron



OUR BELIEF IS THAT NO SINGLE CONDOMINIUM IN TODAY'S MARKET COMBINES ALL OF THE KEY ATTRIBUTES SOUGHT AFTER BY THE DISCERNING LUXURY BUYER

PREMIUM LOCATION

- Prestigious address
- Steps away from luxury retail, dining and cultural amenities
- Boutique feel that offers privacy, security and exclusivity

UNIQUE ARCHITECTURE, DESIGN AND EXCLUSIVE FINISHES

- A move away from "Toronto bland" – instantly recognizable, iconic architectural design
- Special attention to critical design features, including ceiling heights, outdoor terrace space, private elevators, floor to ceiling windows, luxury appliances, and personalized customization options within the units

EMPHASIS ON DELIVERING A "LIFESTYLE"

- Luxury amenity profile
- 24-hour concierge and valet services
- Security, fine dining, "lifestyle curator"
- Customized smart phone applications to manage temperature, music, deliveries, car valet, laundry services, cleaning services, grocery delivery, security cameras, visitors and other lifestyle amenities

With 140 Yorkville we have a rare opportunity to create Canada's premier luxury high-rise residence by addressing a considerable gap that exists in the market at a time when the demand for such a product is accelerating. What is even more rare is the forging of a partnership where all of those involved share a vision and have substantial influence over the real estate in the area to bring it to reality.

FIRST CAPITAL REALTY

First Capital Realty Inc. (FCR) is a Canadian publicly traded real estate company listed on the TSX (TSX: FCR) with a market capitalization of over \$4.5 billion as at April 29, 2019, and real estate investments valued at \$9.9 billion.

FCR is one of Canada's largest owners, developers and managers of retail-focused urban properties and it owns an interest in over 25.5 million SQ. FT. of gross leasable area across more than 166 properties.

Since 2001, FCR has developed over 3.5 million SQ. FT. of retail space in urban markets of the GTA, the Golden Horseshoe area; London, Guelph, and Kitchener-Waterloo; Ottawa and Hull region; the Greater Montreal Area and Quebec City; Calgary and Edmonton; and the Greater Vancouver Area.



FCR IS TRANSFORMING YORKVILLE

As one of Yorkville's largest land owners, property managers and developers of retail in Yorkville, FCR is redefining luxury along Yorkville Avenue. They have invested more than \$700 million into the neighbourhood and manage over 330,000 SQ. FT. of retail space in Yorkville, including Yorkville Village (formerly Hazelton Lanes).



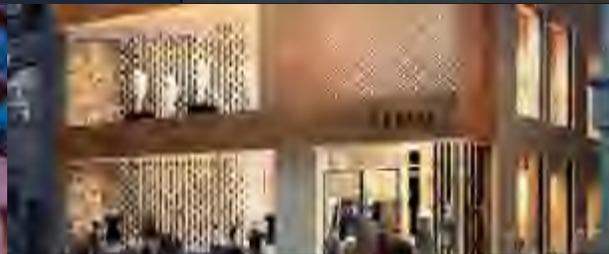
101 Yorkville Avenue⁽¹⁾



102-108 Yorkville Avenue⁽¹⁾



98 Yorkville Avenue



84 Yorkville Avenue⁽¹⁾



92 Yorkville Avenue



Yorkville Village



78 Yorkville Avenue

- FCR is the single largest owner of storefronts on Yorkville Avenue
- Completely overhauled and rebranded Yorkville Village near the corner of Avenue Road and Yorkville Avenue which is now home to over 210,000 SQ. FT. of prime retail and over 400 underground parking spaces.

⁽¹⁾ Renderings are artist's concept only, illustrations are subject to change.

FCR'S OWNERSHIP ALONG YORKVILLE AVENUE

- Our development will be part of FCR's master development plan at the corner of Avenue Road and Yorkville Avenue. The mixed-use master plan entails an ultra-luxury residential tower, luxury retail destination and the expansion/integration of the existing Hazelton Hotel
- FCR's current ownership of both the Hazelton Hotel and Yorkville Village will provide a number of efficiencies to the project, and allow FCR to further control the identity and enhance the luxury of Yorkville
- The Hazelton Hotel currently has the highest Average Daily Rate of any hotel in Toronto (JLL)



FCR'S assets along Yorkville Avenue highlighted in blue.



WALDORF ASTORIA HOTEL & RESIDENCES MIAMI⁽¹⁾



68 YORKVILLE AVENUE



168 BEDFORD ROAD⁽¹⁾



AVENUE & PARK



1 SCOLLARD STREET⁽¹⁾

GREYBROOK REALTY PARTNERS

- Over \$1 billion of equity deployed on behalf of individual and institutional investors across 70+ developments; five of which are in or near Yorkville
- Greybrook co-manages a diverse development portfolio alongside 20 top real estate developers
- In aggregate, Greybrook's managed real estate portfolio represents approximately 35 million SQ. FT. of residential and commercial density with an estimated completion value of greater than \$15 billion
- Firsthand experience in luxury high-rise development in both Toronto and Miami, including, among others, Avenue & Park, 68 Yorkville Avenue, 168 Bedford Road and current collaboration on the Waldorf Astoria Hotel & Residences Miami
- Development assets located throughout the GTA, Greater Golden Horseshoe (GGH) and South Florida, with a focus on urban core, multi-family and ultra-luxury within high-rise, as well as a ground-related housing

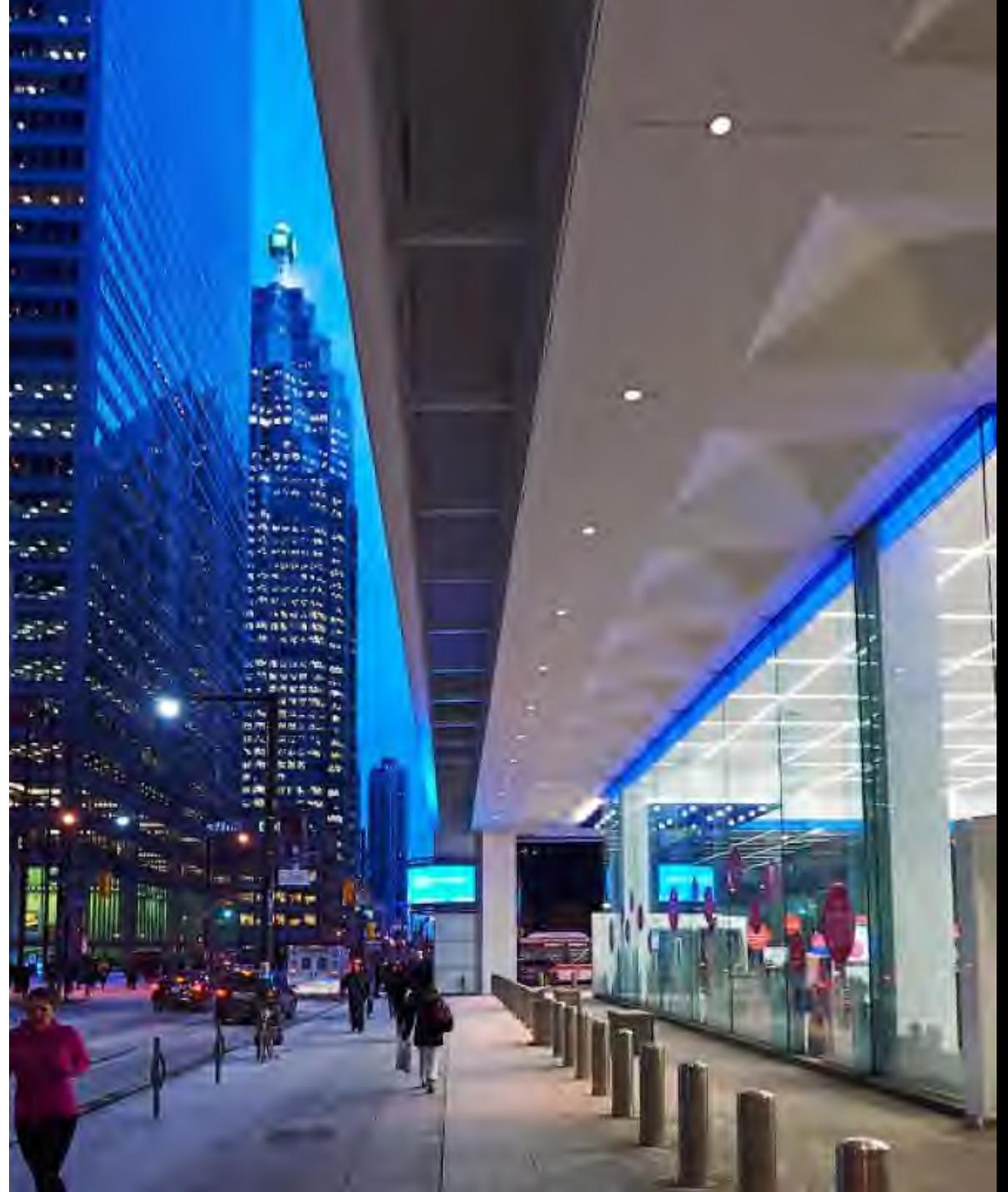
(1) Renderings are artist's concept only, illustrations are subject to change

BMO REAL ESTATE FUND ("BRE FUND")

The BRE Fund invests alongside best in class real estate industry partners with which they have longstanding relationships, including REITs, private equity and pension funds. The fund invests in institutional quality real estate developments and value-add projects situated within urban centres. More specifically, BRE Fund's investment focus is targeted towards office, retail, multi-family or urban mixed-use projects with a target equity investment size between \$10 - \$75 million per project.

The fund is 100% proprietary and is managed by a team of dedicated real estate professionals with extensive real estate underwriting and transaction execution capabilities. The team has executed on over \$50 billion of real estate transactions over the past 10 years, including some of the largest real estate deals in Canadian history.

BRE Fund is a capital partner and will be an equity investor as a non-managing partner.



DEFINING THE OPPORTUNITY

YORKVILLE - CANADA'S MOST LUXURIOUS NEIGHBOURHOOD

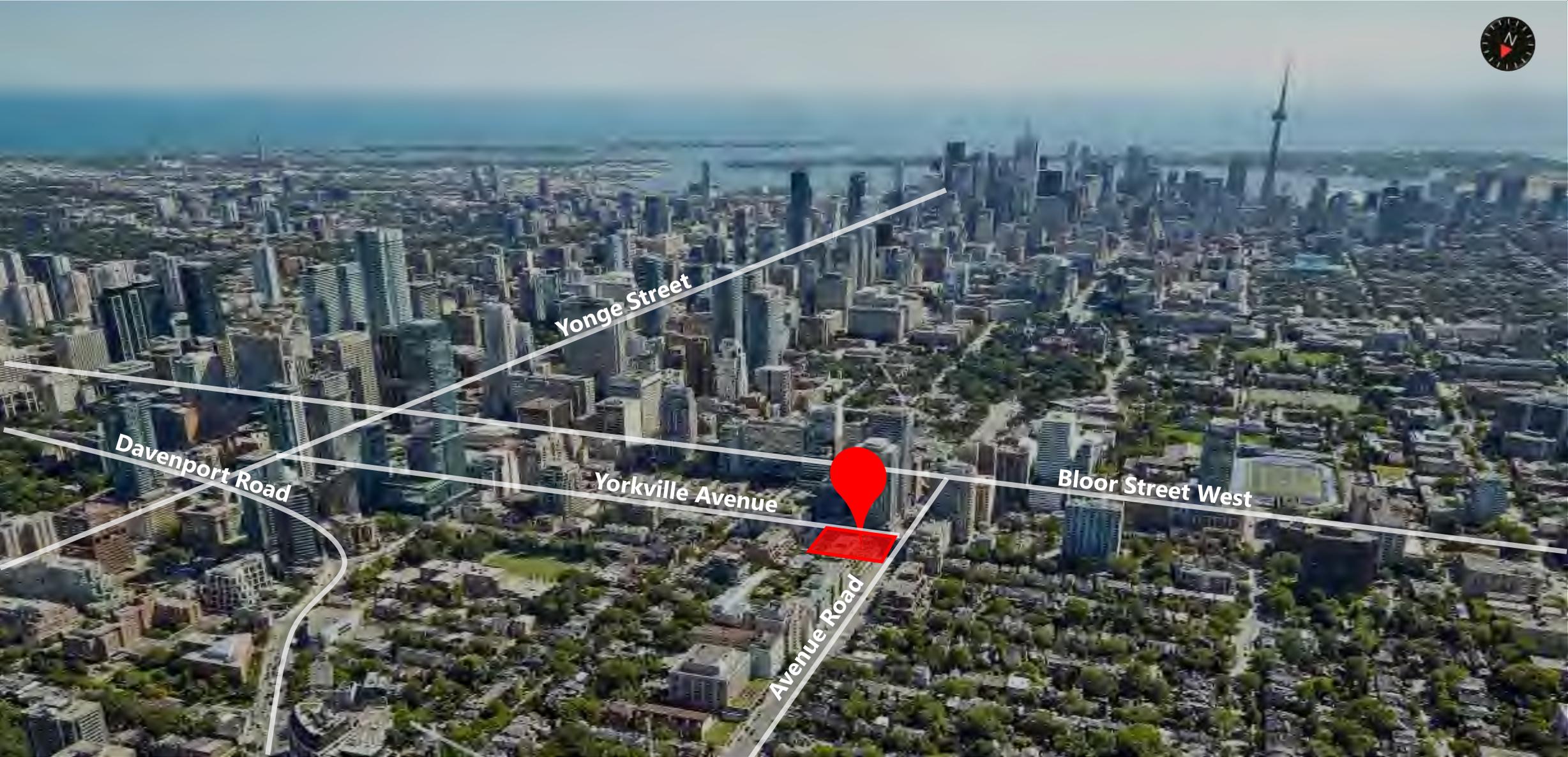
Once the capital of Toronto's bohemian culture and hippie movement, this iconic neighbourhood has become Canada's premier destination for all things luxury.

Known for its boutique charm, the area is renowned for its exclusive mix of upscale designer fashion and first-class art galleries, alongside acclaimed restaurants and chic cafes. From cutting-edge fashion to high-end designer boutiques, Yorkville is home to brands synonymous with luxury, including Chanel, Christian Louboutin and Brunello Cucinelli.

A magnet for residents and tourists alike, the neighbourhood's historic Victorian architecture and tree-lined cobblestone streets offer a quaint and charming pedestrian experience. The neighbourhood's unique retail, cultural and culinary experience creates a vibrant destination that draws a well-heeled crowd, day and night.

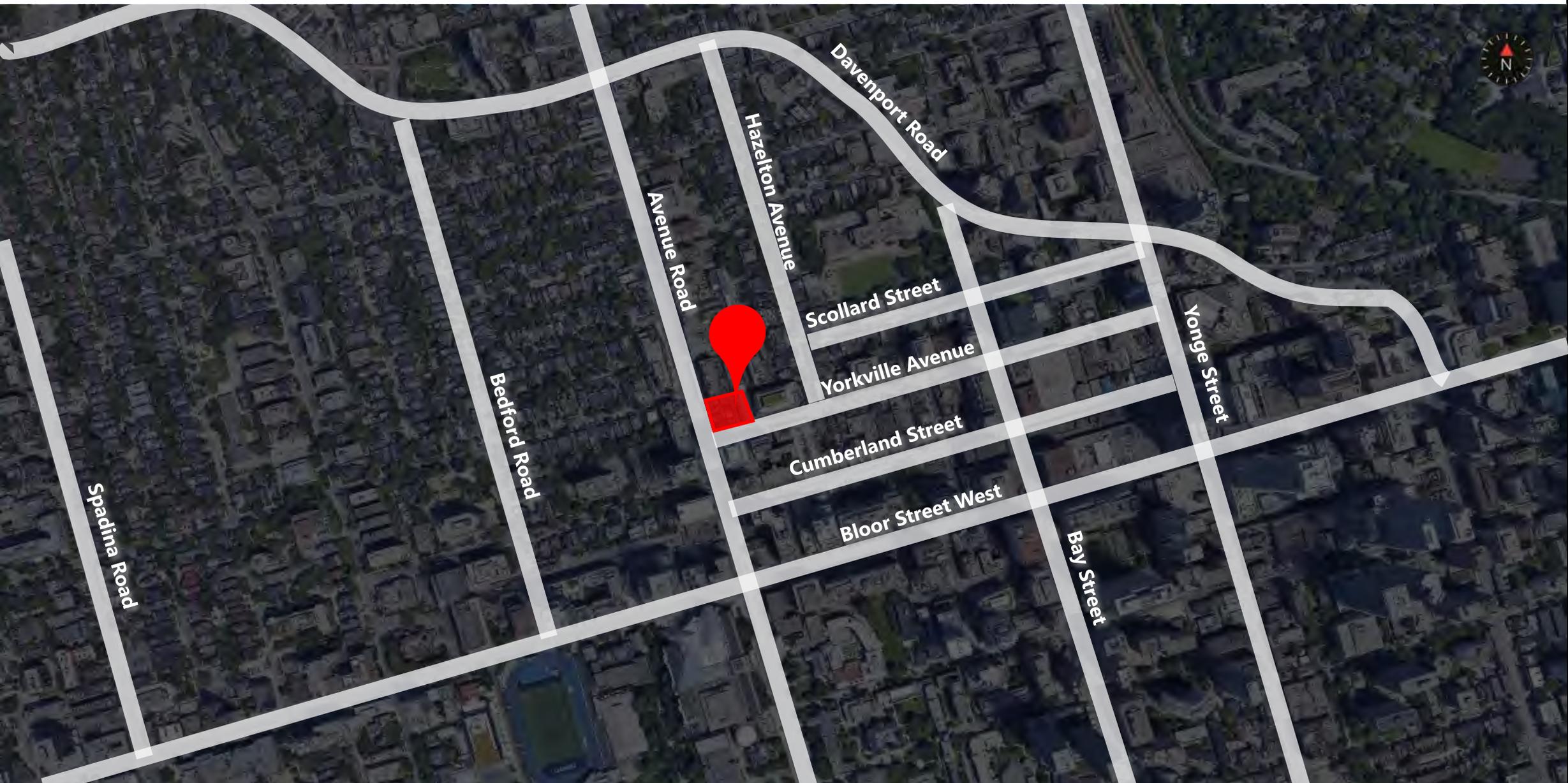


SITE LOCATION MAP



Notes: Red pin points to the approximate location of the project site.
Red outline reflects the approximate boundaries of the project site.

SITE LOCATION MAP



Notes: Red pin points to the approximate location of the project site.
Red outline reflects the approximate boundaries of the project site.

140 YORKVILLE AVENUE

EXCLUSIVE LOCATION AND ADDRESS

- Very few addresses in Canada support an ultra luxury development
- Avenue Road and Yorkville Avenue is the preeminent Toronto address

UNIQUE DESIGN TAILORED TO THE DISCERNING BUYER

- 12.5' – 14.5' slab-to-slab to allow for above-standard, minimum 11' clear ceiling heights
- Outdoor terraces starting at 432 SQ. FT. for all residences

LIFESTYLE, CONVENIENCE AND "LUXURY EXPERIENCE"

- Privacy and exclusivity, emphasizing a boutique feel, with between 75 and 91 units depending on customization
- Service and hospitality features that exceed those of a 5-star hotel, including private dining, an event lounge, house-cleaning and in-house dining among others
- Technology integration (convenient apps, keyless entry), 24-hour valet and "lifestyle curator", best-in-class security, luxury programming, including laundry/cleaning services, health and wellness facilities, etc.

HIGHEST CALIBER BUILDING AND IN-SUITE FINISHES

- Floor-to-ceiling windows for maximum views
- Direct sunlight to all residences
- Highly customizable design and finishes, luxury appliances (Gaggenau, La Cornue, Dacor, Miele, etc.)
- Private elevators with a landing vestibule for secure suite entry
- Large suite sizes and outdoor spaces to provide ample space for entertaining – average unit size in excess of 2,500 SQ. FT.





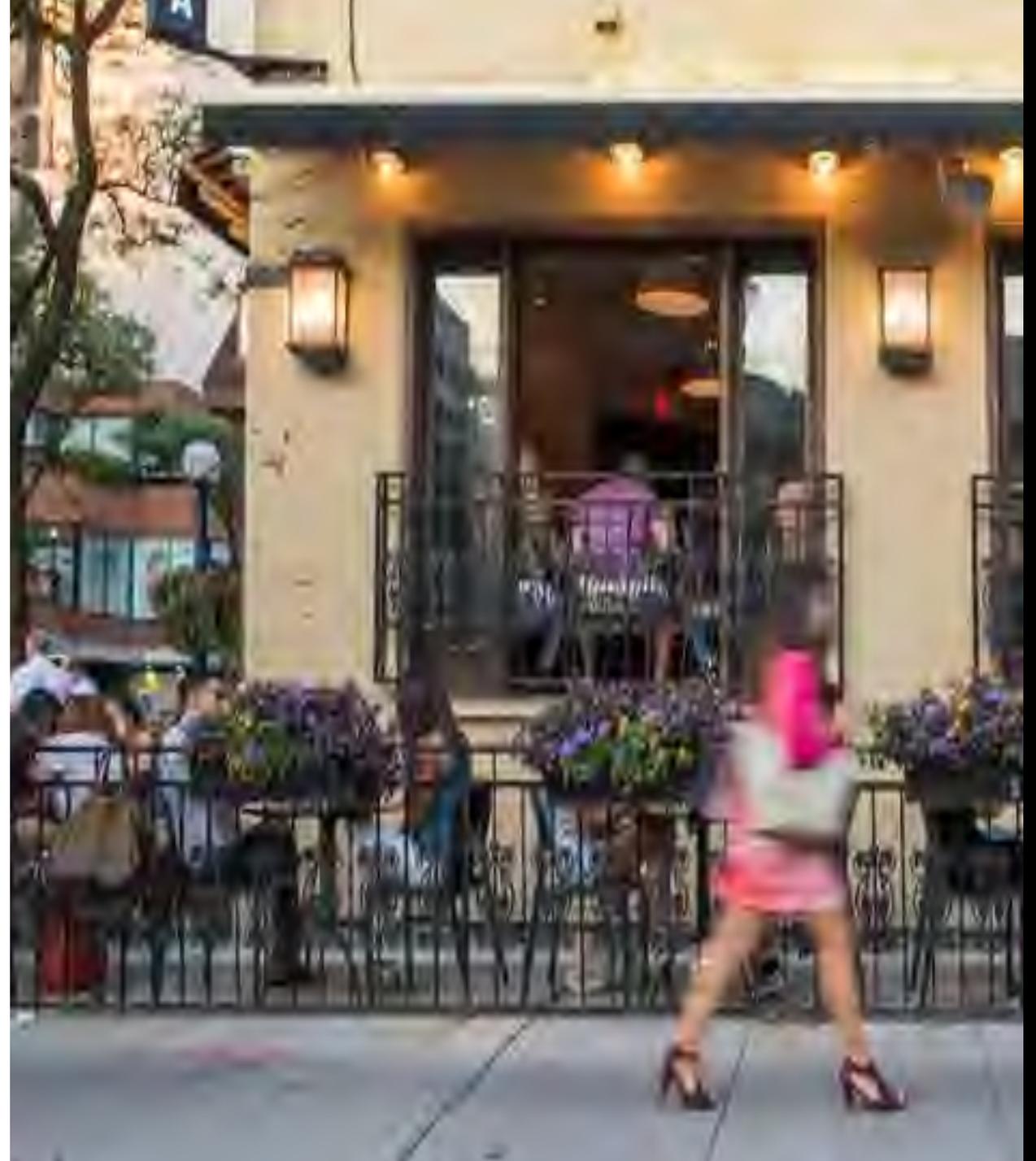
PROJECT HIGHLIGHTS

- The 140 Yorkville lands are currently LPAT APPROVED to build 251,955 SQ. FT. of gross floor area (GFA)⁽¹⁾
- For the purposes of the project, we assume that additional density can be added through the existing LPAT proceeding in accordance with usual practises and procedures and that the existing and obtained City heritage approval from March 2019 does not need to be varied
- The co-owners have entered into an agreement concerning the future acquisition of certain air and subsurface rights in 136 Yorkville Avenue (the adjoining property east of the project). These two properties will be developed jointly, which is projected to increase the total GFA attributable to the project to 299,564 SQ. FT.
 - The purchase price paid for these real property rights in 136 Yorkville Avenue will be calculated using a formula that considers the additional net residential saleable area that accrues to the project as a result of their inclusion. Currently, the purchase price is expected to amount to approximately \$23 million
 - The purchase price for these rights will not be paid up front. It will be paid, in priority, to the FCR affiliate that owns 136 Yorkville Avenue out of the project's available distributable cash at the project's conclusion
 - The FCR affiliate that owns 136 Yorkville will agree to mortgage the property, or provide alternative financing, in each case with a collateral value that is equal to the purchase price (approx. \$23 million). This will have the effect of reducing the project's equity requirements for the benefit of the co-ownership
- The project is expected to include 30,385 SQ. FT. of retail and/or commercial GFA. The financial projections assume that the partnership's interest in the commercial component will be sold upon completion of the project

(1) 21,227 SQ. FT. of commercial and 230,728 SQ. FT. of residential density

PROJECT HIGHLIGHTS & PARTNERSHIP BENEFITS

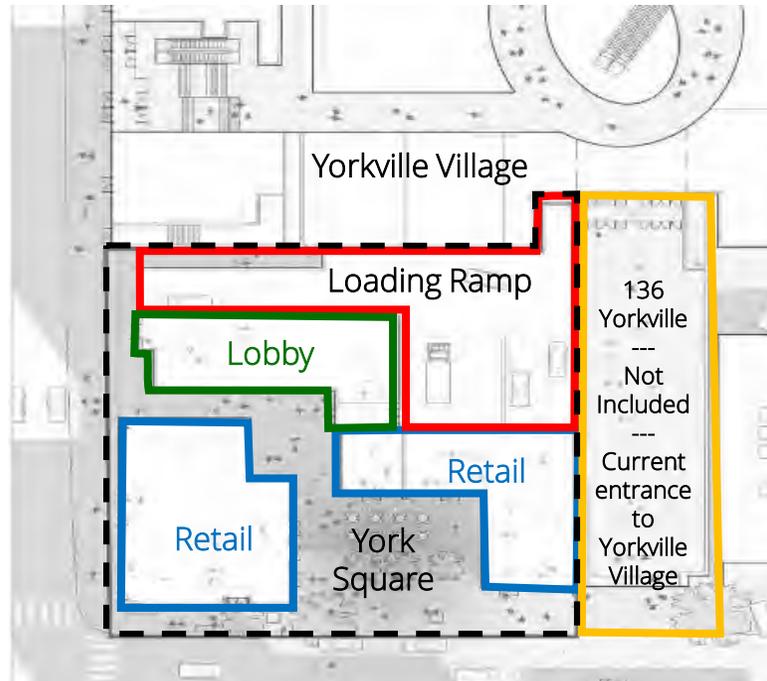
- The equity contribution will be split equally among the FCR co-owner, the BRE Fund co-owner and the Greybrook co-owner (33⅓% of the total each)
- Greybrook investors will not be subject to any further capital calls and cannot be diluted
- If necessary, the FCR co-owner will agree to provide the credit support or guarantees necessary to procure the land loan and construction financing
 - The FCR co-owner's credit enhancements are expected to represent approximately \$15.8 million of value to the project, vis-à-vis the interest rates that would have been payable if the same credit enhancements were, instead, provided by another top-tier private developer
 - A per annum financing fee of 0.5625%, calculated daily when funds are drawn under available project financing, will be charged to the BRE Fund co-owner and the Greybrook co-owner (proportionate to their respective 33⅓% interests) and redirected out of the distributable cash otherwise payable to either of them at the project's conclusion
- Empire Communities and Greybrook Yorkville Limited Partnership, an investment vehicle organized by Greybrook Realty, are the current owners and the vendors selling the property
- The FCR co-owner, the BRE fund co-owner and the newly formed Greybrook co-owner (Greybrook Yorkville III Limited Partnership) are acquiring the property



PROJECT CO-OWNERSHIP SYNERGIES

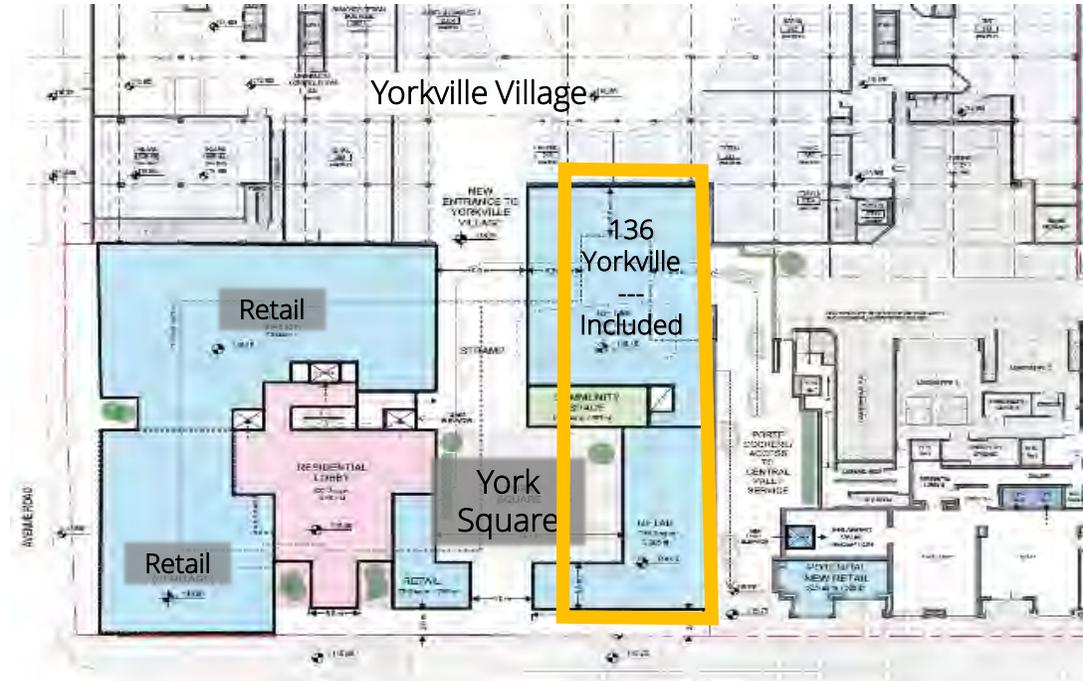
FCR's involvement and the joint development submission, including 136 Yorkville Avenue, allows for flexibility in design and unlocks a number of design enhancements, including rotation of the residential tower for better views for all suites.

CURRENT LPAT APPROVED PLAN



- Separate vehicular access to 140 Yorkville Avenue only off Avenue Road
- On-site ramp to underground garage
- 4-level underground garage
- No integration with Yorkville Village and Hazelton Hotel
- Requires agreements with neighbours for tiebacks and crane swing

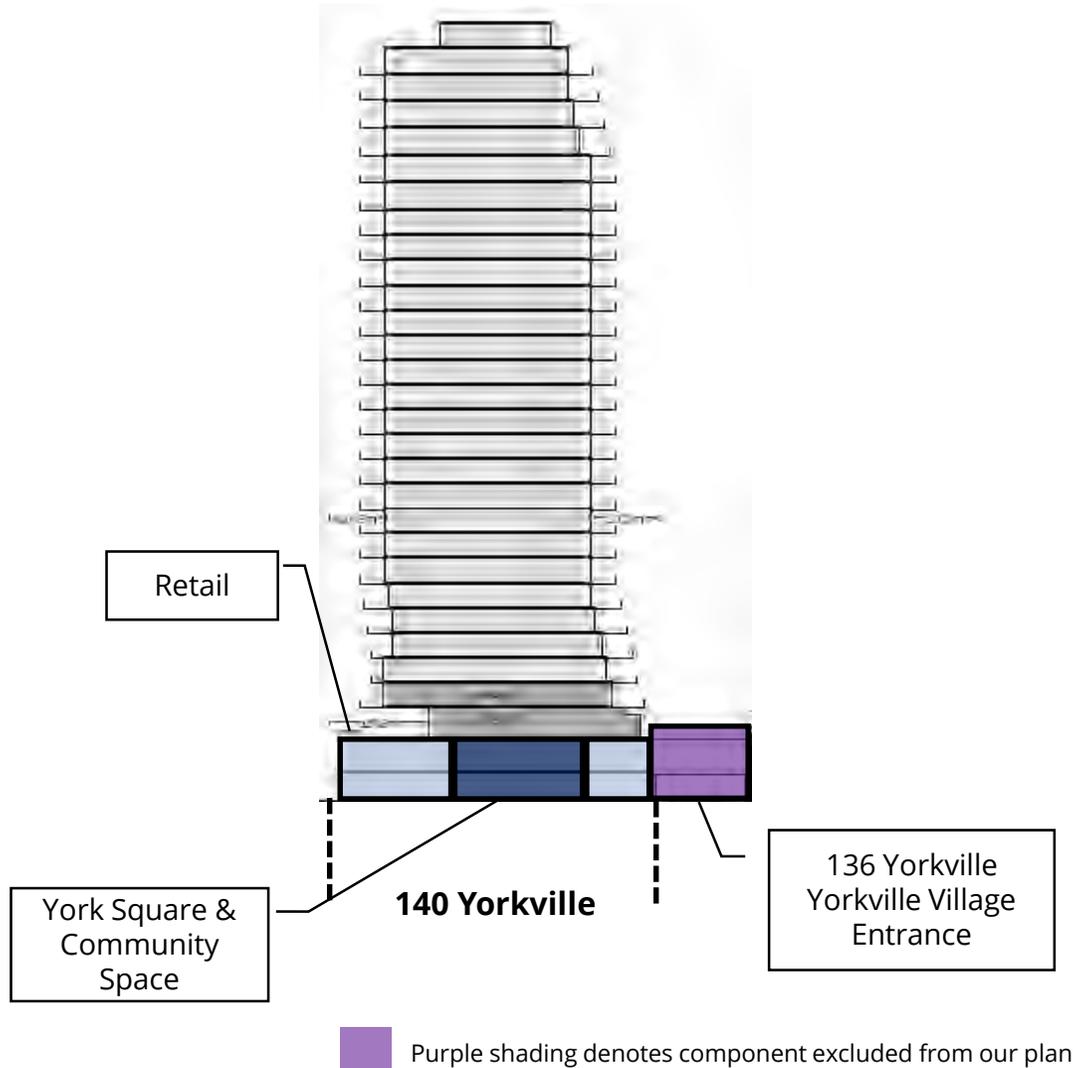
NEW PROPOSED PLAN



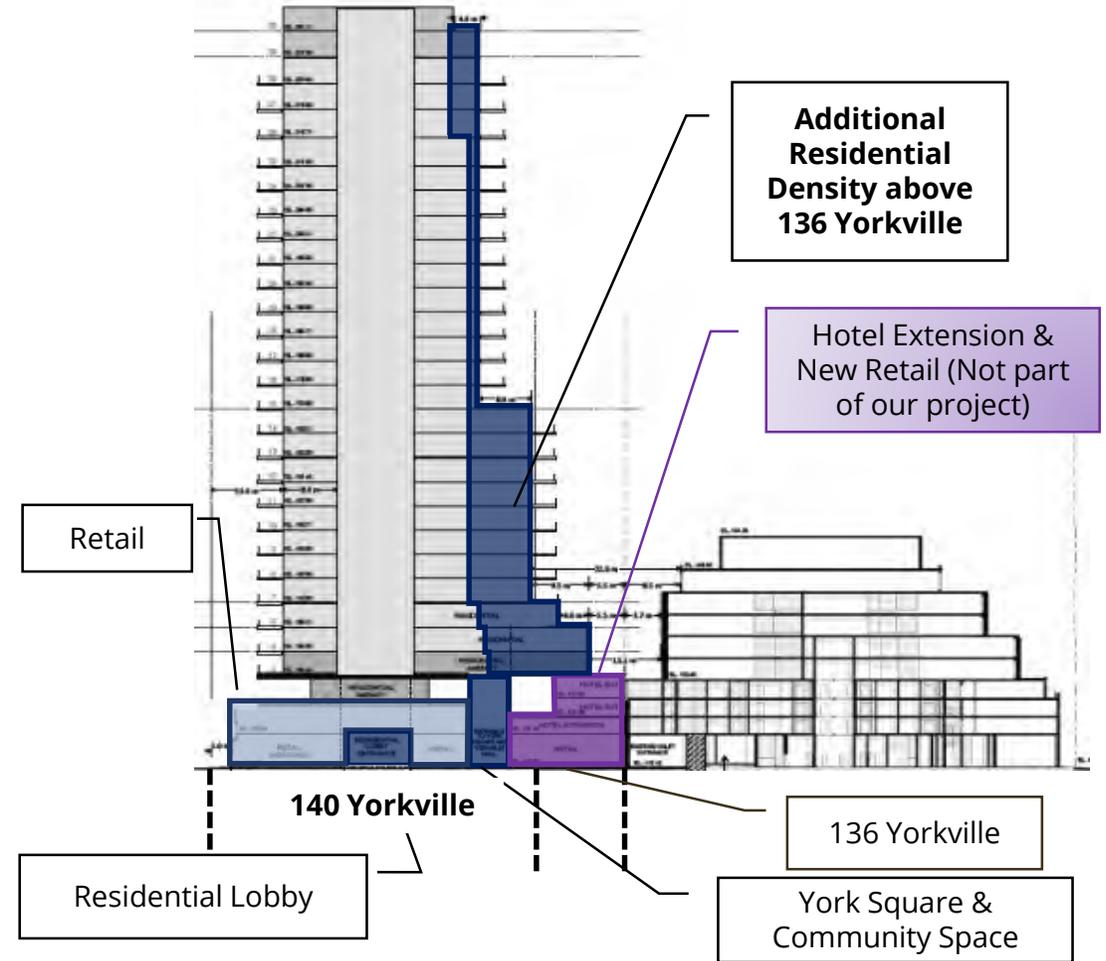
- Integration of vehicular access with the existing porte cochère at Hazelton Hotel
- Ramp to the underground garage is shared between 140 and 136 Yorkville Avenue from the existing porte cochère at Hazelton Hotel
- More efficient underground garage design integrated with Yorkville Village and Hazelton Hotel over a 3-level underground garage
- Ability to integrate with Yorkville Village and Hazelton Hotel
- FCR owns both neighbouring properties: Yorkville Village and Hazelton Hotel

PROJECT CO-OWNERSHIP SYNERGIES

CURRENT LPAT APPROVED PLAN



NEW PROPOSED PLAN

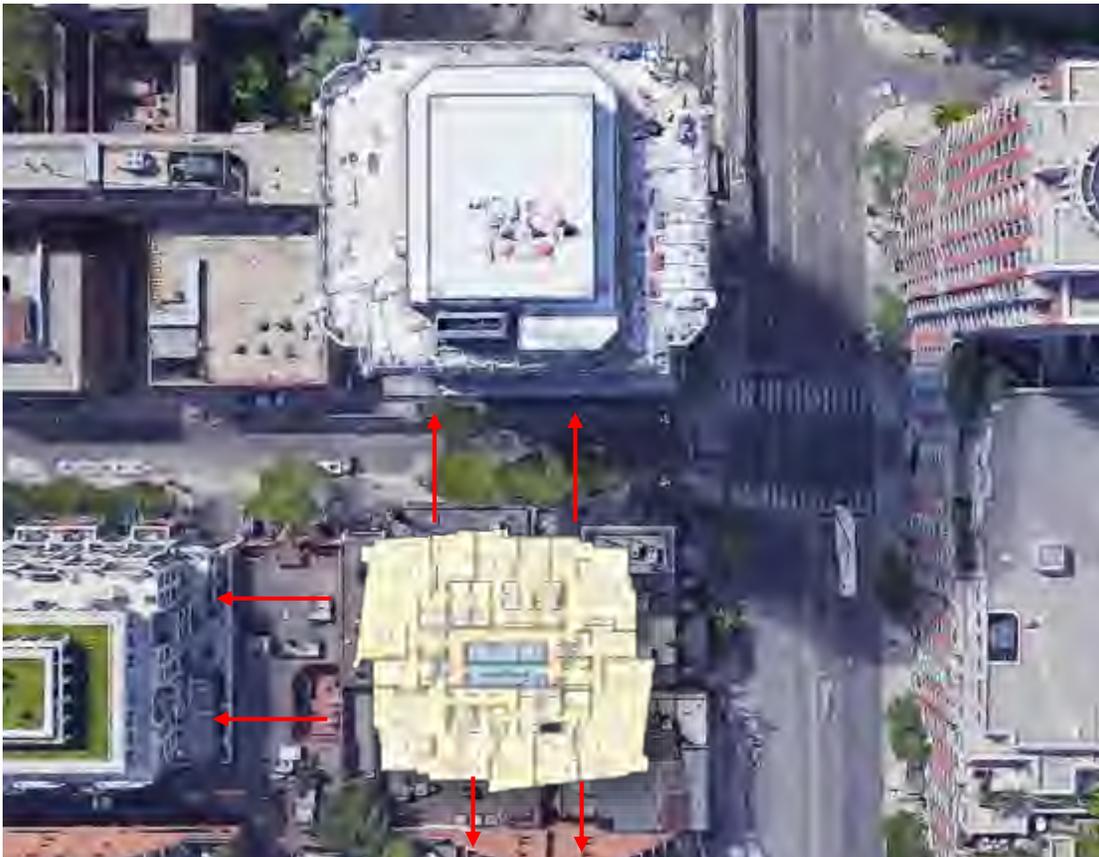


ENHANCED BUILDING DESIGN

An enhanced design development review is currently underway – efficiencies at and below grade and in the tower have been identified

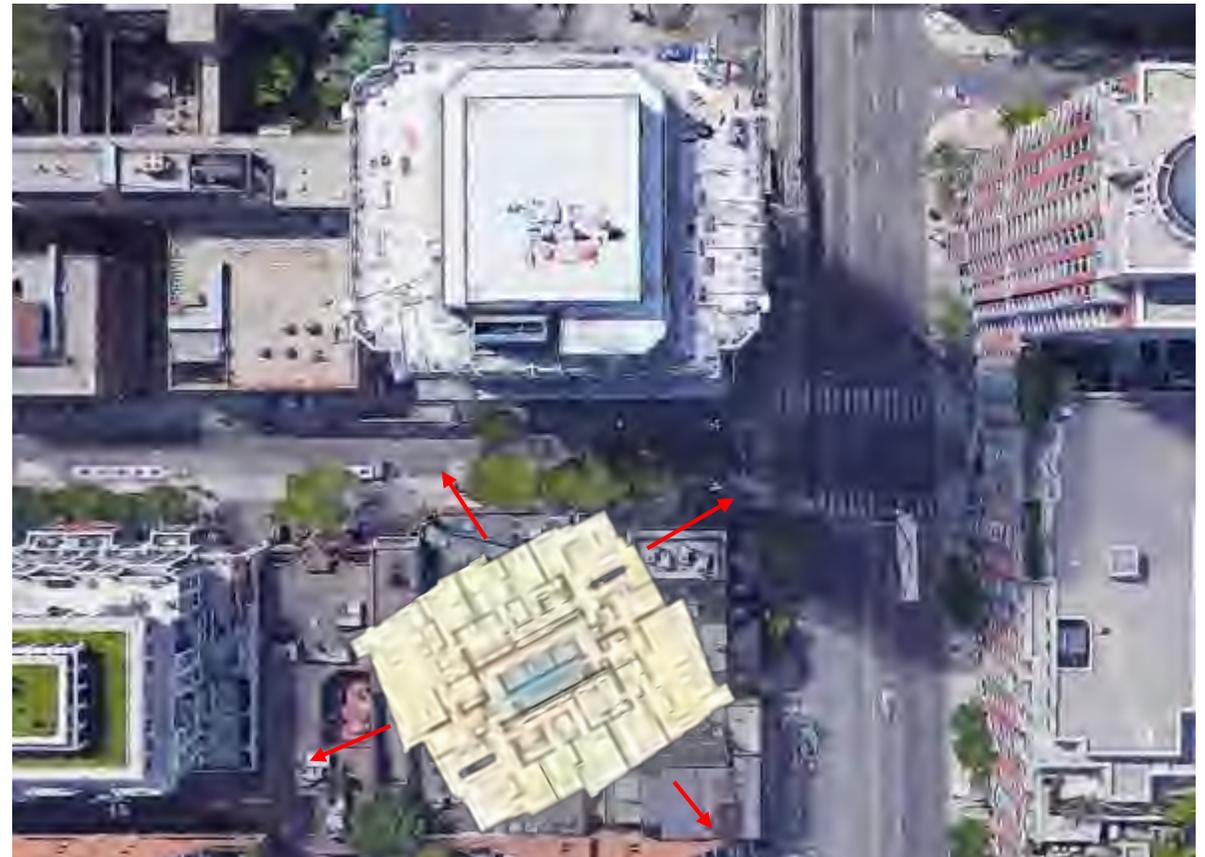
- The current approved plan has the new proposed tower directly facing Yorkville Plaza to the south and Hazelton Residences to the east
- Greybrook and FCR are proposing a 22.5 degree rotation of the tower (this is made possible by the inclusion of 136 Yorkville in the development plan)
- This rotation will allow for each unit to have direct sunlight at varying points of the day
- It will also create better view corridors for all residents

INITIAL DESIGN – COMPROMISED VIEWS



Preliminary building design subject to change.

NEW PROPOSED DESIGN



Preliminary building design subject to change.

HAZELTON REAL ESTATE

- Hazelton Real Estate (HRE), founded by Janice Fox, is a recognized leader in luxury high-rise sales in Toronto.
- HRE focuses exclusively on new construction and resale luxury condominium projects with a focus on the Yorkville area
- FCR and Greybrook plan to engage HRE as the Sales and Marketing program manager for the project
- HRE has considerable experience managing luxury pre-construction sales, including having managed the launch of the Four Seasons Private Residences in 2009, overseeing over \$600 million in transactions
 - When the Four Seasons launched they required 18 years of statistical absorption for condos priced over \$2 million to achieve their 75% pre-sale threshold
 - HRE achieved the pre-sale threshold in 18 months for both the East and West Towers
 - In a current luxury project featuring Greybrook and Stafford Homes (Avenue & Park), HRE has sold 83% of the units at a price PSF that exceeded the relevant sub market's average price PSF by more than 50% at the time of launch



HRE MARKET RESEARCH AND THE LUXURY HIGH-RISE LANDSCAPE

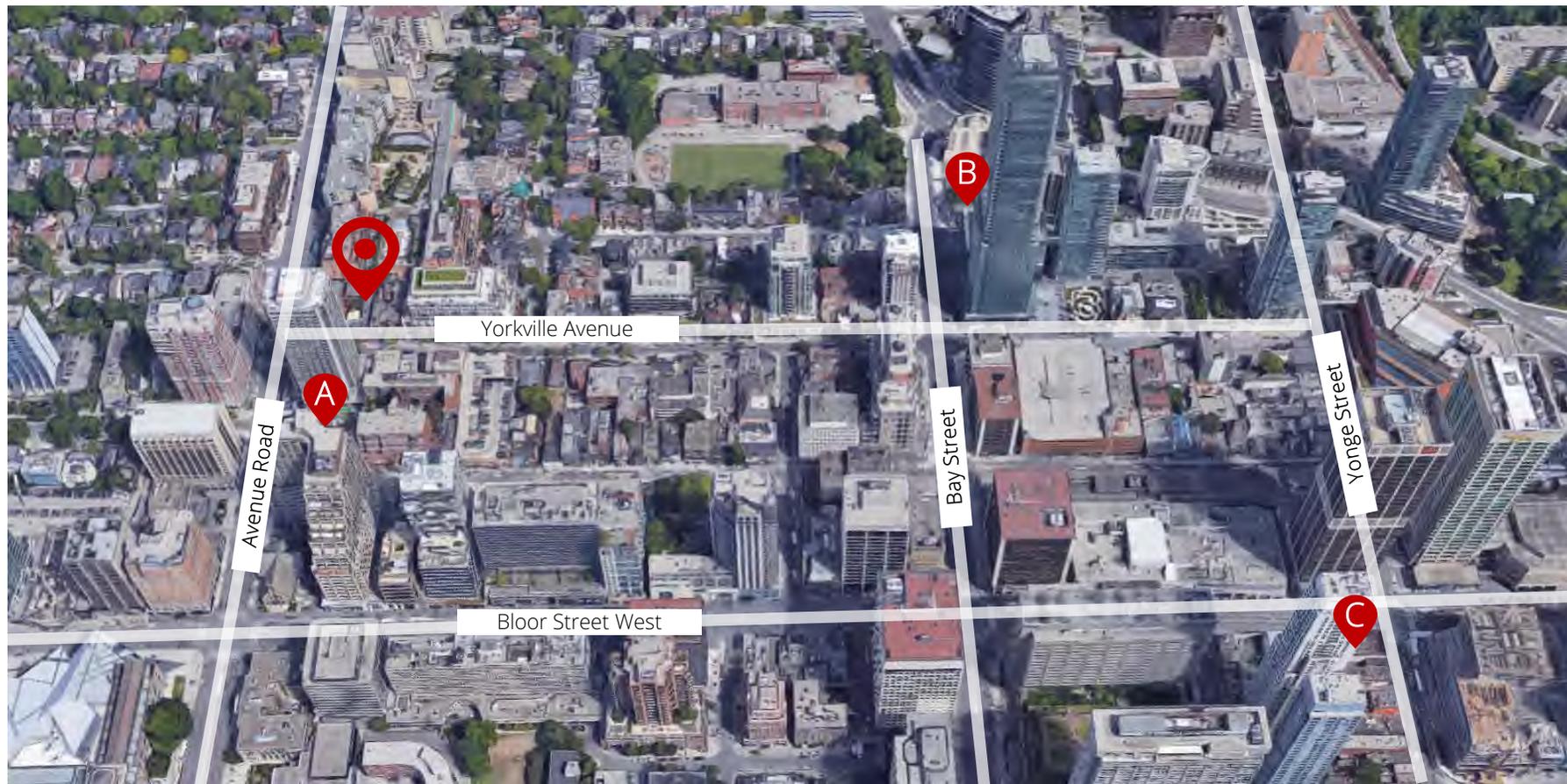
- Greybrook commissioned HRE to produce a market research report drawing upon their experience in the luxury high-rise market and their intimate knowledge of both public and private sales transactions
- After comparing the attributes of 140 Yorkville Avenue to Toronto's current luxury inventory, HRE suggested a launch price of between \$3,000 to \$3,250 PSF
- According to HRE, there are currently few options in Yorkville, or elsewhere in the downtown and midtown areas, for luxury buyers looking for new, spacious (2,500-5,000 SQ. FT.), full-service residences that offer the highest finishes and customization in a homogenous tower
- Comparing Toronto's existing luxury inventory to 140 Yorkville Avenue's planned offering is challenging as the standards for what is considered luxury have evolved considerably over the years
- There have been several individual luxury unit sales that have exceeded \$3,000 PSF, including purchases of units in older buildings in the \$2,000-\$3,000 PSF range where buyers are expecting to spend an additional \$400-\$600 PSF to renovate and modernize/customize



COMPARING BUYERS' MOST DESIRABLE ATTRIBUTES WITHIN TORONTO'S EXISTING LUXURY INVENTORY

YORKVILLE HIGH-RISE	LAUNCH DATE	< 30 STOREYS	BOUTIQUE (<100 UNITS)	AVERAGE UNIT > 2,500 SQ. FT.	OUTDOOR SPACE	PRIVATE ELEVATOR	PROMINENT ADDRESS / STRONG BRAND	CEILING HEIGHT > 12 FT	CONCIERGE/ VALET	2+ PARKING
140 Yorkville		•	•	•	•	•	•	•	•	•
50 Scollard	Jun 2018		•				•		•	
The One	Oct 2017						•		•	
200 Cumberland (Private Estates)	Nov 2013	•	•		•		•		•	
128 Hazelton	Nov 2016	•	•		•					
PROPERTIES BUILT PRE-2011										
1 St Thomas	Nov 2003	•	•	•	•	•			•	•
155 Cumberland	2006	•	•	•	•	•	•			•
100 Yorkville	Jul 2005	•	•		•		•		•	
36 Hazelton	May 2011	•	•	•	•		•			
Four Seasons – West	May 2007				•	•	•		•	•
77 Charles	Jul 2007	•	•		•					
68 Yorkville	Jun 2004	•	•				•		•	•
Four Seasons – East	May 2007	•	•		•		•			
NON-YORKVILLE COMPARABLES										
One Forest Hill	Sept 2017	•	•		•		•		•	•
200 Russel Hill	Apr 2016	•	•		•		•			•
Ritz Carlton	Oct 2005						•		•	

PROJECTS CURRENTLY AVAILABLE FOR SALE THAT ARE MOST CLOSELY COMPARABLE TO 140 YORKVILLE AVENUE⁽¹⁾⁽²⁾⁽³⁾



	Project Name	Developer	Municipality	Opening Date	Current \$PSF	Size	Price Range	Units	% Sold
A	Yorkville Private Estates	Camrost Felcorp	Toronto	Nov-13	\$2,374	400 sf - 3,605 sf	\$408,900 - \$8,835,000	306	100%
B	50 Scollard	Lanterra Developments	Toronto	Jun-18	\$2,812	1,293 sf - 5,943 sf	\$2,500,900 - \$20,000,900	72	26%
C	The One	Mizrahi Developments	Toronto	Oct-17	\$2,342	591 sf - 6,137 sf	\$864,900 - \$24,149,900	416	80%

(1) Lettered pins represent approximate locations of recent condominium projects.

(2) Red pin represents approximate location of the project site.

(3) Source: Urbanation, RealNet Canada Inc. as of April 2019.

SAMPLE UNIT TRANSACTIONS IN OLDER VINTAGE LUXURY BUILDINGS

Four Seasons – Penthouse

- Sold for \$31,000,000 off-market in 2018 (\$3,249 PSF)
- Buyer is expected to spend more than \$1,000 PSF on renovations/re-finishing



20 Scrivener Square (Summerhill)

- Sold for nearly \$2,000 PSF in 2018
- Buyer is expected to spend between \$500-\$750 PSF on renovations/re-finishing
- Built in 2002



SAMPLE UNIT TRANSACTIONS IN OLDER VINTAGE LUXURY BUILDINGS

155 Cumberland – Suite 1600

- Built in 2010
- 6,539 SQ. FT.
- Sold off-market for \$21,000,000 (\$3,211 PSF)
- Boutique building with concierge but no shared amenities

155 Cumberland - Suite 1400

- Built in 2010
- 10,200 SQ. FT.
- Listed for \$28,750,000 (\$2,818 PSF)
- Boutique building with concierge but no shared amenities



SAMPLE UNIT TRANSACTIONS IN OLDER VINTAGE LUXURY BUILDINGS

Four Seasons West - Unit 5401

- 3,914 SQ. FT
- Listed for \$12,900,000 (\$3,295 PSF)
- Finished with very specific design choices, purchaser expected to undergo a complete redesign

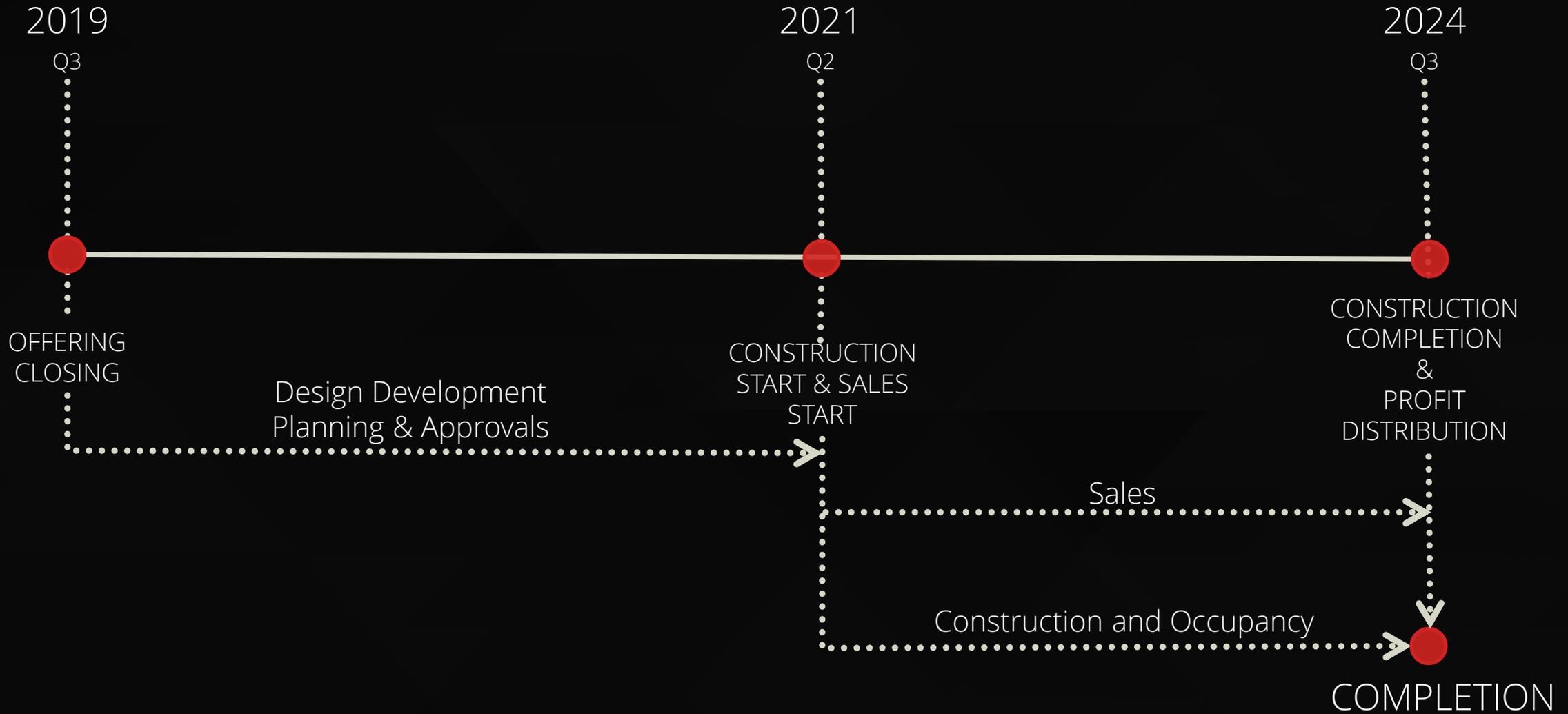


Four Seasons West - Unit 4901

- 5,555 SQ. FT.
- Offered at \$17,500,000 (\$3,150 PSF), not publicly listed
- Finished to a very basic standard and has never been lived in.
- Small balconies



PROJECT TIMELINE⁽¹⁾



(1) The projected timeline shown constitutes Forward Looking Information. Refer to page 2.

FINANCIALS⁽¹⁾

Avg. Price Per Square Foot⁽²⁾	\$2,775	\$2,850	\$2,925	\$3,000	\$3,075
Return of Initial Capital	\$38,750,000	\$38,750,000	\$38,750,000	\$38,750,000	\$38,750,000
Investor Profit ⁽³⁾⁽⁴⁾	\$29,606,000	\$34,200,000	\$38,777,000	\$43,351,000	\$47,924,000
Investor Total Return	\$68,356,000	\$72,950,000	\$77,527,000	\$82,101,000	\$86,674,000
Investor Average Annual Return ⁽⁵⁾	15.3%	17.7%	20.0%	22.4%	24.7%
ROI ⁽³⁾	76%	88%	100%	112%	124%
Total Return ⁽³⁾	176%	188%	200%	212%	224%

- (1) Investors should refer to Schedule "B" in the offering memorandum for a detailed presentation of investor returns projected under several scenarios. Please see page 2 and 3 of this presentation and the offering memorandum for important information regarding the risks that could impact these financial projections and their attainability
- (2) The average sale prices reflect an assumed average unit size of 2,516 SQ.FT. Management believes that, based on current market conditions, \$2,925 PSF, not including parking, is the most probable average sale price
- (3) Based on an estimated 5-year project term and expressed net of all fees
- (4) "Investor Profit" includes the projected proceeds generated from the sale of the partnership's interest in the project's future commercial space, which proceeds are expect to amount to approximately \$82.9 million. This projection assumes (i) an average commercial annual net rent rate of \$102 per SQ.FT. is achieved and (ii) a capitalization rate of 3.75%
- (5) Investor Average Annual Return to investors, expressed as a percentage, is calculated by dividing the amount of the projected net profit to the investors by the amount of the gross proceeds raised in the offering and then dividing that number by 5 (being the projected term of the project expressed in years)

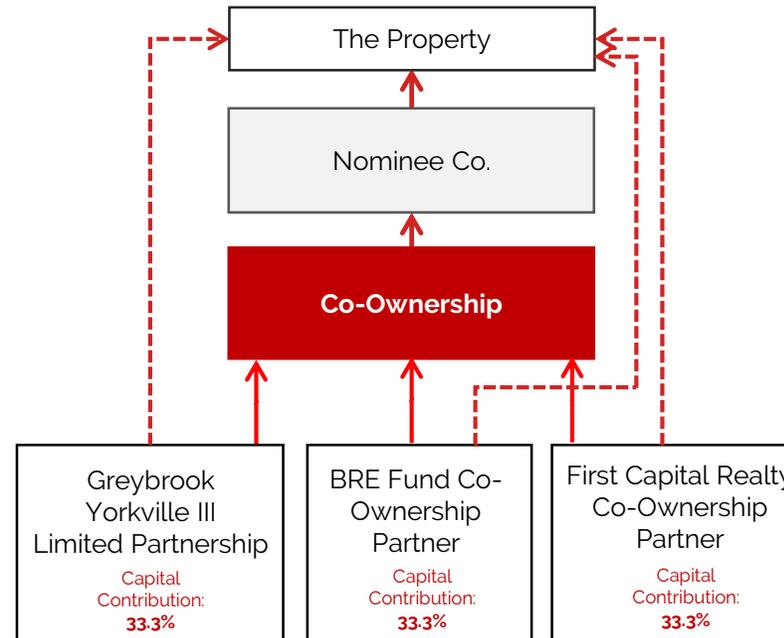
PROJECT STRUCTURE & CO-OWNERSHIP & LIMITED PARTNERSHIP AUDITORS

Equity is contributed 33.3% Greybrook Yorkville III Limited Partnership, 33.3% FCR Co-Ownership Partner, 33.3% BRE Fund Co-Ownership Partner

DISTRIBUTION OF CAPITAL



STRUCTURE



LIMITED PARTNERSHIP AUDITORS
MNP LLP

CO-OWNERSHIP AUDITORS
PWC LLP

(1) Of the 33.3% Greybrook Yorkville III Limited Partnership profit split, 95% will go to investors and 5% to Greybrook Realty Partners (or 1.67% of project profit)

CONTACT US

890 YONGE ST
7TH FLOOR
TORONTO

T: 416.322.9700
F: 416.322.7527
@GreybrookRealty

FOR MORE INFORMATION, PLEASE CONTACT YOUR INVESTMENT REPRESENTATIVE OR EMAIL INFO@GREYBROOK.COM



EXCEPTIONAL PARTNERS. EXCEPTIONAL RETURNS.

Renderings are artist's concept only, illustrations are subject to change.

YORKVILLE III

DEVELOPMENT OFFERING:
ULTRA-LUXURY HIGH-RISE
CONDOMINIUM

 **Greybrook
Realty Partners**
Asset Management & Advisory Services

FIRST

CAPITAL

STRICTLY CONFIDENTIAL



Renderings are artist's concepts only. Illustrations are subject to change.

IMPORTANT DISCLOSURE INFORMATION AND NOTES

The information contained in this presentation is STRICTLY CONFIDENTIAL. This presentation forms part of, and is qualified in its entirety by, and is incorporated by reference into, the offering memorandum of Greybrook Yorkville III Limited Partnership in respect of a proposed offering, on a private placement basis, of securities in an aggregate amount of US\$28,787,375. A copy of the offering memorandum of Greybrook Yorkville III Limited Partnership will be available from Greybrook Securities Inc., the lead placement agent for the offering in Canada, other dealers appointed by Greybrook Yorkville III Limited Partnership that are acceptable to Greybrook Securities Inc., and from SDDco Brokerage Advisors LLC (a FINRA/SIPC member), Greybrook Securities Inc.'s selected dealer for the proposed offering in the United States. The limited partnership will be organized by Greybrook Realty Partners Inc.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and 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 an exemption from such registration is available. Any sale of the securities described herein to U.S. persons is contemplated to be made in reliance on a private placement exemption from registration pursuant to Rule 506(b) of Regulation D and state securities laws.

FORWARD-LOOKING INFORMATION

The forward-looking information in this presentation (information that expresses predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance) is made as of the date of this presentation, April 29, 2019. Forward-looking information involves a number of risks and uncertainties which could cause actual results or events to differ materially from those currently anticipated. The material assumptions applied in reaching the conclusions contained in the within forward-looking information include, among others, (1) an assumption that site acquisition, the development approvals of the project and the procurement of financing all will proceed as planned, (2) an assumption that the required municipal designations, zoning and other governmental approvals will be obtained and (3) assumptions relating to anticipated costs and revenues. We do not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required to do so by applicable law. Past performance is no guarantee of future results.

INVESTMENT RISKS, STATUTORY RIGHTS AND UNDERWRITING CONFLICTS

An investment in the offered securities involves certain risks. This presentation does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the offering memorandum, especially the risk factors relating to an investment in the offered securities, before making an investment decision.

Investors in the offered securities are entitled to the benefit of certain statutory rights of action in the event the offering memorandum, of which this presentation forms part and into which it is incorporated by reference, contains a misrepresentation. These rights are described in the offering memorandum.

Each of Greybrook Yorkville III Limited Partnership and The Greybrook Yorkville III Trust may be considered to be a “related” or “connected” issuer (as such terms are defined in National Instrument 33-105—Underwriting Conflicts) of Greybrook Securities Inc., because, among other reasons, they share common owners and executive managers. Investors who are considering purchasing limited partnership units or trust units should read the offering memorandum before making an investment decision, especially the section titled “Conflicts of Interest” and the section titled “Conflicts of Interest” in Schedule “A” appended thereto.

FOREIGN EXCHANGE DISCLAIMER

In this presentation, unless otherwise expressly stated, all dollar amounts are expressed in Canadian currency. References to “Canadian dollars” and “\$” are references to the currency of Canada, and references to “U.S. dollars” and “US\$” are references to the currency of the United States. Dollar amounts expressed in United States currency assume an exchange rate of C\$1 to US\$0.7429 as of April 26, 2019, which assumed exchange rate may not be the exchange rate at which proceeds of the offering raised in U.S. dollars will be converted to Canadian dollars. As a result, investors investing U.S. dollars may be exposed to changes in the value of the U.S. dollar against the Canadian dollar.



THE INVESTMENT⁽¹⁾

TOTAL OFFERING:	US\$ 28,787,375
INVESTMENT VEHICLE:	Limited Partnership and Mutual Fund Trust
MINIMUM INVESTMENT AMOUNT:	US\$25,000
REGISTERED PLAN ELIGIBLE:	Trust Units Eligible Investments for RRSP, TFSA, RESP, LIRA and other registered plans
LP UNIT AND TRUST UNIT SALE PRICE:	US\$100
EXPECTED PROJECT TERM:	5 years
LOCATION⁽²⁾:	140-148 Yorkville Avenue; 136 Yorkville Avenue; 33-41 Avenue Road Toronto, Ontario
LAND AREA:	31,439 SQ. FT. (0.72 acres)
GROSS FLOOR AREA (GFA)⁽³⁾:	299,564 SQ. FT.
RESIDENTIAL GFA:	269,179 SQ. FT.
RETAIL GFA:	30,385 SQ. FT.
NUMBER OF CONDO UNITS:	91
AVERAGE UNIT SIZE:	2,516 SQ. FT.
NUMBER OF STOREYS:	29

(1) Assuming an exchange rate of US\$0.7429 to C\$1. Gross proceeds of US\$28,787,375 to be raised through an offering of securities denominated in U.S. and Canadian dollars. Any proceeds raised in U.S. dollars will be converted to Canadian dollars and all amounts invested in the project will be denominated in Canadian dollars. As a result, investors investing U.S. dollars may be exposed to changes in the value of the U.S. dollar against the Canadian dollar.

(2) For a map showing the approximate location of the project site, see pages 18 and 19

(3) GFA shown is excluding commercial and hotel GFA to be retained by First Capital Realty

THE OPPORTUNITY

- Toronto's ascent as a global city, the associated increase in real estate values, along with the corresponding accumulation of wealth, has significantly increased the demand for luxury residential real estate across several key buyer groups:
 - The city's most affluent residents
 - Expatriates with permanent ties to Toronto
 - International real estate investors
- There is currently a considerable gap in the market for luxury high-rise residences that meets the demand of these key buyer groups.
- Ultra-High-Net-Worth-Individuals (UHNWI)⁽¹⁾ are looking to move from their single family homes and transition to a residence that offers a luxurious "lock and leave" lifestyle; while others are looking to upgrade from their current condominium unit to a more luxurious option.
- We have the unique ability to provide all the key attributes these ultra-high-net-worth purchasers desire, including prestigious address, exclusivity, above-standard ceiling heights, outdoor space and bespoke services to create Canada's premier residential development.

(1) UHNWI – Individuals with at least a US\$30 million net worth in investable assets



TORONTO CONTINUES TO RISE IN GLOBAL PROMINENCE



A TOP RANKED GLOBAL CITY AND GROWING ECONOMY

- The Greater Toronto Area (GTA) is expected to grow by nearly 3 million people by 2041 (*Ontario Ministry of Finance*)
- Toronto is Canada's capital for many major industries including being the world's fastest growing tech workforce and a world leader in Artificial Intelligence (*Z/Yen*)
- The GTA is a C\$332 billion economy with a labour force of over 4.7 million, is home to more than 800,000 businesses, and produces 18.5% of Canada's GDP. Its economy is larger than any other province (excluding Ontario) with the exception of Quebec, which has a similar size of economy to the GTA (*Toronto Global*)
- Toronto is ranked the 4th leading global fintech center of the Future (*Z/Yen*)
- Toronto Ranked 7th of 140 cities in the 2018 Economist's Livability Survey (*The Economist*)

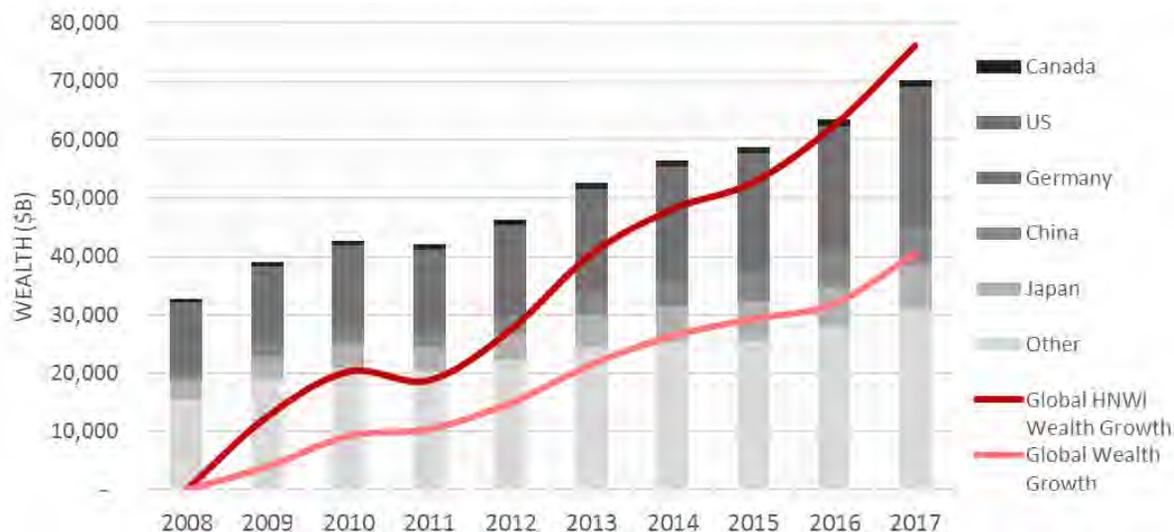
A GLOBAL DESTINATION FOR LUXURY

- Approximately 40% of new international retailers that entered Canada in 2017 were in the luxury segment of the market (*Retail Insider*)
- In 2017, Toronto welcomed 40 new international retailers, the most on record for the city (*CBRE*)
- In 2018, Toronto's Yorkdale Mall averaged C\$1,905 in sales Per Square Foot (PSF) making it the 2nd most profitable retail mall in North America (*Retail Council of Canada*)
- Pre-existing luxury retailers in Toronto are doubling down on the success of their brick-and-mortar stores by upgrading and expanding their spaces. The Hermès new Toronto flagship store now occupies almost 13,000 SQ. FT., 10 times the size of its previous Toronto location (*CBRE*)

THE POPULATION OF ULTRA-HIGH-NET-WORTH-INDIVIDUALS IS ON THE RISE

- Total estimated private wealth in Toronto amounts to US\$944 billion, making it the 13th wealthiest city in the world (*New World Wealth*)
- In 2017, Canada had an Ultra-High-Net-Worth population of 10,840, up 13.9% YOY, ranking 5th globally, ahead of France, Hong Kong, United Kingdom, Switzerland and Italy (*Wealth-X*)
- Canada's current High-Net-Worth population is expected to grow by approximately 50% to 503,800 by 2026. The current annual growth rate exceeds that of the U.S. (*Retail Insider*)
- Canada saw 5,000 High-Net-Worth-Individuals flow into the country in 2017 ranking 3rd globally (*Global Wealth Migration Report*). Toronto made up over 20% of this total (*New World Wealth*)
- Toronto is becoming an important settlement hub to a rapidly increasing population of wealthy residents. The city ranks 10th globally in Knight Frank's Wealth Index (ranking based on the city's wealth, investment opportunity and lifestyle) (*Knight Frank*)

HNWI WEALTH GROWTH



Source: Wealth-X - World Ultra Wealth Report 2018

TOP 10 UHNW COUNTRIES

Rank	Country	UHNW population 2017	UHNW wealth (\$bn) 2017	Year-on-year change in population (%)	Year-on-year change in wealth (%)
1	United States	79,595	9,845	▲ 8.9	▲ 12.9
2	Japan	17,915	1,695	▲ 11.0	▲ 13.4
3	China	16,875	2,421	▲ 14.1	▲ 32.8
4	Germany	15,080	1,815	▲ 12.3	▲ 15.6
5	Canada	10,840	1,153	▲ 13.9	▲ 14.8
6	France	10,120	1,077	▲ 17.3	▲ 16.5
7	Hong Kong*	10,010	1,295	▲ 31.0	▲ 31.5
8	United Kingdom	9,370	1,035	▲ 9.3	▲ 10.6
9	Switzerland	6,400	877	▲ 13.9	▲ 15.0
10	Italy	5,960	692	▲ 7.9	▲ 10.8

Source: Capgemini - World Wealth Report 2010-2018

THE DEMAND FOR ULTRA-LUXURY RESIDENCES IS PRIMARILY DRIVEN BY KEY BUYER GROUPS

“RIGHT SIZING”, UHNW BUYERS

Many UHNW Torontonians have transitioned to a life stage where they prefer the ease of condo living. They are not “downsizing”, but rather looking for accommodation that suits their lifestyle (travel considerably, empty nester, looking to reduce the burden of home maintenance, place a high value on privacy, security and exclusivity).

EXPATRIATES WITH PERMANENT TIES TO TORONTO

As the 2nd most multi-cultural city in the world next to Brussels, many foreign nationals now call Toronto home either all or part of the year. These individuals and families have deep and permanent ties to the city, whether through business, extended family, or children attending Canadian schools, and many are accustomed to a higher level of luxury than Toronto has offered to date.

RESIDENTS IN EXISTING LUXURY HIGH-RISE

Our development will arguably have one of the most prestigious residential addresses in Canada and will be the city’s premier, exclusive ultra-luxury condominium. Many UHNWI in Toronto who are currently living in condominium units that were previously regarded as the “gold standard” for luxury in Toronto are seeking a more exclusive, 5-star experience and lifestyle.



56 Leonard (NYC) – Herzog Demeuron



1000 Museum (Miami) - Zaha Hadid



56 Leonard (NYC) – Herzog Demeuron



OUR BELIEF IS THAT NO SINGLE CONDOMINIUM IN TODAY'S MARKET COMBINES ALL OF THE KEY ATTRIBUTES SOUGHT AFTER BY THE DISCERNING LUXURY BUYER

PREMIUM LOCATION

- Prestigious address
- Steps away from luxury retail, dining and cultural amenities
- Boutique feel that offers privacy, security and exclusivity

UNIQUE ARCHITECTURE, DESIGN AND EXCLUSIVE FINISHES

- A move away from "Toronto bland" – instantly recognizable, iconic architectural design
- Special attention to critical design features, including ceiling heights, outdoor terrace space, private elevators, floor to ceiling windows, luxury appliances, and personalized customization options within the units

EMPHASIS ON DELIVERING A "LIFESTYLE"

- Luxury amenity profile
- 24-hour concierge and valet services
- Security, fine dining, "lifestyle curator"
- Customized smart phone applications to manage temperature, music, deliveries, car valet, laundry services, cleaning services, grocery delivery, security cameras, visitors and other lifestyle amenities

With 140 Yorkville we have a rare opportunity to create Canada's premier luxury high-rise residence by addressing a considerable gap that exists in the market at a time when the demand for such a product is accelerating. What is even more rare is the forging of a partnership where all of those involved share a vision and have substantial influence over the real estate in the area to bring it to reality.

FIRST CAPITAL REALTY

First Capital Realty Inc. (FCR) is a Canadian publicly traded real estate company listed on the TSX (TSX: FCR) with a market capitalization of over C\$4.5 billion as at April 29, 2019, and real estate investments valued at C\$9.9 billion.

FCR is one of Canada's largest owners, developers and managers of retail-focused urban properties and it owns an interest in over 25.5 million SQ. FT. of gross leasable area across more than 166 properties.

Since 2001, FCR has developed over 3.5 million SQ. FT. of retail space in urban markets of the GTA, the Golden Horseshoe area; London, Guelph, and Kitchener-Waterloo; Ottawa and Hull region; the Greater Montreal Area and Quebec City; Calgary and Edmonton; and the Greater Vancouver Area.



FCR IS TRANSFORMING YORKVILLE

As one of Yorkville's largest land owners, property managers and developers of retail in Yorkville, FCR is redefining luxury along Yorkville Avenue. They have invested more than C\$700 million into the neighbourhood and manage over 330,000 SQ. FT. of retail space in Yorkville, including Yorkville Village (formerly Hazelton Lanes).



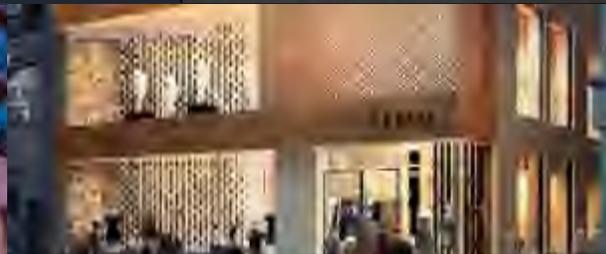
101 Yorkville Avenue⁽¹⁾



102-108 Yorkville Avenue⁽¹⁾



98 Yorkville Avenue



84 Yorkville Avenue⁽¹⁾



92 Yorkville Avenue



Yorkville Village



78 Yorkville Avenue

- FCR is the single largest owner of storefronts on Yorkville Avenue
- Completely overhauled and rebranded Yorkville Village near the corner of Avenue Road and Yorkville Avenue which is now home to over 210,000 SQ. FT. of prime retail and over 400 underground parking spaces.

⁽¹⁾ Renderings are artist's concept only, illustrations are subject to change.

FCR'S OWNERSHIP ALONG YORKVILLE AVENUE

- Our development will be part of FCR's master development plan at the corner of Avenue Road and Yorkville Avenue. The mixed-use master plan entails an ultra-luxury residential tower, luxury retail destination and the expansion/integration of the existing Hazelton Hotel
- FCR's current ownership of both the Hazelton Hotel and Yorkville Village will provide a number of efficiencies to the project, and allow FCR to further control the identity and enhance the luxury of Yorkville
- The Hazelton Hotel currently has the highest Average Daily Rate of any hotel in Toronto (JLL)



FCR'S assets along Yorkville Avenue highlighted in blue.



WALDORF ASTORIA HOTEL & RESIDENCES MIAMI⁽¹⁾



68 YORKVILLE AVENUE



168 BEDFORD ROAD⁽¹⁾



AVENUE & PARK



1 SCOLLARD STREET⁽¹⁾

GREYBROOK REALTY PARTNERS

- Over C\$1 billion of equity deployed on behalf of individual and institutional investors across 70+ developments; five of which are in or near Yorkville
- Greybrook co-manages a diverse development portfolio alongside 20 top real estate developers
- In aggregate, Greybrook's managed real estate portfolio represents approximately 35 million SQ. FT. of residential and commercial density with an estimated completion value of greater than C\$15 billion
- Firsthand experience in luxury high-rise development in both Toronto and Miami, including, among others, Avenue & Park, 68 Yorkville Avenue, 168 Bedford Road and current collaboration on the Waldorf Astoria Hotel & Residences Miami
- Development assets located throughout the GTA, Greater Golden Horseshoe (GGH) and South Florida, with a focus on urban core, multi-family and ultra-luxury within high-rise, as well as a ground-related housing

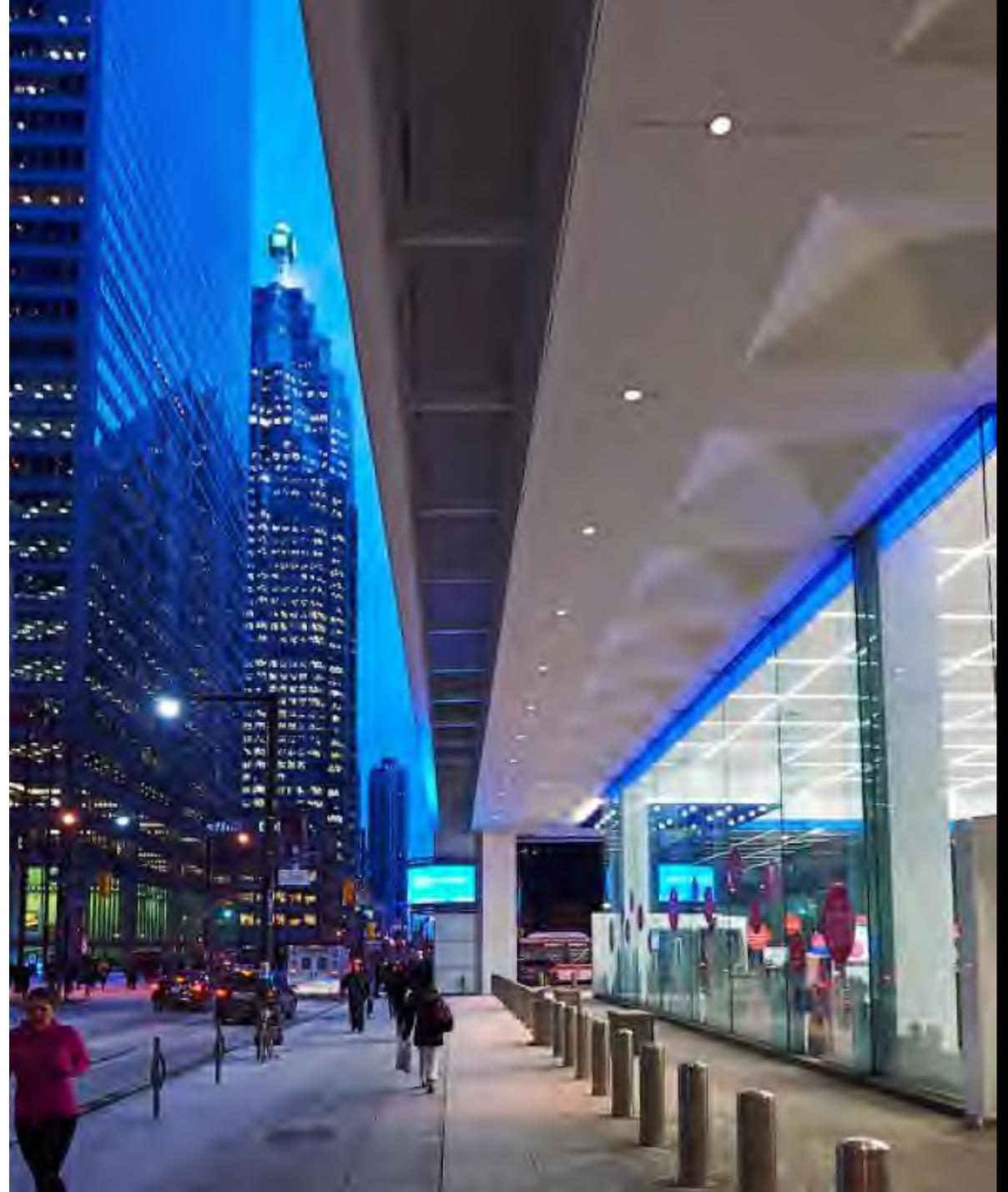
(1) Renderings are artist's concept only, illustrations are subject to change

BMO REAL ESTATE FUND ("BRE FUND")

The BRE Fund invests alongside best in class real estate industry partners with which they have longstanding relationships, including REITs, private equity and pension funds. The fund invests in institutional quality real estate developments and value-add projects situated within urban centres. More specifically, BRE Fund's investment focus is targeted towards office, retail, multi-family or urban mixed-use projects with a target equity investment size between C\$10 - C\$75 million per project.

The fund is 100% proprietary and is managed by a team of dedicated real estate professionals with extensive real estate underwriting and transaction execution capabilities. The team has executed on over C\$50 billion of real estate transactions over the past 10 years, including some of the largest real estate deals in Canadian history.

BRE Fund is a capital partner and will be an equity investor as a non-managing partner.



DEFINING THE OPPORTUNITY

YORKVILLE - CANADA'S MOST LUXURIOUS NEIGHBOURHOOD

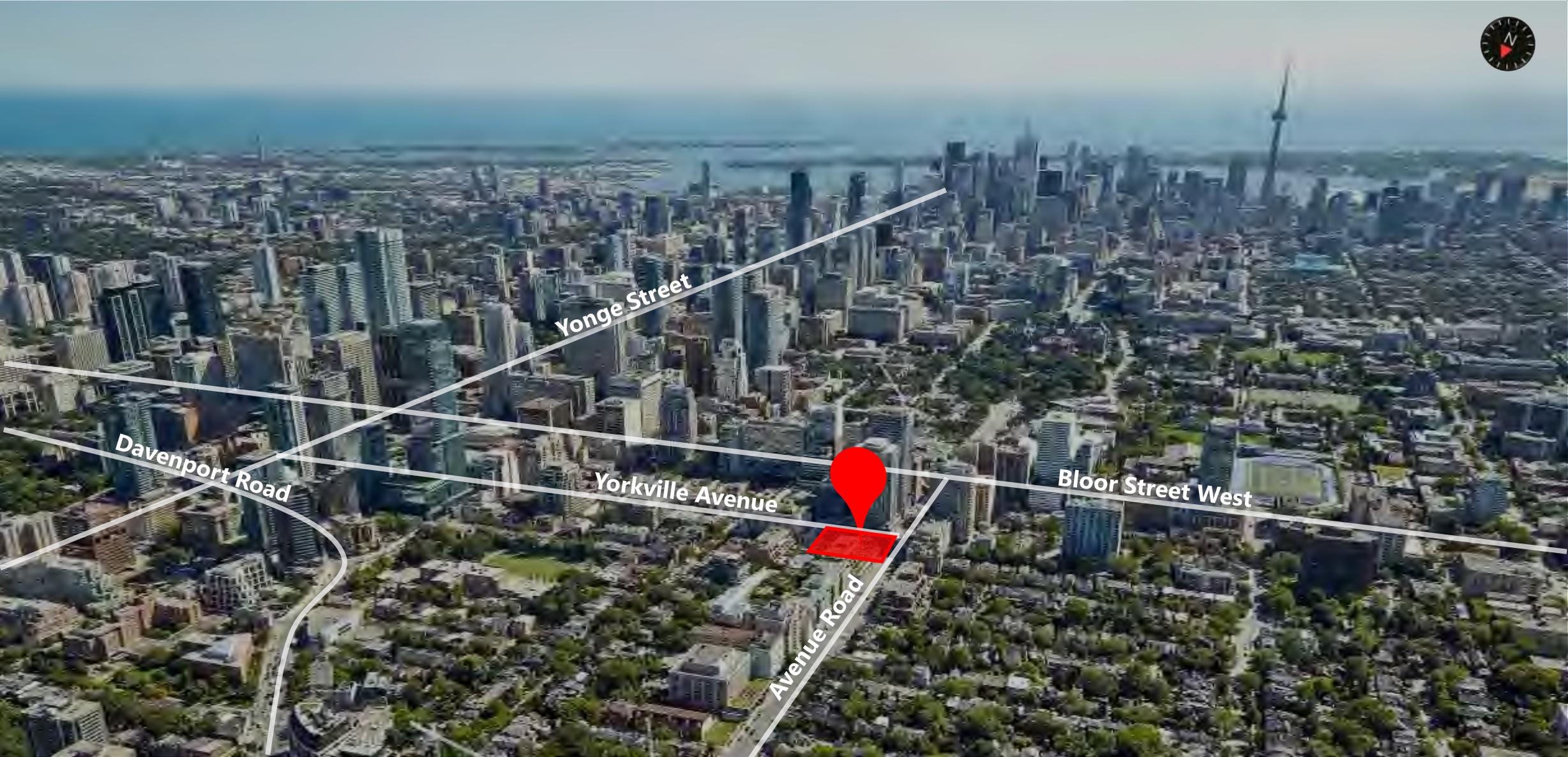
Once the capital of Toronto's bohemian culture and hippie movement, this iconic neighbourhood has become Canada's premier destination for all things luxury.

Known for its boutique charm, the area is renowned for its exclusive mix of upscale designer fashion and first-class art galleries, alongside acclaimed restaurants and chic cafes. From cutting-edge fashion to high-end designer boutiques, Yorkville is home to brands synonymous with luxury, including Chanel, Christian Louboutin and Brunello Cucinelli.

A magnet for residents and tourists alike, the neighbourhood's historic Victorian architecture and tree-lined cobblestone streets offer a quaint and charming pedestrian experience. The neighbourhood's unique retail, cultural and culinary experience creates a vibrant destination that draws a well-heeled crowd, day and night.

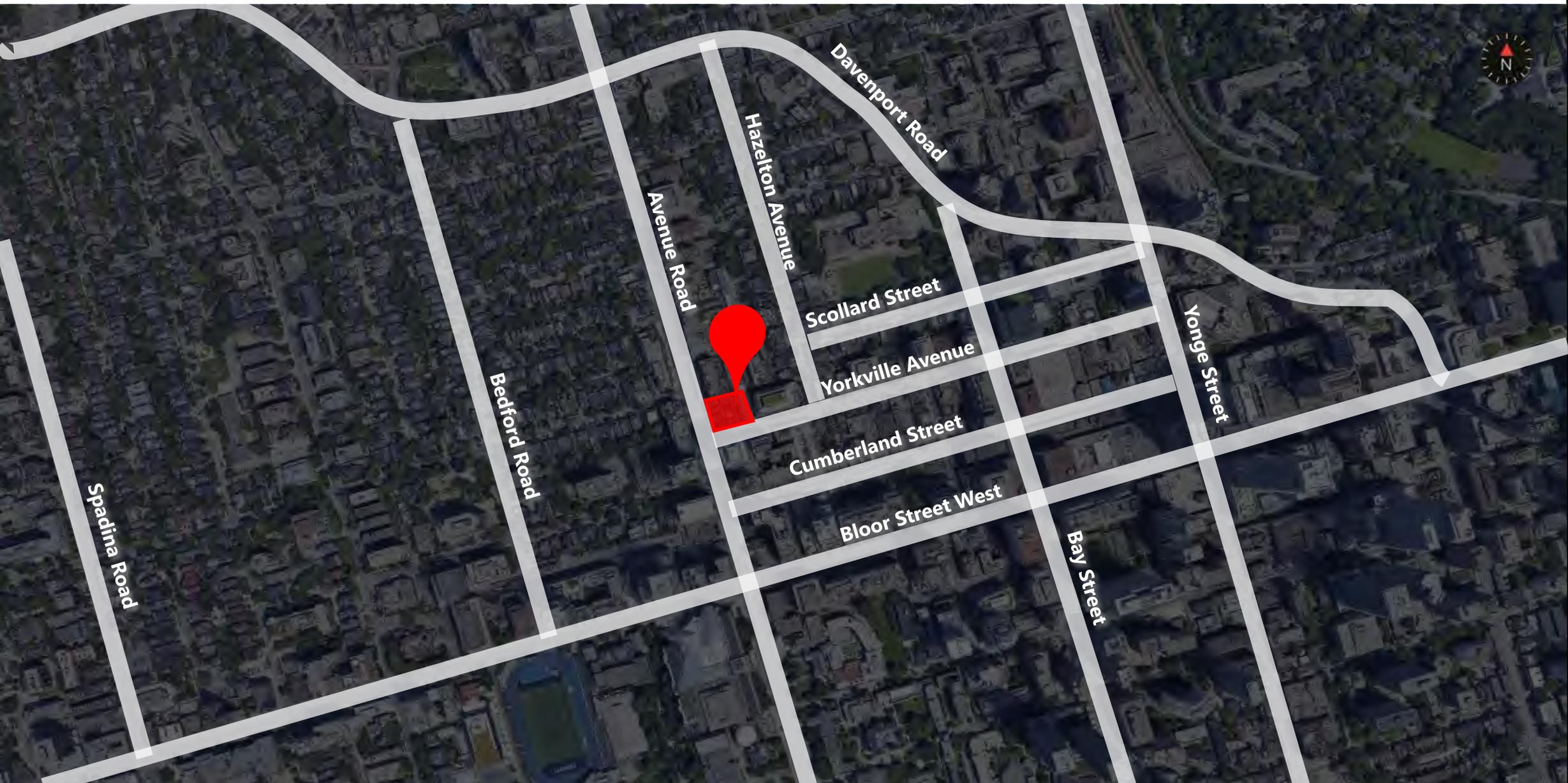


SITE LOCATION MAP



Notes: Red pin points to the approximate location of the project site.
Red outline reflects the approximate boundaries of the project site.

SITE LOCATION MAP



Notes: Red pin points to the approximate location of the project site.
Red outline reflects the approximate boundaries of the project site.

140 YORKVILLE AVENUE

EXCLUSIVE LOCATION AND ADDRESS

- Very few addresses in Canada support an ultra luxury development
- Avenue Road and Yorkville Avenue is the preeminent Toronto address

UNIQUE DESIGN TAILORED TO THE DISCERNING BUYER

- 12.5' – 14.5' slab-to-slab to allow for above-standard, minimum 11' clear ceiling heights
- Outdoor terraces starting at 432 SQ. FT. for all residences

LIFESTYLE, CONVENIENCE AND "LUXURY EXPERIENCE"

- Privacy and exclusivity, emphasizing a boutique feel, with between 75 and 91 units depending on customization
- Service and hospitality features that exceed those of a 5-star hotel, including private dining, an event lounge, house-cleaning and in-house dining among others
- Technology integration (convenient apps, keyless entry), 24-hour valet and "lifestyle curator", best-in-class security, luxury programming, including laundry/cleaning services, health and wellness facilities, etc.

HIGHEST CALIBER BUILDING AND IN-SUITE FINISHES

- Floor-to-ceiling windows for maximum views
- Direct sunlight to all residences
- Highly customizable design and finishes, luxury appliances (Gaggenau, La Cornue, Dacor, Miele, etc.)
- Private elevators with a landing vestibule for secure suite entry
- Large suite sizes and outdoor spaces to provide ample space for entertaining – average unit size in excess of 2,500 SQ. FT.





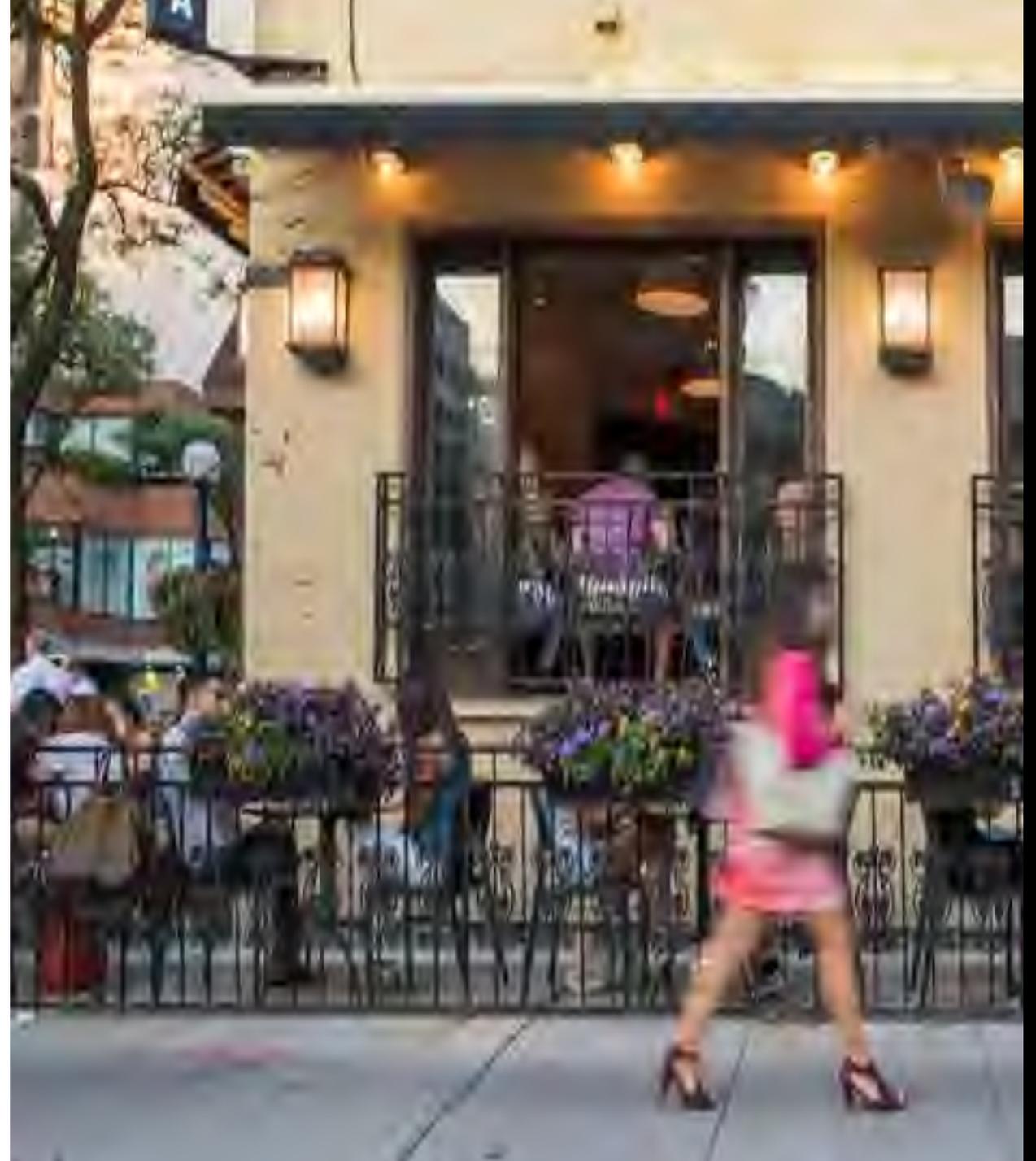
PROJECT HIGHLIGHTS

- The 140 Yorkville lands are currently LPAT APPROVED to build 251,955 SQ. FT. of gross floor area (GFA)⁽¹⁾
- For the purposes of the project, we assume that additional density can be added through the existing LPAT proceeding in accordance with usual practises and procedures and that the existing and obtained City heritage approval from March 2019 does not need to be varied
- The co-owners have entered into an agreement concerning the future acquisition of certain air and subsurface rights in 136 Yorkville Avenue (the adjoining property east of the project). These two properties will be developed jointly, which is projected to increase the total GFA attributable to the project to 299,564 SQ. FT.
 - The purchase price paid for these real property rights in 136 Yorkville Avenue will be calculated using a formula that considers the additional net residential saleable area that accrues to the project as a result of their inclusion. Currently, the purchase price is expected to amount to approximately C\$23 million
 - The purchase price for these rights will not be paid up front. It will be paid, in priority, to the FCR affiliate that owns 136 Yorkville Avenue out of the project's available distributable cash at the project's conclusion
 - The FCR affiliate that owns 136 Yorkville will agree to mortgage the property, or provide alternative financing, in each case with a collateral value that is equal to the purchase price (approx. C\$23 million). This will have the effect of reducing the project's equity requirements for the benefit of the co-ownership
- The project is expected to include 30,385 SQ. FT. of retail and/or commercial GFA. The financial projections assume that the partnership's interest in the commercial component will be sold upon completion of the project

(1) 21,227 SQ. FT. of commercial and 230,728 SQ. FT. of residential density

PROJECT HIGHLIGHTS & PARTNERSHIP BENEFITS

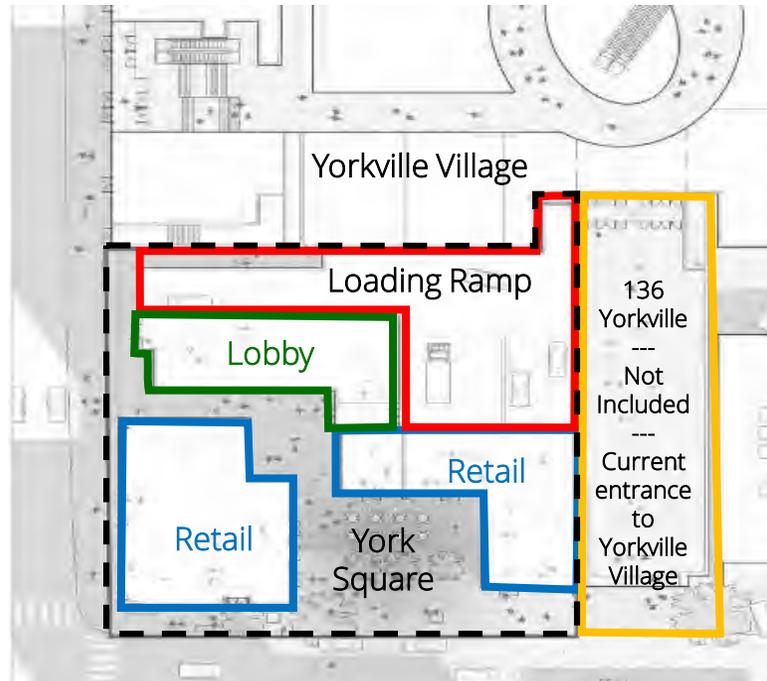
- The equity contribution will be split equally among the FCR co-owner, the BRE Fund co-owner and the Greybrook co-owner (33⅓% of the total each)
- Greybrook investors will not be subject to any further capital calls and cannot be diluted
- If necessary, the FCR co-owner will agree to provide the credit support or guarantees necessary to procure the land loan and construction financing
 - The FCR co-owner's credit enhancements are expected to represent approximately C\$15.8 million of value to the project, vis-à-vis the interest rates that would have been payable if the same credit enhancements were, instead, provided by another top-tier private developer
 - A per annum financing fee of 0.5625%, calculated daily when funds are drawn under available project financing, will be charged to the BRE Fund co-owner and the Greybrook co-owner (proportionate to their respective 33⅓% interests) and redirected out of the distributable cash otherwise payable to either of them at the project's conclusion
- Empire Communities and Greybrook Yorkville Limited Partnership, an investment vehicle organized by Greybrook Realty, are the current owners and the vendors selling the property
- The FCR co-owner, the BRE fund co-owner and the newly formed Greybrook co-owner (Greybrook Yorkville III Limited Partnership) are acquiring the property



PROJECT CO-OWNERSHIP SYNERGIES

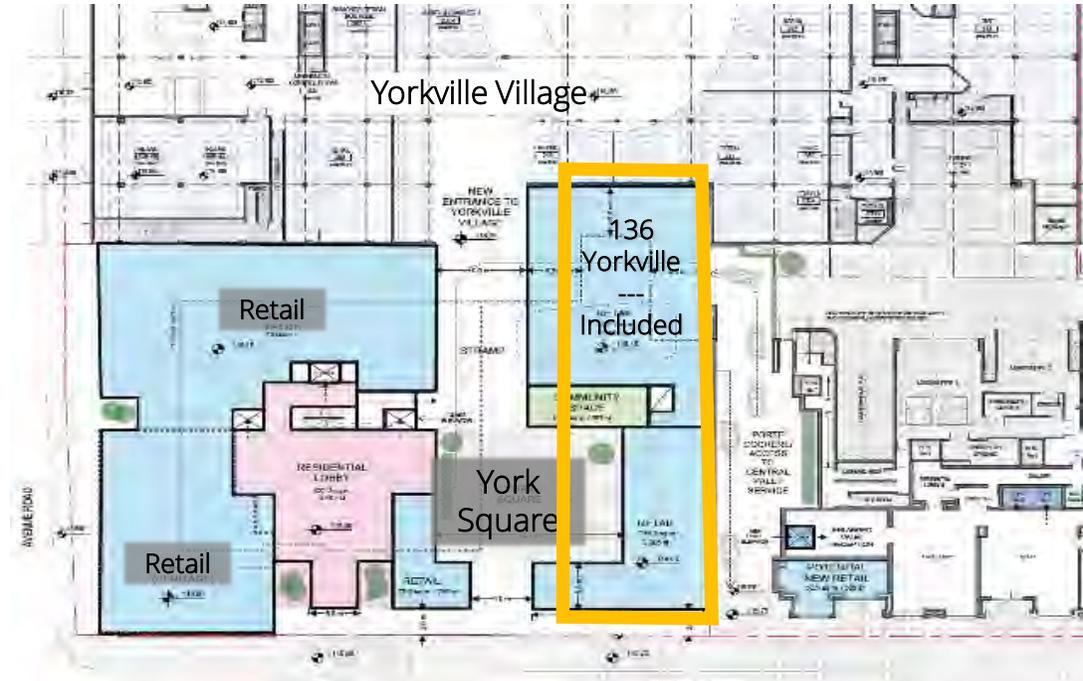
FCR's involvement and the joint development submission, including 136 Yorkville Avenue, allows for flexibility in design and unlocks a number of design enhancements, including rotation of the residential tower for better views for all suites.

CURRENT LPAT APPROVED PLAN



- Separate vehicular access to 140 Yorkville Avenue only off Avenue Road
- On-site ramp to underground garage
- 4-level underground garage
- No integration with Yorkville Village and Hazelton Hotel
- Requires agreements with neighbours for tiebacks and crane swing

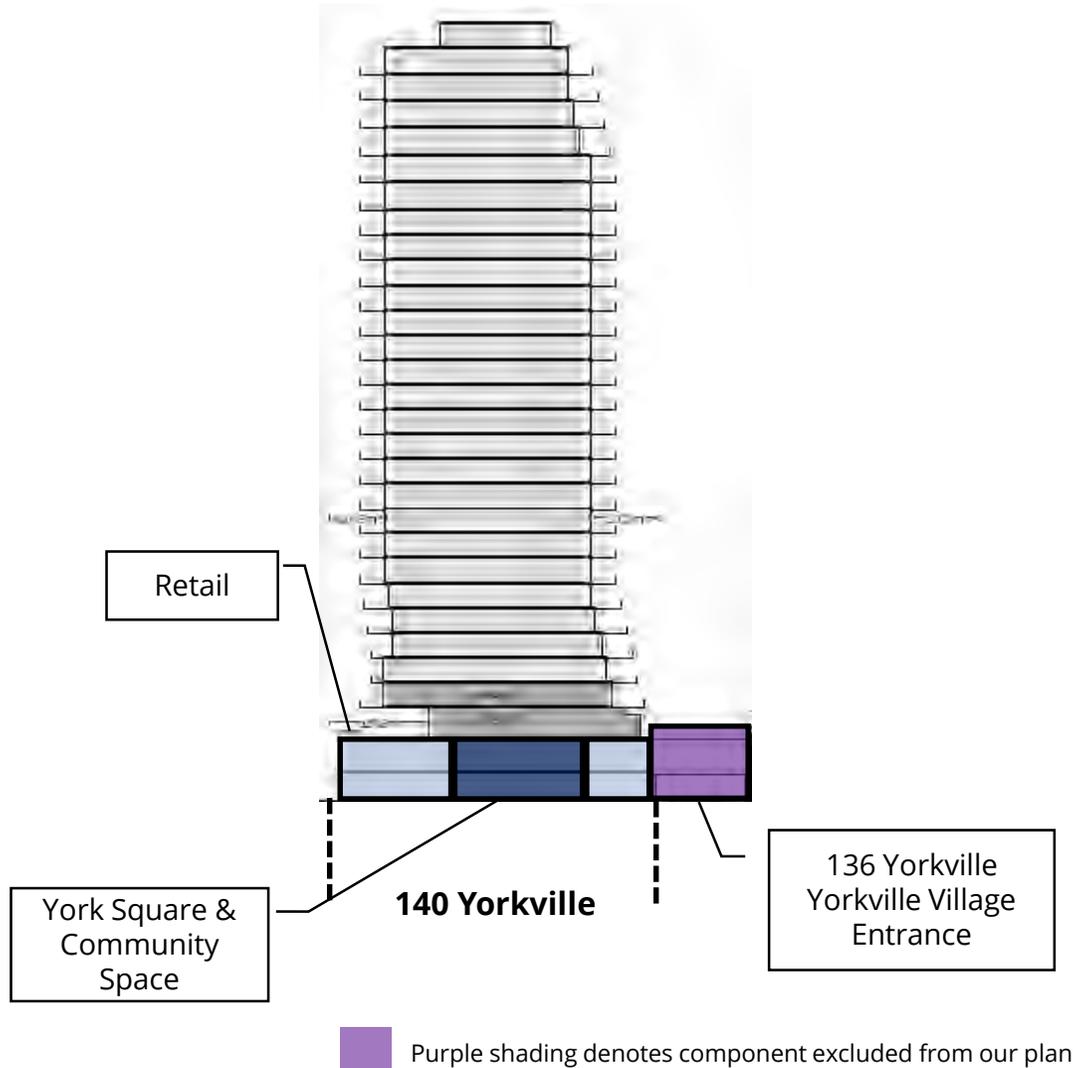
NEW PROPOSED PLAN



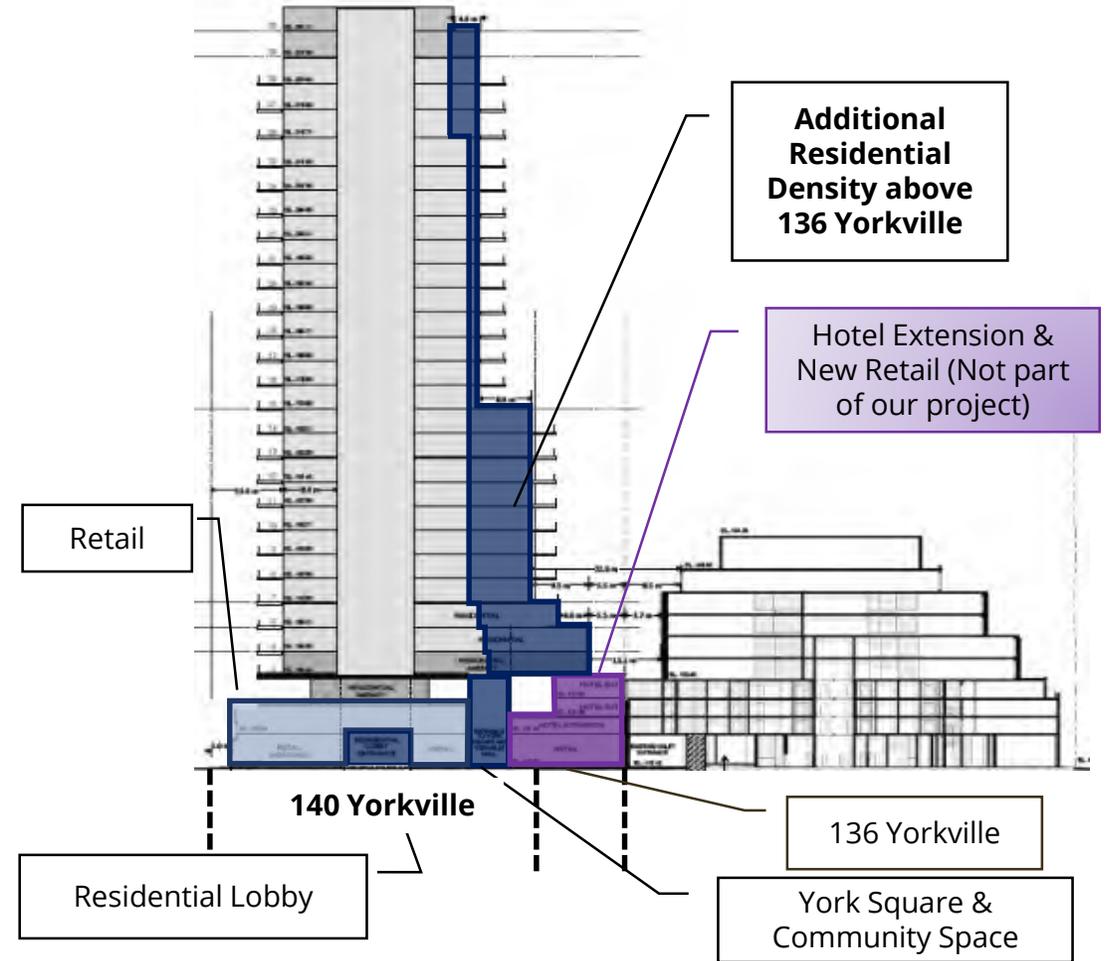
- Integration of vehicular access with the existing porte cochère at Hazelton Hotel
- Ramp to the underground garage is shared between 140 and 136 Yorkville Avenue from the existing porte cochère at Hazelton Hotel
- More efficient underground garage design integrated with Yorkville Village and Hazelton Hotel over a 3-level underground garage
- Ability to integrate with Yorkville Village and Hazelton Hotel
- FCR owns both neighbouring properties: Yorkville Village and Hazelton Hotel

PROJECT CO-OWNERSHIP SYNERGIES

CURRENT LPAT APPROVED PLAN



NEW PROPOSED PLAN

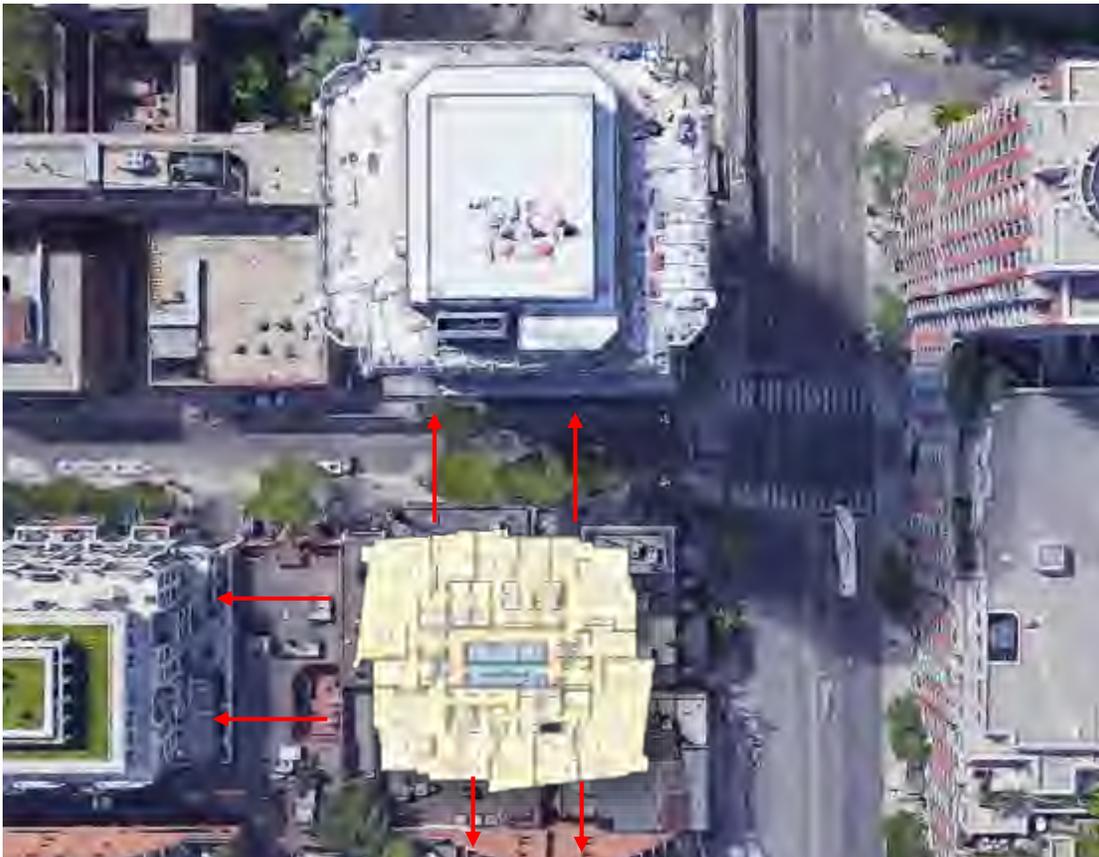


ENHANCED BUILDING DESIGN

An enhanced design development review is currently underway – efficiencies at and below grade and in the tower have been identified

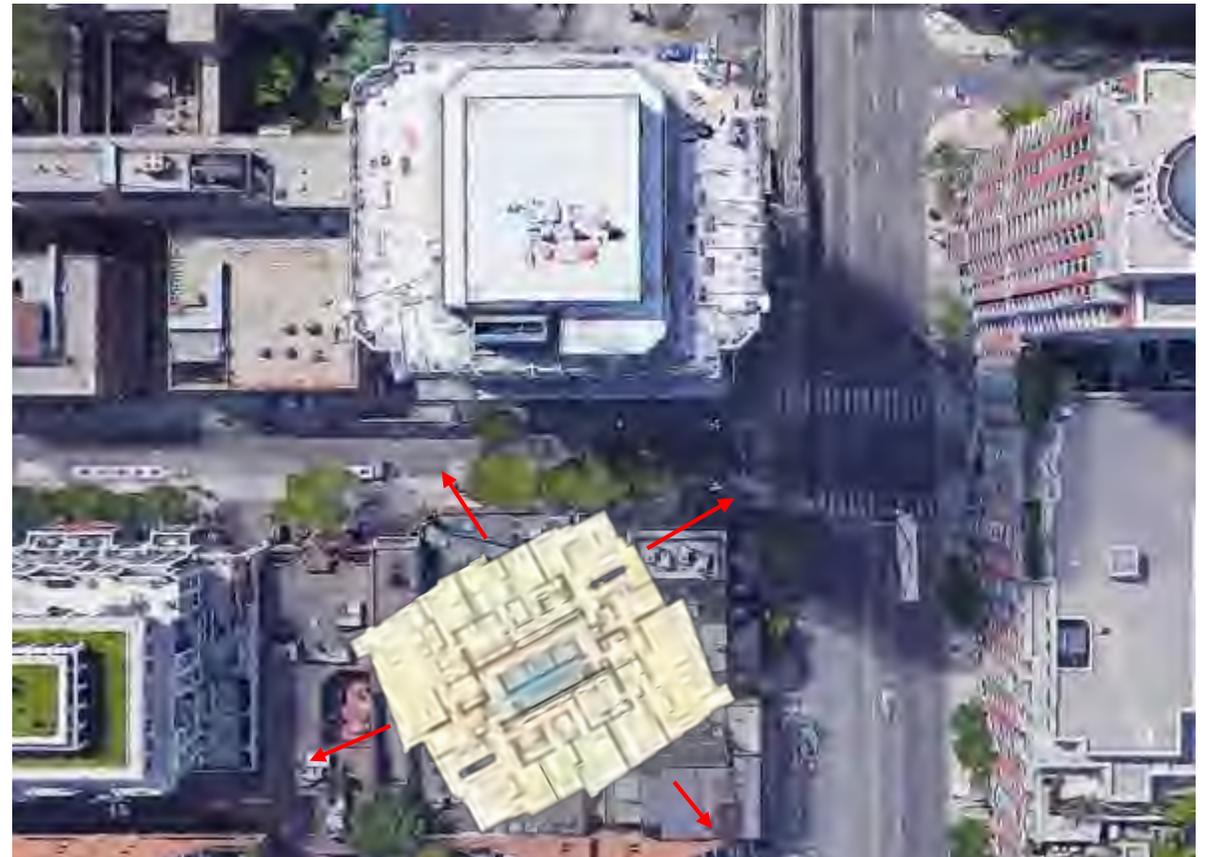
- The current approved plan has the new proposed tower directly facing Yorkville Plaza to the south and Hazelton Residences to the east
- Greybrook and FCR are proposing a 22.5 degree rotation of the tower (this is made possible by the inclusion of 136 Yorkville in the development plan)
- This rotation will allow for each unit to have direct sunlight at varying points of the day
- It will also create better view corridors for all residents

INITIAL DESIGN – COMPROMISED VIEWS



Preliminary building design subject to change.

NEW PROPOSED DESIGN



Preliminary building design subject to change.

HAZELTON REAL ESTATE

- Hazelton Real Estate (HRE), founded by Janice Fox, is a recognized leader in luxury high-rise sales in Toronto.
- HRE focuses exclusively on new construction and resale luxury condominium projects with a focus on the Yorkville area
- FCR and Greybrook plan to engage HRE as the Sales and Marketing program manager for the project
- HRE has considerable experience managing luxury pre-construction sales, including having managed the launch of the Four Seasons Private Residences in 2009, overseeing over C\$600 million in transactions
 - When the Four Seasons launched they required 18 years of statistical absorption for condos priced over C\$2 million to achieve their 75% pre-sale threshold
 - HRE achieved the pre-sale threshold in 18 months for both the East and West Towers
 - In a current luxury project featuring Greybrook and Stafford Homes (Avenue & Park), HRE has sold 83% of the units at a price PSF that exceeded the relevant sub market's average price PSF by more than 50% at the time of launch



HRE MARKET RESEARCH AND THE LUXURY HIGH-RISE LANDSCAPE

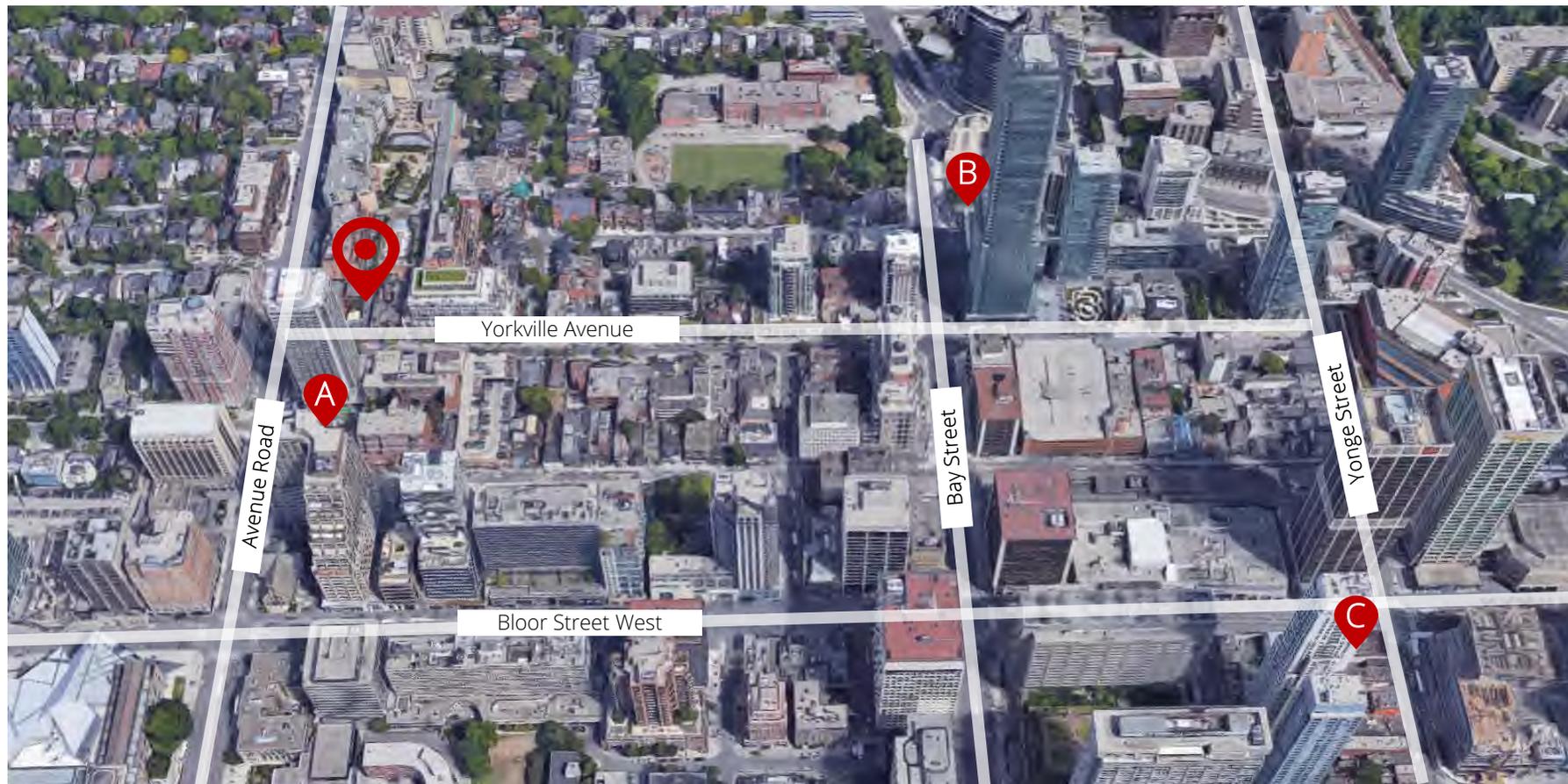
- Greybrook commissioned HRE to produce a market research report drawing upon their experience in the luxury high-rise market and their intimate knowledge of both public and private sales transactions
- After comparing the attributes of 140 Yorkville Avenue to Toronto's current luxury inventory, HRE suggested a launch price of between C\$3,000 to C\$3,250 PSF
- According to HRE, there are currently few options in Yorkville, or elsewhere in the downtown and midtown areas, for luxury buyers looking for new, spacious (2,500-5,000 SQ. FT.), full-service residences that offer the highest finishes and customization in a homogenous tower
- Comparing Toronto's existing luxury inventory to 140 Yorkville Avenue's planned offering is challenging as the standards for what is considered luxury have evolved considerably over the years
- There have been several individual luxury unit sales that have exceeded C\$3,000 PSF, including purchases of units in older buildings in the C\$2,000-C\$3,000 PSF range where buyers are expecting to spend an additional C\$400-C\$600 PSF to renovate and modernize/customize



COMPARING BUYERS' MOST DESIRABLE ATTRIBUTES WITHIN TORONTO'S EXISTING LUXURY INVENTORY

YORKVILLE HIGH-RISE	LAUNCH DATE	< 30 STOREYS	BOUTIQUE (<100 UNITS)	AVERAGE UNIT > 2,500 SQ. FT.	OUTDOOR SPACE	PRIVATE ELEVATOR	PROMINENT ADDRESS / STRONG BRAND	CEILING HEIGHT > 12 FT	CONCIERGE/ VALET	2+ PARKING
140 Yorkville		•	•	•	•	•	•	•	•	•
50 Scollard	Jun 2018		•				•		•	
The One	Oct 2017						•		•	
200 Cumberland (Private Estates)	Nov 2013	•	•		•		•		•	
128 Hazelton	Nov 2016	•	•		•					
PROPERTIES BUILT PRE-2011										
1 St Thomas	Nov 2003	•	•	•	•	•			•	•
155 Cumberland	2006	•	•	•	•	•	•			•
100 Yorkville	Jul 2005	•	•		•		•		•	
36 Hazelton	May 2011	•	•	•	•		•			
Four Seasons – West	May 2007				•	•	•		•	•
77 Charles	Jul 2007	•	•		•					
68 Yorkville	Jun 2004	•	•				•		•	•
Four Seasons – East	May 2007	•	•		•		•			
NON-YORKVILLE COMPARABLES										
One Forest Hill	Sept 2017	•	•		•		•		•	•
200 Russel Hill	Apr 2016	•	•		•		•			•
Ritz Carlton	Oct 2005						•		•	

PROJECTS CURRENTLY AVAILABLE FOR SALE THAT ARE MOST CLOSELY COMPARABLE TO 140 YORKVILLE AVENUE⁽¹⁾⁽²⁾⁽³⁾



	Project Name	Developer	Municipality	Opening Date	Current \$PSF	Size	Price Range	Units	% Sold
A	Yorkville Private Estates	Camrost Felcorp	Toronto	Nov-13	C\$2,374	400 sf - 3,605 sf	C\$408,900 - C\$8,835,000	306	100%
B	50 Scollard	Lanterra Developments	Toronto	Jun-18	C\$2,812	1,293 sf - 5,943 sf	C\$2,500,900 - C\$20,000,900	72	26%
C	The One	Mizrahi Developments	Toronto	Oct-17	C\$2,342	591 sf - 6,137 sf	C\$864,900 - C\$24,149,900	416	80%

(1) Lettered pins represent approximate locations of recent condominium projects.

(2) Red pin represents approximate location of the project site.

(3) Source: Urbanation, RealNet Canada Inc. as of April 2019.

SAMPLE UNIT TRANSACTIONS IN OLDER VINTAGE LUXURY BUILDINGS

Four Seasons – Penthouse

- Sold for C\$31,000,000 off-market in 2018 (C\$3,249 PSF)
- Buyer is expected to spend more than C\$1,000 PSF on renovations/re-finishing



20 Scrivener Square (Summerhill)

- Sold for nearly C\$2,000 PSF in 2018
- Buyer is expected to spend between C\$500-C\$750 PSF on renovations/re-finishing
- Built in 2002



SAMPLE UNIT TRANSACTIONS IN OLDER VINTAGE LUXURY BUILDINGS

155 Cumberland – Suite 1600

- Built in 2010
- 6,539 SQ. FT.
- Sold off-market for C\$21,000,000 (C\$3,211 PSF)
- Boutique building with concierge but no shared amenities

155 Cumberland - Suite 1400

- Built in 2010
- 10,200 SQ. FT.
- Listed for C\$28,750,000 (C\$2,818 PSF)
- Boutique building with concierge but no shared amenities



SAMPLE UNIT TRANSACTIONS IN OLDER VINTAGE LUXURY BUILDINGS

Four Seasons West - Unit 5401

- 3,914 SQ. FT
- Listed for C\$12,900,000 (C\$3,295 PSF)
- Finished with very specific design choices, purchaser expected to undergo a complete redesign

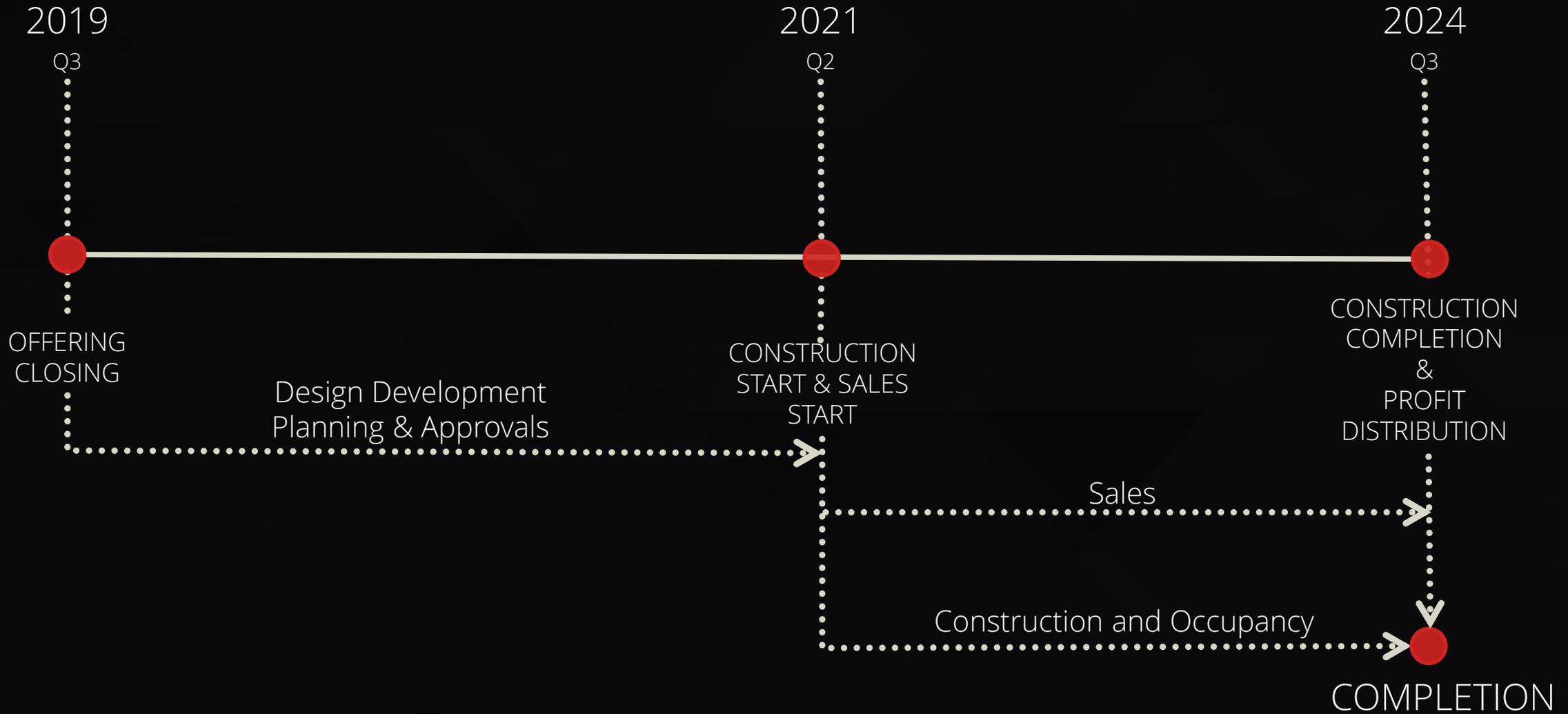


Four Seasons West - Unit 4901

- 5,555 SQ. FT.
- Offered at C\$17,500,000 (C\$3,150 PSF), not publicly listed
- Finished to a very basic standard and has never been lived in.
- Small balconies



PROJECT TIMELINE⁽¹⁾



(1) The projected timeline shown constitutes Forward Looking Information. Refer to page 2.

FINANCIALS⁽¹⁾⁽²⁾

Avg. Price Per Square Foot⁽³⁾	US\$2,062	US\$2,117	US\$2,173	US\$2,229	US\$2,284
Return of Initial Capital	US\$28,787,375	US\$28,787,375	US\$28,787,375	US\$28,787,375	US\$28,787,375
Investor Profit ⁽⁴⁾⁽⁵⁾	US\$21,995,000	US\$25,407,000	US\$28,807,000	US\$32,206,000	US\$35,603,000
Investor Total Return	US\$50,782,375	US\$54,194,375	US\$57,594,375	US\$60,993,375	US\$64,390,375
Investor Average Annual Return ⁽⁶⁾	15.3%	17.7%	20.0%	22.4%	24.7%
ROI ⁽⁴⁾	76%	88%	100%	112%	124%
Total Return ⁽⁴⁾	176%	188%	200%	212%	224%

- (1) Investors should refer to Schedule "B" in the offering memorandum for a detailed presentation of investor returns projected under several scenarios. Please see page 2 and 3 of this presentation and the offering memorandum for important information regarding the risks that could impact these financial projections and their attainability
- (2) The US dollar amounts shown on this page assume an exchange rate of US\$0.7429 to C\$1
- (3) The average sale prices reflect an assumed average unit size of 2,516 SQ.FT. Management believes that, based on current market conditions, US\$2,173 PSF, not including parking, is the most probable average sale price
- (4) Based on an estimated 5-year project term and expressed net of all fees
- (5) "Investor Profit" includes the projected proceeds generated from the sale of the partnership's interest in the project's future commercial space, which proceeds are expected to amount to approximately US\$61.6 million. This projection assumes (i) an average commercial annual net rent rate of US\$76 PSF. is achieved and (ii) a capitalization rate of 3.75%
- (6) Investor Average Annual Return to investors, expressed as a percentage, is calculated by dividing the amount of the projected net profit to the investors by the amount of the gross proceeds raised in the offering and then dividing that number by 5 (being the projected term of the project expressed in years)

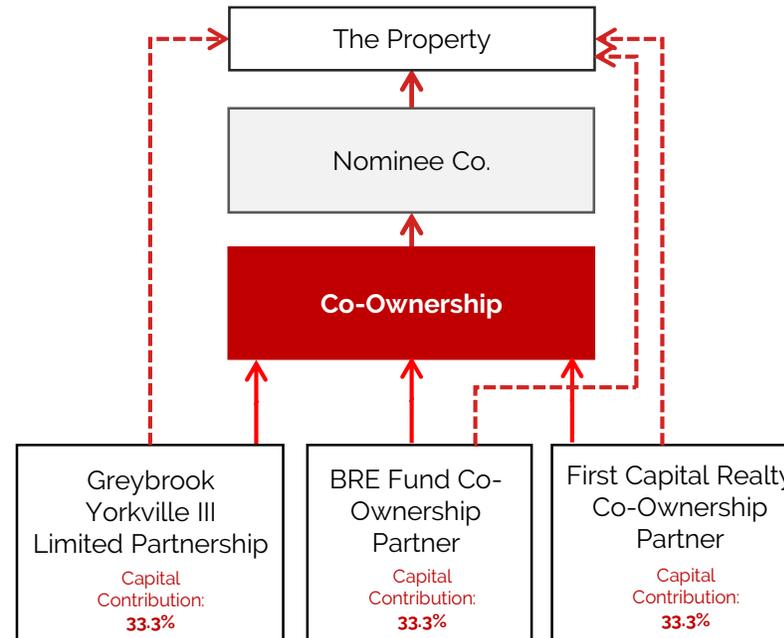
PROJECT STRUCTURE & CO-OWNERSHIP & LIMITED PARTNERSHIP AUDITORS

Equity is contributed 33.3% Greybrook Yorkville III Limited Partnership, 33.3% FCR Co-Ownership Partner, 33.3% BRE Fund Co-Ownership Partner

DISTRIBUTION OF CAPITAL



STRUCTURE



LIMITED PARTNERSHIP AUDITORS
MNP LLP

CO-OWNERSHIP AUDITORS
PWC LLP

(1) Of the 33.3% Greybrook Yorkville III Limited Partnership profit split, 95% will go to investors and 5% to Greybrook Realty Partners (or 1.67% of project profit)

CONTACT US

890 YONGE ST
7TH FLOOR
TORONTO

T: 416.322.9700
F: 416.322.7527
@GreybrookRealty

FOR MORE INFORMATION, PLEASE CONTACT YOUR INVESTMENT REPRESENTATIVE OR EMAIL INFO@GREYBROOK.COM



EXCEPTIONAL PARTNERS. EXCEPTIONAL RETURNS.

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