

OFFERING MEMORANDUM

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 10 - "Risk Factors".

March 1, 2023

AVI MUTUAL FUND TRUST
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Email Address: mward@homesbyavi.com

**No Minimum
No Maximum**

Reporting Issuer: Avi Mutual Fund Trust (the "Trust") is not a reporting issuer in any jurisdiction and **these securities do not and will not trade on any exchange or market.** The Trust does not file any of its documents on SEDAR.

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

THE OFFERING

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

The Trust:	The Trust is a private open-ended trust established under the laws of Alberta.
Purpose:	The Trust's primary purpose and sole business is to loan funds raised by it to the Operating Avi Parties, with the objective of generating returns to Unitholders. All or substantially all of the Gross Proceeds of the Offering will be used to provide Loans to the Operating Avi Parties to carry on the Avi Business. The aggregate amount of the Loans will be contingent on the amount of funds raised pursuant to this Offering. See Item 1 - "Use of Available Funds" and Item 2 - "Business of the Trust". Investments in the Trust should be considered long-term in nature.
Securities Offered:	Units of the Trust (" Units ").
Price per Security:	\$1 per Unit.
Offering:	The Trust is authorized to issue an unlimited number of Units which Units shall be issued in Series and hereby conditionally offers for sale an unlimited number of Units.
Minimum Subscription Amount:	There is no minimum subscription amount per Subscriber under this Offering.
Insufficient Funds:	Funds available from this Offering may not be sufficient to accomplish the Trust's proposed investment objectives. See Item 2.5 "Insufficient Funds".
Payment Terms:	Payment in full by certified cheque or bank draft of the subscription price is to be made with the delivery of a duly executed and completed Subscription Agreement. See Item 5.2 – "Subscription Procedure".
Minimum Offering:	The Offering is not subject to any minimum offering amount and as such you may be the only purchaser.
Resale Restrictions:	You will be restricted from selling your securities for an indefinite period. See Item 10 - "Resale Restrictions and Redemption Rights".
Purchaser's Rights:	You have two (2) business days to cancel your Subscription Agreement to purchase these Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the Subscription Agreement. See Item 11 - "Purchasers' Rights".

<i>Eligibility for Deferred Plans:</i>	The Units are intended to be able to be held by taxable and tax exempt Subscribers, such as trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans and tax-free savings accounts. There may be adverse tax consequences if the Units are held by a taxable investor. There are important tax consequences to Subscribers holding Units. See Item 8 - "Income Tax Consequences & Deferred Plan Eligibility".
<i>Proposed Closing Date(s):</i>	Closings will occur from time to time on such dates as the Trustee determines.
<i>Selling Agent:</i>	The Trust has not retained an underwriter in respect of the sale and distribution of the Units. The officers and directors of the Trustee may be involved directly in the selling of Units but will not receive any fees or commissions for affecting such sales.
<i>Conflicts of Interest:</i>	The actions of certain members of the Operating Avi Parties may from time to time be in conflict with the activities of the Trust. Such conflicts are expressly permitted by the terms of the Declaration of Trust dated November 6, 2014 as amended governing the Trust. See Item 10 - "Risk Factors - Conflicts of Interest".
<i>Term of the Trust:</i>	The Trust is intended to carry on for an indefinite term. An investment in the Trust should be considered long-term in nature and Subscribers will be required to rely on redemption provisions to monetize their investment in the Trust.
<i>Distributions:</i>	<p>The Trust will distribute Income of the Trust and Net Realized Capital Gains for each taxation year, so that Income of the Trust and Net Realized Capital Gains will be taxable to Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions during the Investment Period of a Series of Units will be paid by the Trust through the distribution of additional Units. See Item 2.6 - "Material Contracts - Summary of the Declaration of Trust – Section 5.7 - Method of Payment of Distributions".</p> <p>The Trust has not paid dividends or distributions that exceeded cash flow from operations. See Item 7 – "Certain Dividends or Distributions".</p>
<i>Redemptions:</i>	Unitholders may redeem Units subject to certain restrictions set forth in the Declaration of Trust. See Item 2.6 - "Material Contracts - Summary of the Declaration of Trust - Section 6 - Redemption of Units".
<i>Conditions on Repurchase and Redemption Restrictions:</i>	You will have the right to require the Trust to repurchase the Units from you, but this right is qualified by the redemption terms as set forth in the Declaration of Trust. Below is a summary of some but not all of the redemption restrictions included within the terms of the Declaration of Trust. <u>The Redemption Price per Unit redeemed may be paid by the Trust through the issuance of Redemption Notes rather than in cash in certain circumstances. Subscribers should note that Redemption Notes will not be a qualified investment for tax-exempt subscribers. See Item 8 - "Income Tax Considerations and Deferred Plan Eligibility". Redemptions in certain circumstances will also be subject to various maximum redemption limits as provided for in the Declaration of Trust. See Item 2.6 - "Material Contracts - Summary of the Declaration of Trust under the subheading Section 6 - Redemption of Units".</u>
<i>Trustee:</i>	Avi MFT Corporate Trustee Inc. See Item 3.2 - "Management Experience".

OM Marketing Materials:	Any “ OM Marketing Materials ” (as such term is defined in National Instrument 45-106 <i>Prospectus Exemptions</i>) related to each distribution under this Offering Memorandum and delivered or made reasonably available to a prospective Subscriber before the termination of such distribution will be, and will be deemed to be, incorporated by reference into this Offering Memorandum, provided that any OM Marketing Materials to be incorporated by reference into this Offering Memorandum is not part of the Offering Memorandum to the extent that the contents of such OM Marketing Materials have been modified or superseded by a statement contained in an amended and restated Offering Memorandum or OM Marketing Materials subsequently delivered or made reasonably available to a prospective Subscriber prior to the execution of the Subscription Agreement by the Subscriber.
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This Offering is being made to, and subscriptions will only be accepted from, persons resident in the Provinces of British Columbia and Alberta. This Offering is being made pursuant to certain exemptions contained in National Instrument 45-106 – Prospectus Exemptions (“NI 45-106”).

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities in any jurisdiction.

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

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COVID-19 PANDEMIC

In order to combat the Covid-19 pandemic (as defined herein), governments worldwide, including those countries in which the entity operates, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. The continuation of the Covid-19 pandemic creates a level of uncertainty and risk that may have a significant impact on the Trust and the Operating Avi Parties operations, business environment and the Canadian residential home building, home sales and residential development industry as a whole. Although this industry has not been as adversely affected by the Covid-19 pandemic as many other industries, Management cannot reasonably estimate the length or severity of the pandemic and will continue to monitor its impact by reviewing financial results of the Operating Avi Parties in future periods. See Item 10 - Risk Factors herein for further disclosure with respect to the Covid-19 pandemic.

FORWARD-LOOKING STATEMENTS

Certain information regarding the Trust set forth in this Offering Memorandum, including the Trustee's assessment of the Trust's future plans and business, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "believe", "continue", "estimate", "expect", "intend", "plan", "potential", "predict", "project", "seek" or other similar words, or statements that certain events or conditions "may", "might", "could", "should" or "will" occur are intended to identify forward-looking statements. Such statements represent the Trustee's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, business opportunities, future expenditures, plans for and results of business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Trustee believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies particularly in light of the Covid-19 pandemic. Many factors could cause the Trust's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Trust.

Forward-looking statements included in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; use of the proceeds of the Loans to the Operating Avi Parties; the business to be conducted by the Trust and the Operating Avi Parties; the ability to make and the timing and payment of distributions of Cash Flow of the Trust made by the Trust; the business objectives of the Trust and the Operating Avi Parties; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; timing of dissolution of the Trust; possibility of extension of the dissolution date of the Trust; results of operations, the timing thereof and the methods of funding.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the risks discussed under Item 10 - "Risk Factors" and other factors, many of which are beyond the control of the Trust and the Trustee. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this Offering Memorandum are based on a number of assumptions, including those relating to:

- the effect of the Covid-19 pandemic, in terms of duration and degree, upon the current and future business of the Trust and Operating Avi Parties;
- the Trust's business strategy and operations;
- the ability of the Trust to achieve or continue to achieve its business objectives;
- the Trust's expected financial performance, condition and ability to generate distributions;
- the Operating Avi Parties including their business strategy, operations, financial performance, condition and ability to repay the Loans;
- factors and outcomes associated with the home building industry, including competition and competitive conditions including without limitation rising interest rates and inflation;
- concentration of investments of the Trust in a single business (being the Loans to the Operating Avi Parties) operating in a single industry (being the home building industry in Alberta) which result in the Trust's investments being less diversified than other investment funds;

- possibility of substantial redemptions of Units;
- taxation of the Trust;
- the impact on the Trust of future changes in applicable legislation;
- application of legislation and regulations applicable to the Trust; and
- availability of and dependence upon certain key employees, officers and directors of the Operating Avi Parties.

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

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

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GLOSSARY OF TERMS

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

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

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

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

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

“Avi Business” means the home building business carried on in the cities of Calgary and Edmonton, in the Province of Alberta by the Operating Avi Parties;

“Avi Calgary GP” means Homes By Avi (Calgary) GP Inc., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“Avi Calgary LP” means Homes By Avi (Calgary) LP, a limited partnership established under the laws of the Province of Alberta, or any successor or permitted assignee thereof. Avi Calgary GP is the general partner of this partnership;

“Avi Canada” means Homes By Avi (Canada) Inc., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“Avi Contribution” means any dollar amount contributed by an Operating Avi Party to a Deferred Plan of an Avi Employee which is used to acquire Trust Units under this Offering;

“Avi Edmonton GP” means Homes By Avi (Edmonton) GP Inc., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“Avi Edmonton LP” means Homes By Avi (Edmonton) LP a limited partnership established under the laws of the Province of Alberta, or any successor or permitted assignee thereof. Avi Edmonton GP is the general partner of this partnership;

“Avi Employee” means an employee, officer or director of an Operating Avi Party and **“Avi Employees”** means collectively all employees, officers and directors of the Operating Avi Parties;

“Avi Land” means Avi Land Corporation Inc., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“Avi Urban” means Homes By Avi Urban (2006) Inc., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

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

“Cash Flow of the Trust” shall have the meaning provided for in Item 2.6 - “Material Contracts - Summary of the Declaration of Trust – Section 5.1 - Computation of Cash Flow of the Trust”;

“Cause” means the termination of the employment of a Trust Unitholder with an Operating Avi Party resulting from the breach by a Trust Unitholder of his or her terms of employment with an Operating Avi Party;

“CRA” means the Canada Revenue Agency;

“Covid-19” or the **“virus”** means the coronavirus disease 2019 caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

“Covid-19 pandemic” or **“pandemic”** means the pronouncement on March 11, 2020, by the World Health Organization declaring the Covid-19 outbreak to be a pandemic;

“Declaration of Trust” means the Declaration of Trust dated November 6, 2014 as amended governing the business and affairs of the Trust as may be amended, supplemented and restated from time to time;

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

“discretion” means sole, absolute and unfettered discretion;

“Discretionary Units” shall have the meaning provided for in Item 2.6 - “Material Contracts - Summary of the Declaration of Trust - Section 3.1 - Nature of Trust Units”;

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

“Distribution Period” means the periods of March 1 to May 31, June 1 to August 31, September 1 to November 30, and December 1 to February 28 during the term of the Trust, or such other periods as may be hereafter determined from time to time by the Trustee from and including the first day thereof and to and including the last day thereof;

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

“Employee Contribution” any dollar amount contributed by an Avi Employee to a Deferred Plan of that Employee which is used to acquire Units under this Offering;

“Extraordinary Resolution” means a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of the Declaration of Trust at which two or more individuals are present in person either holding personally or representing by proxy in aggregate not less than ten percent (10%) of all votes entitled to be voted at the meeting and passed by the affirmative votes of the holders of more than 66 $\frac{2}{3}$ % of the votes cast by the Unitholders entitled to vote on such resolution and represented at the meeting and voted on a poll upon such resolution or approved in writing in one or more counterparts by Unitholders holding at least 66 $\frac{2}{3}$ % of the votes represented by the Units entitled to vote on such resolution;

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

“Funding Agreement” means the agreement entered into between the Trust and Avi Canada which provides that Avi Canada will pay all costs, fees and expenses incurred by the Trust in connection with this Offering and the Previous Offerings together with all operating costs of the Trust;

“GAAP” means at any time accounting principles generally accepted in Canada, including those set out in the Handbook of the Chartered Professional Accountants - Canada, specifically International Financial Reporting Standards (**“IFRS”**), applied on a consistent basis;

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

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

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

“HBA” means collectively the Operating Avi Parties and each of the predecessor corporations and partnerships that have carried on the Avi Business since 1978;

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

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

“Interest Rate” means the annual interest rate payable by Avi Canada with respect to a Loan, which rate shall be determined by mutual agreement between Avi Canada and the Trust prior to the commencement of each Loan. For all loans to be made by the Trust from funds raised under this Offering, the Interest Rate will be six percent (6%) per annum calculated quarterly, not in advance. See Item 2.6 – “Material Contracts – Summary of the Loan Agreement”;

“Investment Period” for a Series of Units issued by the Trust means the period commencing March 1 and ending on the last day of the 36th month thereafter;

“Investment Period Maturity Date” shall have the meaning provided for in Item 2.6 - “Material Contracts - Summary of the Declaration of Trust - Section 6.3 - Redemption of Units on an Investment Period Maturity Date”;

“Loan Advance” means each individual advance of funds made by the Trust to the Operating Avi Parties from proceeds raised by the Trust from the distribution of Units;

“Loan Agreement” means the loan agreement entered into between the Trust and the Operating Avi Parties, as more particularly described in Item 2.6 herein;

“Loans” means the series of loans of all of the Gross Proceeds of this Offering and the Previous Offerings that the Trust will make or has made to the Operating Avi Parties, to be evidenced by Promissory Notes and **“Loan”** means any one of the Loans as the context requires;

“Matching Program” shall have the meaning ascribed to it in Item 2.2.1 - “Current Business of the Trust”;

“Method of Payment of Distributions” shall the meaning ascribed thereto in Item 2.6 - “Material Contracts - Summary of the Declaration of Trust - Section 5.7 - Method of Payment of Distributions”;

“Net Realized Capital Gains” of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year calculated in accordance with the provisions of the Tax Act exceeds:

- (i) the aggregate of the capital losses of the Trust for the year calculated in accordance with the provisions of the Tax Act;
- (ii) any capital gains which are realized by the Trust as a result of a redemption of Units pursuant to the Declaration of Trust and which have been designated to the redeeming unitholders;
- (iii) any amount in respect of which the Trust is entitled to a capital gains refund under the Tax Act; and
- (iv) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable Income of the Trust for the year;

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

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

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

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

“Operating Avi Parties” or **“Operating Parties”** means Homes By Avi (Canada) Inc., Homes By Avi Urban (2006) Inc., Homes By Avi (Calgary) GP Inc., Homes By Avi (Calgary) LP, Homes By Avi (Edmonton) GP Inc., Homes By Avi (Edmonton) LP, Avi Land Corporation Inc. and any of their respective current or future affiliates and subsidiaries and **“Operating Avi Party”** or **“Operating Party”** means anyone of them;

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

- (a) shares;
- (b) any property that, under the terms or conditions of which or under an agreement, is convertible into, is exchangeable for or confers a right to acquire, shares;
- (c) cash;
- (d) bonds, debentures, mortgages, hypothecary claims, notes and other similar obligations;
- (e) marketable securities; and
- (f) real property situated in Canada that is capital property of the Trust, and interests in such real property, or immovables situated in Canada that are capital property of the Trust and real rights in such immovables;

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

“Personal Contributions” means personal funds deposited to a Deferred Plan by an Avi Employee which are used to acquire Units under this Offering. Personal Contributions do not include any Avi Contributions made to an Avi Employee’s Deferred Plan;

“Previous Offerings” means the offering of Units by the Trust pursuant to offering memorandums dated February 18, 2015, May 3, 2016, March 27, 2017, March 19, 2018, March 19, 2019, March 20, 2020, March 24, 2021 and March 16, 2022;

“Promissory Note” means each promissory note issued by the Operating Avi Parties to the Trust in respect of each Loan Advance made by Trust to the Operating Avi Parties as more particularly described in Items 2.2.2 and 5.1 herein;

“Proposed Amendments” means all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof;

“Redemption Notes” means any promissory note issued by the Trust pursuant to the terms of Section 6 of the Declaration of Trust as a result of redemption request by a Trust Unitholder. See Item 2.6 - “Material Contracts - Summary of the Declaration of Trust”;

“Redemption Price” means one dollar (\$1) per Unit;

“Related Party” has the meaning ascribed to it pursuant to NI 45-106 as follows:

- (a) a director, officer, promoter or control Person of the Trust;
- (b) in regard to an individual referred to in paragraph (a), a child, parent, grandparent, sibling or other relative living in the same residence;
- (c) in regard to an individual referred to in paragraph (a) or (b), the individual’s spouse;
- (d) an insider of the Trust;
- (e) a Person controlled by a Person referred to in paragraphs (a) to (d), or controlled by a Person referred to in paragraphs (a) to (d) acting jointly or in concert with another Person;
- (f) in the case of a Person referred to in paragraph (a) or (d) that is not an individual, a Person that, alone or together with one or more Persons acting jointly or in concert, controls that Person.

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

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

“Series” means the alpha-numerical designation made by the Trustee with respect to the Units issued by the Trust, the proceeds of which correspond to a Loan made by the Trust to the Operating Avi Parties as more particularly described in Item 2.2.1 - “Current Business of The Trust”;

“Subscribers” mean parties who subscribe for Units pursuant to this Offering;

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

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

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

“Transfer Agent” means such Person as may from time to time be appointed by the Trust to act as registrar and transfer agent for the Units, together with any sub-transfer agent duly appointed by the Transfer Agent; provided, however, that where the Trust has not appointed a Person to act as a registrar and transfer agent of the Units, then the Trustee shall act as a registrar and transfer agent of the Units;

“Trust” means Avi Mutual Fund Trust, a trust formed by the Declaration of Trust, as the same may be amended, supplemented or restated from time to time;

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

“Trustee” means Avi MFT Corporate Trustee Inc., a corporation established under the laws of the Province of Alberta;

“Unit” or **“Trust Units”** means a trust unit of the Trust which represents an interest in the Trust as provided for in the Declaration of Trust and has the rights, privileges, restrictions and conditions set forth in the Declaration of Trust which Units may be issued in one or more Series as shall be designated by the Trustee in its sole discretion;

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

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

“Unit Subscription Price” means the subscription price for a Unit, which is one dollar (\$1) per Unit.

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

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ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Funds

The following table discloses the estimated Available Funds of the Offering and the funds that will be available to the Trust after the Offering.

		Assuming Minimum Offering	Assuming \$6,000,000 Raised under this Offering ⁽¹⁾
A	Amount to be raised by this Offering	Nil	\$6,000,000
B	Estimated expenses of the Offering ⁽²⁾	Nil	Nil
C	Selling commissions and fees	Nil	Nil
D	Available Funds: $D = A - (B + C)$	Nil	\$6,000,000
E	Additional sources of funding required	Nil	Nil
F	Working Capital Deficiency	Nil	Nil
G	Total: $G = (D + E) - F$	Nil	\$6,000,000

(1) This Offering is not subject to a maximum amount and additional proceeds may be raised pursuant to this Offering.

(2) All expenses and fees related to the Offering will be borne by Avi Canada rather than the Trust pursuant to the terms of the Funding Agreement.

1.2 Use of Available Funds

The proceeds from the issue of the Units will be paid to the Trust, deposited in its bank account and administered on behalf of the Trust by the Trustee. The Trustee will either retain the funds in a treasury account yielding interest or may invest that portion of the funds of the Trust not yet expended from time to time in interest-bearing accounts in Canadian chartered banks, in debt securities of a Canadian federal, provincial or municipal government or in money market funds selected by the Trustee in its sole discretion.

The Trust

All of the Gross Proceeds will be used to provide Loans to the Operating Avi Parties, which will use such proceeds to carry on the Avi Business. The aggregate amount of the Loans will be contingent on the amount of funds raised pursuant to this Offering. See Item 2.2 - "Our Business".

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming \$6,000,000 raised under this Offering
Provide Loans to the Operating Avi Parties	Nil	\$6,000,000
All other costs and expenses relating to the Trust's activities and business	Nil ⁽²⁾	Nil ⁽²⁾
Total	Nil	\$6,000,000

(1) The Trust is a Related Party to the Operating Avi Parties as follows: (i) Vered Amir is an officer and director of the Trustee as well as a director of the Operating Avi Parties; and (ii) Monte Kendall and Michele Ward are officers and directors of the Trustee and are also officers of the Operating Avi Parties. See Item 2.1.4 - "Related Party Matters".

(2) All costs and expenses relating to the Trust's activities and business will be borne by Avi Canada rather than the Trust pursuant to the Funding Agreement.

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The Operating Avi Parties

The Operating Avi Parties will use the proceeds of this Offering advanced by the Trust represented as the principal amount of the Loans over the ensuing 12 months from the date of this Offering Memorandum as follows:

Description of intended use of Available Funds listed in order of priority	Assuming Minimum Offering	Assuming \$6,000,000 raised under this Offering
To be used for: (i) acquiring, holding and developing raw land or land available for servicing; (ii) the purchase of developed lots and land from developers; (iii) project equity before financing is available; (iv) investments to acquire shares, limited partnership units, joint venture interests and other similar securities in private real estate based structures for the purpose of providing the Operating Avi Parties with future access to lands in Alberta for residential construction by these Parties. See Item 2.2.3 - "The Avi Business".	Nil	\$6,000,000
Total	Nil	\$6,000,000

1.3 Reallocation

The Operating Avi Parties intend to use the Gross Proceeds as stated above.

1.4 Future Cash Calls

A Subscriber will not be required to make any additional funds available to the Trust in addition to their subscription amount.

1.5 Working Capital Deficiency

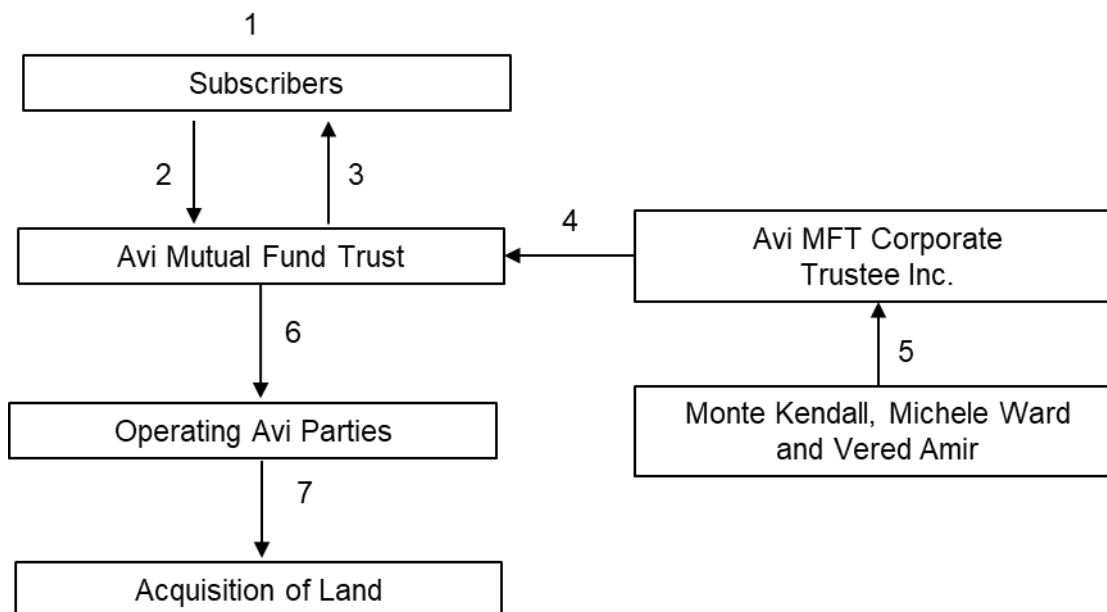
As of February 28, 2023, the Trust does not have a working capital deficiency.

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ITEM 2 - BUSINESS OF THE TRUST

2.1 Structure

The following diagram and the sections that follow illustrate and describe the Trust's business structure.



1. Subscribers under this Offering are expected to be employees, spouses of employees and officers and directors of the Operating Avi Parties and their respective spouses.
2. Subscribers will invest their Personal Contributions in the Trust together with Avi Contributions, if any, made by the Operating Avi Parties. Investments by Subscribers are expected to occur on February 28, May 31, August 31 and November 30 of each year while the Trust remains constituted.
3. The Trust will issue Subscribers Trust Units on the basis of one (1) Unit for every one (\$1) dollar invested by them in the Trust.
4. Avi MFT Corporate Trustee Inc. is the Trustee of the Trust.
5. Vered Amir, Monte Kendall and Michele Ward are the officers and directors of the Trustee. Avi Canada is the sole shareholder of the Trustee.
6. The Trust will loan the Gross Proceeds of this Offering to Operating Avi Parties.
7. The Operating Avi Parties will use the proceeds of this Offering for the purposes disclosed in Item 1.2 – “Use of Available Funds” herein. The Operating Avi Parties are Related Parties to the Trust. See Item 2.1.4 – “Related Party Matters”.

2.1.1 The Trust

The Trust is an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Alberta on November 6, 2014 pursuant to the Declaration of Trust. The principal place of business of the Trust is 245 Forge Road SE, Calgary, Alberta, T2H 0S9. On March 30, 2015, the Trust made an election with the Canada Revenue Agency to be treated as a “Mutual Fund Trust” under the Tax Act.

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

2.1.2 The Trustee

The Trustee of the Trust is Avi MFT Corporate Trustee Inc., a corporation established under the laws of the Province of Alberta on October 31, 2014. The principal place of business, records office and registered office of the Trustee is 245 Forge Road SE, Calgary, Alberta, T2H 0S9.

The Trustee, through its officers and directors, is responsible for the management and control of business and affairs of the Trust on a day-to-day basis in accordance with the terms of the Declaration of Trust.

2.1.3 The Operating Avi Parties

Avi Canada is a corporation established under the laws of the Province of Alberta on October 26, 2005.

Avi Land is a corporation established under the laws of the Province of Alberta on November 8, 2004.

Avi Calgary LP and Avi Edmonton LP were each registered as Alberta limited partnerships on November 30, 2011. Each of Avi Calgary GP and Avi Edmonton GP were incorporated as private Alberta corporations on November 30, 2011.

Avi Urban was incorporated as a private Alberta corporation on May 8, 2006.

The head office of each of the Operating Avi Parties is located at 245 Forge Road SE, Calgary, Alberta, T2H 0S9.

2.1.4 Related Party Matters

Avi Canada is sole shareholder of each of Avi Calgary GP, Avi Edmonton GP, Avi Land and Avi Urban and the Trustee.

Avi Canada is the sole limited partner of each of Avi Calgary LP and Avi Edmonton LP.

Monte Kendall and Michele Ward are each officers and directors of the Trustee and are Vice Chairman of the Board of Directors (Kendall) and CFO (Ward) of each of Avi Calgary GP, Avi Edmonton GP, Avi Urban, Avi Land and Avi Canada. Vered Amir is a director of each of Avi Calgary GP, Avi Edmonton GP, Avi Urban, Avi Land and Avi Canada and is a shareholder of Avi Canada's sole corporate shareholder.

2.2 Our Business

2.2.1 Current Business of the Trust

The Trust has been created as an investment structure through which employees, spouses of employees, officers and directors (collectively the **"Avi Employees"** or **"Employees"**) of the Operating Avi Parties can choose to invest funds in the Trust which will ultimately be used in the furtherance of the Avi Business.

The Operating Avi Parties currently provide a Deferred Plan matching contribution program (the **"Matching Program"**) to their Employees pursuant to which the Operating Avi Parties match, in dollar amounts (the **"Avi Contributions"**), the Deferred Plan contributions made by their Employees (the **"Employee Contributions"**) pursuant to the terms and conditions of the Matching Program. Contributions made by Avi Employees to their Deferred Plans together with any Avi Contributions may be invested by the Avi Employees in the Trust in return for Trust Units.

The Operating Avi Parties may, at their sole discretion, choose to suspend the Matching Program at any time during the course of this Offering.

2.2.2 Loans to the Operating Avi Parties

As of the date of this Offering Memorandum, the Trust has loaned to the Operating Avi Parties a total of \$14,066,185 with the proceeds of the Previous Offerings together with funds re-advanced by the Trust to the Operating Avi Parties from interest paid under the Loans. As at February 28, 2023, the Operating Avi Parties have repaid the sum of \$7,502,053 to the Trust in order to allow the Trust to redeem an aggregate of 7,502,053 Units. The aggregate principal balance of the Loans as of the date of this Offering Memorandum is \$6,564,132.

The Trust will continue to loan to the Operating Avi Parties (i) all proceeds from future closings under this Offering, at a rate of six percent (6%) per annum and (ii) will continue to re-advance all interest payments made under the Loans by the Operating Avi Parties as additional Loans, at a rate of six percent (6%) per annum calculated quarterly, not in advance, with respect to funds raised through the issue of Series A Units, Series B Units, Series C Units, Series D Units, Series E Units, Series F Units, Series G Units, Series H Units and Series I Units.

The Trust's primary purpose and sole business is to loan funds raised by it to the Operating Avi Parties, with the objective of generating returns to Unitholders. All of the Gross Proceeds of the Offering will be used to provide Loans to the Operating Avi Parties to be used by these Parties for the purposes listed in Item 1.2 herein under the heading "The Operating Avi Parties". The aggregate amount of the Loans will be contingent on the amount of funds raised pursuant to this Offering.

Subscribers should note that this is a “blind pool” Offering. The specific manner which the funds raised under this Offering will be deployed by the Operating Avi Parties have not yet been determined. The Operating Avi Parties have full discretion to deploy the proceeds of the Loans in order to provide the Operating Avi Parties with future access to lands in Alberta for residential construction by these Parties.

As such Subscribers will not, in advance of their subscription for Units under this Offering, have the benefit of considering the merits or risks of the lands acquired by the Operating Avi Parties.

The Units distributed by the Trust under this Offering during an individual Investment Period shall be designated as an individual Series. The gross proceeds from the sale and issuance of a Series of Units will be loaned to the Operating Avi Parties through a series of Loan Advances. In return for each Loan Advance from the Trust, Avi Canada on behalf of all of the Operating Avi Parties will grant a Promissory Note to the Trust pursuant to which the Operating Avi Parties shall be obligated to pay interest on the principal amount of each Loan Advance at the Interest Rate.

Interest payments shall be paid by the Operating Avi Parties to the Trust on a quarterly basis, on February 28, May 31, August 31 and November 30 during the term of a Loan Advance. The term of each Loan shall be on a demand basis.

The Unitholders of each Series of Units shall only be entitled to distributions of Cash Flow of the Trust, Income of the Trust and Net Realized Capital Gains of the Trust (as provided for in the Declaration of Trust), if any, arising from the Loan to which their Series of Units relates which is expected to be comprised of payments of interest and principal made by the Operating Avi Parties pursuant to each Loan.

During the Investment Period of each Series of Units the Trust intends to distribute additional Units to Subscribers as payment of Cash Flow of the Trust during each Distribution Period, as the Trust intends to re-loan to the Operating Avi Parties all interest paid by the Operating Avi Parties with respect to each Loan Advance.

As of the date of this Offering Memorandum, the Trust has re-advanced as Loans, all interest paid by the Operating Avi Parties in the amount of \$1,512,685.

At the expiration of an Investment Period relating to a Series of Units, the Trust will thereafter make all payments of Cash Flow of the Trust to which a Series of Units is entitled by way of cash, subject to the terms and conditions of the Declaration of Trust. See Item 2.2.5 - “Distribution of Cash Flow of the Trust” and Item 2.6 - “Material Contracts - Summary of the Declaration of Trust - Section 5.1 - Computation of Cash Flow of the Trust”.

Covid-19 Pandemic

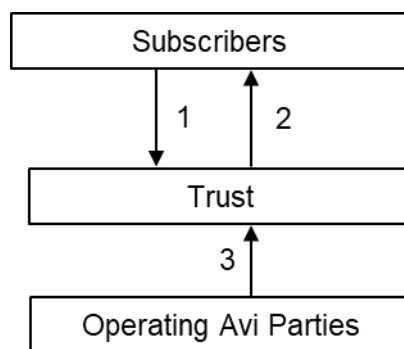
Around the world and within North America the spread of Covid-19 led to mass quarantines, job loss, supply chain and production disruption and reductions in overall consumer spending.

The Operating Avi Parties did not experience a significant impact on the number of home sales except for the temporary reduction in sales at the outset of the Covid-19 pandemic. The Operating Avi Parties experienced increased sales in the first half of their respective Fiscal 2022 year (December 1, 2021 – May 31, 2022), contributing to increased closings scheduled for the first 8 months of 2023. The Operating Avi Parties experienced a decline in sales in the last half of the Fiscal 2022 year mainly due to inflation and rising interest rates.

The Operating Avi Parties have implemented safety and social distancing protocols on its work sites. The Operating Avi Parties did not experience shut down of construction sites due to Covid-19 pandemic restrictions. The Operating Avi Parties will continue to monitor the effects that the pandemic may have, as management anticipates further volatility in the price of goods, materials and labour. The Operating Avi Parties anticipate that supply chain disruptions will continue throughout much of 2023.

Illustration of Advance of Loan Proceeds

The following diagram illustrates the advance of Loan proceeds from the Trust to the Operating Avi Parties.



1. All funds advanced by Subscribers to the Trust during a period commencing March 1, 2023 and ending the following February 28, 2024 will comprise the principal balance of Loans by the Trust to the Operating Avi Parties together with such interest under each Loan that is paid by the Operating Avi Parties to the Trust and then re-advanced by the Trust to the Operating Avi Parties.
2. All Trust Units issued by the Trust during the first twelve months of an Investment Period together with Trust Units issued to Subscribers as Cash Flow of the Trust relating to the Loans will be designated as an individual Series.
3. Each Loan Advance made by the Trust to the Operating Avi Parties under a Loan will be evidenced by a Promissory Note granted by Avi Canada on behalf of all of the Operating Avi Parties to the Trust.

Use of Loan Advances by the Operating Avi Parties

As of February 15, 2023, the Operating Avi Parties have used Loan Advances by the Trust as follows:

1. Invest in a limited partnership with Qualico Developments in Harmony (\$920,000);
2. Invest in Elbow Valley Estates on 20 acres of land, half of which will be developed for 50 condominium villa units (\$890,000);
3. Investment of paid out lots and lot deposits for Avi Edmonton LP (\$1,742,796); and
4. Investment of paid out lots and lot deposits for Avi Calgary LP (\$2,542,500).

2.2.3 The Avi Business

Overview

Established in Calgary in 1978, HBA is a privately owned large volume homebuilder operating within the Alberta market, in both Calgary and Edmonton. In 2006, the company expanded into Austin, Texas. HBA operates in product lines ranging from affordable apartment condominiums, to single family and attached homes. HBA has been recognized across the nation as one of the industry leaders in housing, having been a multiple recipient of the Builder of the Year award in Calgary, Edmonton, Alberta and across Canada. These awards are a testament to the consistent quality of the homes it builds and the services it provides to our homeowners and the communities we build in. Financially, HBA's annual production volumes and revenues have grown from modest beginnings to upwards of approximately \$250 M + in revenues. Despite operating through several major economic downturns, HBA has only recorded one annual financial loss from operations in all its years of existence.

Executive Team

The HBA executive team has a combined industry experience of over 200 years with an average tenure at the company of over 20 years per individual executive member. Each team member has fostered extensive relationships with local land owners, area developers, trades and suppliers and key decision makers and influencers at various levels of local and provincial government.

The Company was formed 45 years ago and focused strictly on the construction of single family homes. HBA has stayed true to its core business and expanded into land development, condominium management and commercial contracting. The ability to integrate these new business units into the company's success is a testament to the commitment of the executive team to continually leverage our corporate strengths to build market share wherever HBA can inject the greatest amount of benefit to the market.

The HBA Executive team includes: Avi Amir, Chairman, Monte Kendall, Vice Chairman, Charron Ungar, Chief Executive Officer, Michele Ward, Chief Financial Officer, Naum Shteinbah, Senior Vice President – Acquisitions and Financing, Darren Soltes, Senior Vice President – Corporate Development, Doug Beach, Vice President Housing, Vered Amir, Sponsorship and Community Engagement.

OUR FUTURE

HBA will continue to leverage the strength of both its human capital and entrepreneurial spirit to position itself in the best communities, building the most desirable housing products for all markets that it operates in. The future will include further development of its housing assets bolstered by a continued focus on the growth of supplementary operating divisions in both the construction management, condominium management and land development streams.

This Offering will assist the Operating Avi Parties in raising funds to be used to acquire, hold and develop raw land and land available for servicing for use by the Operating Parties. Funds raised under this Offering will also be used for deposits and for the purchase price of serviced land acquired by the Operating Avi Parties in Alberta as well as for all third party costs incurred by the Operating Avi Parties in the acquisition and development of such land. The Operating Avi Parties may also use the proceeds of this Offering to invest in shares, limited partnership units or joint venture units and other similar securities in private real estate structures for the purpose of providing the Operating Avi Parties with future access to lands in Alberta for residential construction by those parties.

Payments of principal and interest paid by the Operating Avi Parties to the Trust pursuant to the Loans will be made from revenues resulting from the operation of the Avi Business.

Market Conditions – Calgary

The Canada Mortgage and Housing Corporation (“CMHC”) in its Monthly Housing Starts and Other Construction Data Report (January 2023) reported a 15% increase in overall annual housing starts in 2022, with 17,306 starts in 2022 vs. 15,017 starts in 2021. CMHC reported that single detached housing starts increased 4% from 5,512 starts in 2021 to 5,752 in 2022. In the CMHC Spring 2022 Outlook, CMHC projected price growth will be supported by continued demand from job growth and migration, but sales will slow as mortgage rates rise. Housing activity will continue to be elevated for near future until facing slight downward pressure due to tightening credit conditions. The Operating Avi Parties expects these factors will continue to create demand in the market⁽¹⁾.

Market Conditions – Edmonton

CMHC, in its Monthly Housing Starts and Other Construction Data Report (January 2023) reported a 16% increase in overall annual housing starts in 2022, with 14,586 starts from 12,546 starts in 2021. CMHC reported that single detached housing starts increased 8% from 5,701 starts in 2021 to 6,173 in 2022. In the CMHC Spring 2022 Outlook, CMHC projected stronger migration and economic conditions will drive demand for housing markets into 2024. Rising mortgage rates may restrain price growth to some degree, but improving employment and migration will temper these pressures. The Operating Avi Parties expects the housing market to continue to be positive as market fundamentals improve⁽¹⁾.

Market Conditions – Effect on the Operating Avi Parties

The Operating Avi Parties experienced a 17% increase in annual sales (“sales” being executed purchase agreements between an Operating Avi Party and a purchaser of an Avi built home) from 2021 to 2022. The Operating Avi Parties anticipate an overall 11% decrease in the number of sales in 2023⁽¹⁾. The Operating Avi Parties experienced a 12% decrease in closings (“closings” being the consummation of the sale of an Avi built home to a purchaser where the purchaser provides final payment for the home to an Operating Avi Party) from 2021 to 2022. The Operating Avi Parties anticipate an overall 23% increase in closings for 2023⁽¹⁾.

(1) The information contained in the above contains forward-looking statements and projections. These statements relate to future events or future performance. These statements are only predictions. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements and projections made as the date hereof and are expressly qualified by this cautionary statement. No obligation is assumed to update or revise any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in expectations except as otherwise required by applicable legislation. See Item 10 – “Risk Factors”.

Financial Information with respect to the Operating Avi Parties – Years Ending November 30, 2021 and 2022

Year Ending November 30, 2022

As of November 30, 2022, the Operating Avi Parties had combined assets of \$304,680,794. The largest component of assets is inventories of \$219,686,060. As of November 30, 2022, the Operating Avi Parties have combined liabilities of \$198,127,047, leaving a combined net book value of \$106,553,747. Of the combined net book value, \$9,484,735 is represented by non-controlling interests in jointly held projects. The largest components of liabilities are accounts payable and bank financing of \$77,912,278 and land payables of \$60,244,499. As of November 30, 2022, the Loans from the Trust to the Operating Avi Parties represented three percent (3%) of the total liabilities of the Operating Avi Parties.

Year Ending November 30, 2021

As of November 30, 2021, the Operating Avi Parties had combined assets of \$223,952,870. The largest component of assets were inventories of \$153,699,747. As of November 30, 2021, the Operating Avi Parties had combined liabilities of \$125,851,505, leaving a combined net book value of \$98,101,365. Of the combined net book value, \$6,175,806 was represented by non-controlling interests in jointly held projects. The largest components of liabilities were accounts payable and bank financing of \$36,079,023 and land payable of \$43,899,927. As of November 30, 2021, the Loans from the Trust to the Operating Avi Parties represented four percent (4%) of the total liabilities of the Operating Avi Parties.

2.2.4 Administration and Operation of The Trust

Administrative and Operating Expenses

The Trust will generally be responsible to pay all costs and expenses related to its activities and business; however, Avi Canada has agreed to bear all such costs and expenses pursuant to the terms of the Funding Agreement. See Item 2.6 – “Material Contracts – Summary of the Funding Agreement”.

Operation of the Trust

The Trustee will generally claim all maximum deductions available to the Trust or such lesser amounts as it determines to be in the best interest of the Unitholders for the purposes of computing its income pursuant to the Tax Act and to the extent required to reduce the taxable income of the Trust to nil. The Trust will provide the Unitholders who received distributions from the Trust in the prior calendar year, the information and forms needed by them in order to complete their tax returns.

The Trust will file such tax returns as are required by the Tax Act. Unitholders will report income, loss, capital gains or capital losses for income tax purposes as required under the Tax Act and as is generally described under Item 8 - “Income Tax Considerations and Deferred Plan Eligibility”.

The Trustee

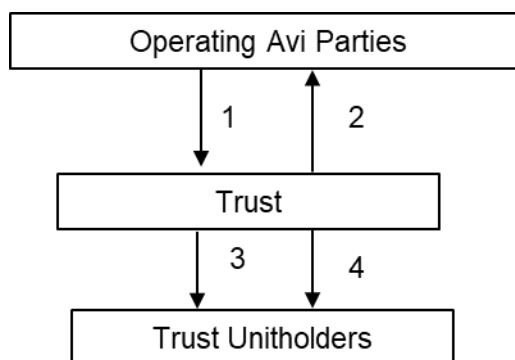
The Trustee will not be entitled to compensation for acting as Trustee of the Trust. The Trustee and its officers and directors will be entitled to be reimbursed by Avi Canada for any disbursements and out-of-pocket expenses made by them in the performance of their duties and obligations under the Declaration of Trust.

2.2.5 Distribution of Cash Flow of the Trust

It is the intention of the Trust to distribute all interest and principal payments it receives from the Operating Avi Parties with respect to Loan Advances made by the Trust to the Operating Avi Parties to Unitholders.

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The following is an example of intended distribution of funds received by the Trust from the Operating Avi Parties to Unitholders:



1. The Operating Avi Parties will pay the Trust interest at the Interest Rate with respect to of the outstanding balance of each Loan Advance on February 28, May 31, August 31 and November 30 of each year during the term of a Loan.
2. The Trust will loan all interest paid to it on the above basis back to the Operating Avi Parties at the Interest Rate.
3. The Trust will make distributions of Cash Flow of the Trust equal to interest paid with respect to each Loan Advance by Operating Avi Parties to the Trust Unitholders during the Term of each Loan by way of a distribution of Units to the Trust Unitholders with the Units issued in this respect being valued at one dollar (\$1) per Unit.
4. After the 36 month anniversary of the first advance of each Loan, the Trust will distribute as Cash Flow of the Trust to Trust Unitholders, with the cash received as interest payments under each Loan from the Operating Avi Parties after the above anniversary date.

2.2.6 Factors Affecting Distributions

The ability of the Trust to make cash distributions and the actual amount distributed will depend on payments it receives from the Operating Avi Parties pursuant to the Promissory Notes and will be subject to various factors including those referenced in Item 10 - “Risk Factors” section of this Offering Memorandum. It is important for Subscribers to consider the particular risk factors that may affect the Avi Business generally and therefore the availability and stability of the distributions to Unitholders. See Item 10 - “Risk Factors” for a more complete discussion of these risks and their potential consequences.

2.3 Development Of The Business

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

- (i) The Trust and the Trustee have both been established;
- (ii) The Trust and Avi Canada have entered into the Funding Agreement;
- (iii) On March 30, 2015, the Trust made an election under the Tax Act to be deemed as mutual fund trust with the Canada Revenue Agency;
- (iv) The Trust and the Operating Avi Parties have entered into the Loan Agreement;
- (v) The Trust has raised \$12,553,500 from the issue of 12,553,500 Units under the Previous Offerings;
- (vi) The Trust has loaned \$12,553,500 to the Operating Avi Parties representing the Gross Proceeds of the Previous Offerings;
- (vii) The Trust has loaned to the Operating Avi Parties an additional sum of \$1,512,685 representing the re-advance of interest paid by the Operating Avi Parties under the Loans between May 31, 2015 and February 28, 2023; and
- (viii) The Trust has issued 1,512,685 Units as Cash Flow of the Trust with respect to the above payments of interest by the Operating Avi Parties.

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

The following unfavorable developments have affected the Operating Avi Parties over the past 12 months:

- (i) The Operating Avi Parties have experienced a decline in sales in the last half of Fiscal 2022 mainly due to inflation and rising interest rates. See Item 2.2.2 – “Loans to the Operating Avi Parties – Covid-19 Pandemic”; and
- (ii) The Operating Avi Parties experienced a 12% decrease in closings (“closings” being the consummation of the sale of an Avi built home to a purchaser where the purchaser provides final payment for the home to an Operating Avi Party) in 2022 from 2021. See Item 2.2.3 – “The Avi Business – Market Conditions – Effect on the Operating Avi Parties”.

2.4 Short And Long Term Objectives

The Trust's primary purpose and sole business, and thus its short term and long term objective, is to raise \$6,000,000 or more under this Offering and the Previous Offerings and to loan those funds to the Operating Avi Parties, with the objective of generating returns to Unitholders. The total principal amount of the Loans will be equal to the Gross Proceeds raised under this Offering and the Previous Offerings.

All costs, expenses and fees associated with the Offering and the Previous Offerings will be borne by Avi Canada rather than the Trust pursuant to the terms of the Funding Agreement and as such the Trust will not incur any costs in achieving its short or long term objectives.

Proceeds raised under this Offering and the Previous Offerings will not be used to fund operational expenses of the Operating Avi Parties nor will the proceeds be used to pay for the costs of this Offering or the administration of the Trust.

2.5 Insufficient Funds

The Trust

The Trust intends that all or substantially all of the Gross Proceeds of the Offering and the Previous Offerings will be used to provide the Loans to the Operating Avi Parties. The Trust does not intend to hold any significant cash reserves. The proceeds of this Offering may not be sufficient to accomplish all of the Trust's proposed objectives and there is no assurance that alternative financing will be available.

2.6 Material Contracts

The Trust

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

- the Declaration of Trust (see "Summary of the Declaration of Trust");
- the Funding Agreement (see "Summary of the Funding Agreement"); and
- the Loan Agreement (see "Summary of the Loan Agreement").

SUMMARY OF THE LOAN AGREEMENT

The Trust and the Operating Avi Parties have entered into the Loan Agreement dated February 28, 2015. The parties to this Loan Agreement are considered to be Related Parties as Vered Amir is an officer and director of the Trustee as well as a director of the Operating Avi Parties; and Monte Kendall and Michele Ward are officers and directors of the Trustee and are also officers of the Operating Avi Parties. See Item 2.1.4 – "Related Party Matters". The material terms of the Loan Agreement are as follows:

Loans – the aggregate of all funds advanced by the Trust to the Operating Avi Parties between each 12 month period commencing March 1 and ending the following February 28 during the term of the Trust will be considered a separate Loan and will be evidenced by a Promissory Note issued by the Operating Avi Parties to the Trust which will include the terms below. The obligations of the Operating Avi Parties will be joint and several under the Loan Agreement and each Promissory Note granted by the Operating Avi Parties to the Trust.

Interest Rate – will be agreed to between the Trust and the Operating Avi Parties prior to commencement of each Investment Period for a Series of Units. With respect to all Loans advanced between March 1, 2015 and February 28, 2016, the interest rate was previously eight percent (8%) per annum, calculated quarterly, not in advance. With respect to all Loans advanced between May 31, 2016 and February 28, 2020, the interest rate was previously five percent (5%) per annum, calculated quarterly, not in advance.

With respect to all Loans advanced between March 1, 2020 and February 28, 2021, the interest rate was previously seven percent (7%) per annum calculated quarterly, not in advance, with respect to Series A, Series B, Series C and Series D Loans. For Series E, Series F and Series G Loans the interest rate was previously five percent (5%) per annum, calculated quarterly, not in advance.

Effective March 1, 2021, March 1, 2022 and March 1, 2023 the interest rate with respect to all Series of Loans is six percent (6%) per annum calculated quarterly, not in advance.

Interest payments – interest paid quarterly on each February 28, May 31, August 31 and November 30 during the term of a Loan. The Trust will loan the Operating Avi Parties all amounts paid by the Operating Avi Parties on account of interest with respect to a Loan.

Principal Payments – the whole of the principal amount of a Loan or any portion thereof so demanded by the Trust shall be payable on demand.

Security – Avi Canada has provided the Trust with security over all of its present and after acquired personal property which is subordinate to security provided by Avi Canada to its institutional lenders and with respect to security provided by Avi Canada in respect of shareholders loans made by Avi Canada's sole shareholder. The other Operating Avi Parties will not provide security in respect of the Loans. See Item 10 - "Risk Factors".

In the event that the payment terms of any Loan Advance has been in default for 30 consecutive days, the Trustee shall call a Special Meeting of the Trust Unitholders for the purpose of obtaining direction from the Trust Unitholders as to whether the Trust Unitholders want to replace the Trustee with a Trustee appointed by the Trust Unitholders.

SUMMARY OF THE DECLARATION OF TRUST

The following are the terms of the some of the Articles and Sections of the Declaration of Trust dated February 18, 2015 as amended. This summary is subject to the complete terms and conditions of the Declaration of Trust. References to Articles and Section numbers below are to corresponding Articles and Section numbers in the Declaration of Trust. Capitalized terms below that are not defined in this Offering Memorandum will have the same meanings as provided for in the Declaration of Trust. A full copy of the Declaration of Trust is available to subscribers on the "My Avi" website or upon request by Subscribers to the Trustee.

General

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

1.10 Audit, Accounting and Reporting

All accounting terms not specifically defined in this Declaration of Trust will be interpreted in accordance with GAAP. Where the character or amount of any asset or liability or item of revenue or expense or amount of equity is required to be determined, or any consolidation or other accounting computation is required to be made, for the purpose of this Declaration of Trust, such determination or calculation will, to the extent applicable and except as otherwise specified herein or as otherwise determined by the Trustee, be made in accordance with GAAP.

3.1 Nature of Trust Units

- a) The beneficial interests in the Trust shall be divided into interests of one class, described and designated as "Trust Units", which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein. The Trustee, in its sole discretion may designate Trust Units issued by the Trust into separate Series based on the date of issue of such Trust Units, and the interest of each Trust Unitholder shall be determined by the number of Trust Units registered in the name of the Trust Unitholder in each Series;
- b) Additionally the Trustee, in its discretion, shall be authorized to issue an individual Series or a number of Series of Trust Units (each a "**Discretionary Trust Unit Series**" and all Trust Units issued in a Discretionary Trust Unit Series shall be referred herein as "**Discretionary Trust Units**") which shall have all of the rights provided for in this Declaration of Trust other than with respect to the rights provided for under Section 5.7(a) and (b) and the rights of redemption provided for in Article 6 herein. The method of payment of distributions (the "**Method of Payment of Distributions**") other than with respect to Section 5.7(d) which shall be applicable in all respects to Discretionary Trust Units and rights of redemption (the "**Discretionary Trust Unit Redemption Rights**") with respect to all Discretionary Trust Unit Series shall be determined by the Trustee by way of a unanimous resolution (each such resolution shall be referred to as a "**Discretionary Trust Unit Series Trustee Resolution**") of the Trustee at the time a Discretionary Trust Units Series is issued by the Trust and this Declaration shall be considered to be amended as of the date of the Discretionary Trust Unit Series Trustee Resolution to the extent necessary to include the Method of Payment of Distributions and Discretionary Trust Unit Redemption Rights provided for the in the Discretionary Trust Unit Series Trustee Resolution; and

- c) Subject to Section 5.3, the Trust Units of each Series shall represent an equal undivided beneficial interest in any distribution from the Trust to which a Series of Units is entitled (whether of Income of the Trust, Net Realized Capital Gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust to which a Series of Units is entitled. All Trust Units in a Series shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof. Each Trust Unit shall entitle the holder of record thereof to one vote at all meetings of Trust Unitholders or in respect of any written resolution of Trust Unitholders.

3.3 Issue of Trust Units

- a) Trust Units shall be issued pursuant to and in accordance with this Declaration of Trust;
- b) the Trustee is authorized to review and accept subscriptions for Trust Units received by the Trust and to issue Trust Units in Series pursuant thereto;
- c) in addition, Trust Units may be issued by the Trust at the times, to the persons, for the consideration and on the terms and conditions that the Trustee determines, and, without limiting the generality of the foregoing, the Trustee may authorize the Trust to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase Trust Units from the Trust or from any other person or procuring or agreeing to procure purchasers for Trust Units; and
- d) Trust Units shall only be issued as and when fully paid in money, property, including indebtedness, or past services, and are not to be subject to future calls or assessments, except that Trust Units to be issued under an offering may be issued for a consideration payable in instalments and the Trust may take a security interest over such Trust Units for unpaid instalments.

3.4 Trust Units Non-Assessable

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

3.5 Legal Ownership of Assets of the Trust

The legal ownership of the assets of the Trust and the right to manage the investments of the Trust are vested exclusively in the Trustee and the Trust Unitholders shall have no interest therein other than the beneficial interest in the Trust conferred by their Trust Units issued hereunder and they shall have no right to compel any partition, division, dividend or distribution of the Trust or any of the assets of the Trust. The Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust. No Trust Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust, including without limitation the Trust.

3.6 No Fractional Units

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

3.7 Consolidation of Trust Units

Immediately after any pro-rata distribution of additional Trust Units to all holders of Trust Units pursuant to Section 5.7 (c), the number of the outstanding Trust Units will automatically be consolidated such that each such holder will hold after the consolidation the same number of Trust Units as such holder held before the distribution of additional Trust Units and each Trust Unit Certificate representing a number of Trust Units prior to the distribution of additional Trust Units is deemed to represent the same number of Trust Units after the distribution of additional Trust Units and the consolidation. Such consolidation shall not constitute a redemption or cancellation of Trust Units so consolidated and a Trust Unitholder whose Trust Units are consolidated shall not receive, and shall not be entitled to receive, any proceeds of disposition in respect thereof.

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

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

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

3.9 No Conversion, Retraction, Redemption or Pre-Emptive Rights

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

4 INVESTMENTS OF TRUST

4.1 Primary Investments

All Trust Units issued by the Trust between February 18, 2015 and February 28, 2015 and thereafter between March 1, 2015 and February 28, 2016 and every such consecutive annual period thereafter during the term of the Trust will be designated as an individual Series. The net proceeds from the issuance of a Series of Trust Units will be loaned (each a "**Loan Advance**") to the Operating Avi Parties. In return for each Loan Advance from the Trust, the Operating Avi Parties will grant a Promissory Note to the Trust pursuant to which the Operating Avi Parties shall be obligated to pay interest on the principal amount of each Loan Advance on terms as shall be agreed to between the Trust and the Operating Avi Parties.

The Trust Unitholders of each Series of Trust Units shall only be entitled to distributions of Cash Flow of the Trust, Income of the Trust and Net Realized Capital Gains of the Trust (as provide for in Section 5 herein), if any, arising from the Loan Advance to which their Series of Trust Units relates.

4.2 Other Investments

Funds within the Trust that are not required to be distributed to Trust Unitholders and are not otherwise used by the Trustee to pay for the cost and expenses of administering the Trust may be deposited by the Trustee on behalf of the Trust Unitholders or may be used by the Trustee on behalf of the Trust Unitholders to acquire Permitted Investments from time to time.

4.3 Investment Restrictions

- a) The Trustee shall ensure that the Trust:
 - (i) complies at all times with the requirements of subsection 108(2) and subsection 132(6) of the Tax Act; and
 - (ii) does not take any action, or acquire or retain any investment, that would result in the Trust not being considered a "mutual fund trust" as defined by the Tax Act; and
- b) the Trustee may, prior to any investment or activity, obtain an opinion confirming that the investment or activity will not affect the Trust's status as a "mutual fund trust" for purposes of the Tax Act, shall not cause the Trust to become a SIFT Trust (as defined in the Tax Act), or fail to comply with the provisions of subsection 132(7) of the Tax Act.

5.1 Computation of Cash Flow of the Trust

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

- a) all amounts which are received by the Trust with respect to a Series of Trust Units, for or in respect of, the Distribution Period, including, without limitation, interest, dividends, distributions, proceeds from the disposition of securities, returns of capital and repayments of indebtedness (including without limitation all such amounts as aforesaid received from the Operating Avi Parties arising from payments of principal and interest made by the Operating Avi Parties pursuant to the terms of a Promissory Note), or any other payment; and
- b) all amounts received by the Trust with respect to a Series of Trust Units in any prior Distribution Period to the extent not previously distributed;

less the sum of:

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

5.2 Computation of Income and Net Realized Capital Gains

- a) The “**Income of the Trust**” for any taxation year of the Trust shall be the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and paragraph 82(1)(b)) having regard to the provisions thereof which relate to the calculation of income of a trust, and taking into account such adjustments thereto as are determined by the Trustee in respect of dividends received or deemed to be received from taxable Canadian corporations, amounts paid or payable by the Trust to Trust Unitholders and such other amounts as may be determined in the discretion of the Trustee; provided, however, that capital gains and capital losses shall be excluded from the computation of net income; and
- b) the “**Net Realized Capital Gains**” of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year calculated in accordance with the provisions of the Tax Act exceeds:
 - (i) the aggregate of the capital losses of the Trust for the year calculated in accordance with the provisions of the Tax Act;
 - (ii) any capital gains which are realized by the Trust as a result of a redemption of Trust Units pursuant to Article 6 and which have been designated to the redeeming Trust Unitholders;
 - (iii) any amount in respect of which the Trust is entitled to a capital gains refund under the Tax Act; and
 - (iv) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year.

5.3 *Distribution of Cash Flow of the Trust*

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

5.4 *Other Distributions*

- a) In addition to the distributions which are made payable to Trust Unitholders pursuant to Section 5.3, the Trustee may declare to be payable and make distributions to Trust Unitholders of record, from time to time, out of Income of the Trust, Net Realized Capital Gains, the capital of the Trust or otherwise, to which each Series is entitled, in any year, in such amount or amounts, and on such record dates as the Trustees may determine;
- b) Having regard to the present intention to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year, the following amounts shall be due and payable to Trust Unitholders of each Series of record on December 31 in each such year:
 - i. an amount equal to the amount, if any, by which the Income of the Trust for such year in respect of that Series of Trust Units exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Section 5.4(a) which have been determined by the Trustee, pursuant to Section 5.5, to have been payable by the Trust out of Income of the Trust in respect of that Series of Trust Units for such year; and
 - ii. an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Trust for such year in respect of that Series of Trust Units exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Section 5.4(a) which have been determined by the Trustee, pursuant to Section 5.5, to have been payable by the Trust out of Net Realized Capital Gains in respect of that Series of Trust Units for such year;
- c) The proportionate share of each Trust Unit of the amount of any distribution made pursuant to either or both of Sections 5.4(a) and 5.4(b) shall be determined by dividing such amount by the number of issued and outstanding Trust Units of a Series of Trust Units on the applicable record date in respect of a distribution pursuant to Section 5.4(a) and on December 31 in respect of a distribution pursuant to Section 5.4(b). Each Trust Unitholder's share of the amount of any such distribution shall be an amount equal to the proportionate share of each Trust Unit of such amount multiplied by the number of Trust Units of a Series of Trust Units owned of record by each such Trust Unitholder on such applicable record date or December 31 in the year of such distribution, as the case may be. Subject to Section 5.7 and Section 5.8, amounts which are payable to Trust Unitholders pursuant to either Section 5.4(a) or 5.4(b) shall be paid in cash on the Distribution Payment Date which immediately follows the applicable record date in respect of a distribution pursuant to Section 5.4(a) or shall be payable December 31 in the applicable year in respect of a distribution pursuant to Section 5.4(b) and shall be paid forthwith, and in no event later than January 30 of the following year, subject to Section 5.6.

5.5 Character of Distributions and Designations

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

5.6 Enforceability of Right to Receive Distributions

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

5.7 Method of Payment of Distributions

- a) Other than with respect to Discretionary Trust Units, distributions of interest paid by the Operating Avi Parties to the Trust pursuant to the terms of a Promissory Note during the Investment Period applicable to each Series of Units shall be paid by the Trust to Trust Unitholders through the issuance of Trust Units in the Series to which a Promissory Note relates;
- b) Upon the expiry of an Investment Period of a Series, distributions of interest paid by the Operating Avi Parties to the Trust pursuant to the terms of a Promissory Note will, other than with respect to Discretionary Trust Units, be paid in cash by the Trust to the Trust Unitholders of the Series to which the Promissory Note relates;
- c) With respect to Discretionary Trust Units, distributions of interest paid by the Operating Avi Parties to the Trust pursuant to the terms of a Promissory Note during the Investment Period applicable to each Discretionary Series of Trust Units shall be paid by the Trust to Trust Unitholders in accordance with the terms of the Discretionary Trust Unit Series Trustee Resolution;
- d) Where the Trustee determines that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to this Article 5 on the due date for such payment other than with respect to distributions made pursuant to subparagraph (a) above, the payment may, at the option of the Trustee include the issuance of additional Trust Units, or fractions of Trust Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustee to be available for the payment of such distribution; and
- e) the value of each Trust Unit which is issued pursuant to Sections 5.7(a) and (d) shall be one dollar (\$1) per Trust Unit.

5.8 Withholding Taxes

The Trustee may deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distributions, whether those distributions are in the form of cash, additional Trust Units or otherwise. In the event of a distribution in the form of additional Trust Units or property other than cash, the Trustee may sell such Trust Units or other property of those Trust Unitholders to pay those withholding taxes and to pay all of the Trustees' reasonable expenses with regard thereto and the Trustee shall have the power of attorney of the Trust Unitholder to do so. Any such sale of Trust Units or property may be made by private sale and upon that sale, the affected Trust Unitholder shall cease to be the holder of those Trust Units or that property. In the event that withholding taxes are exigible on any distribution or redemption amounts distributed under this Declaration of Trust and the Trust was unable to withhold taxes

from a particular distribution to a Trust Unitholder or has not otherwise withheld taxes on particular distributions to the Trust Unitholders, the Trust shall be permitted to withhold amounts from other distributions to satisfy the withholding tax obligation. Each Trust Unitholder, by its acceptance of Trust Units, agrees that it shall indemnify and hold harmless the Trust for any amount required to be withheld as provided in this Section 5.8 and that such Trust Unitholder is entitled to subsequent distributions from the Trust only to the extent that such distributions are, in the sole opinion of the Trustee, in excess of amounts sufficient to discharge the required withholding. Each Trust Unitholder, by its acceptance of Trust Units, grants the Trustee the power to do so.

5.9 No Liability for Sales

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

6 REDEMPTION OF UNITS

6.1 Right of Redemption

Each holder of Trust Units, other than holders of Discretionary Trust Units, shall be entitled to require the Trust to redeem at any time or from time to time at the demand of such holder of Trust Units all or any part of the Trust Units registered in the name of such holder of Trust Units at the prices determined and payable in accordance with the terms and conditions hereinafter provided. The Trustee shall be entitled in its discretion to determine and designate whether any payments made in respect of any redemption are on account of income or capital.

6.2 Redemption Right During Investment Period

- a) To exercise a right to require redemption of Trust Units of a Series during an Investment Period, a duly completed and properly executed notice (each a "**Section 6.2 Redemption Notice**") requesting the Trust to redeem Trust Units, in a form acceptable to the Trustee, acting reasonably, specifying the identity, capacity or authority of the person giving such notice and number and Series of Trust Units to be so redeemed, along with the Trust Unit Certificate(s) representing the Trust Units to be so redeemed, shall be sent by a Trust Unitholder to the Trust at the office of the Trust. The Trustee may request such further information or evidence, as it deems necessary, acting reasonably, to act on such Redemption Notice; and
- b) Trust Units shall be considered to be tendered for redemption on the date that the Trustee has, to its satisfaction, received the Section 6.2 Redemption Notice and other required documents or evidence as aforesaid.
- c) Upon receipt by the Trustee on behalf of the Trust of the Section 6.2 Redemption Notice, the holder of the Trust Units tendered for redemption shall be entitled to receive an aggregate redemption price for all Trust Units to be redeemed (hereinafter called the "**Section 6.2 Redemption Price**") equal to the Unit Subscription Price of each Trust Unit to be redeemed;
- d) Subject to subparagraph (iii) below, the Section 6.2 Redemption Price payable in respect of the Trust Units surrendered for redemption shall be satisfied as follows:
 - (i) subject to Section 6.2(e) below, by way of a cash payment within 30 days of the receipt of a Section 6.2 Redemption Notice by the Trust with respect to all Trust Units acquired by the Trust Unitholder through contributions made personally by the Trust Unitholder (the "**Unitholder Contributions**") to his/her self-directed RRSP account during the Investment Period to which the Units to be redeemed relates including any Trust Units issued to the Trust Unitholder in accordance with distributions made by the Trust pursuant to Section 5.7(a) herein with respect to Trust Units acquired by the Trust Unitholder through Unitholder Contributions; and
 - (ii) the Section 6.2 Redemption Price with respect to Trust Units acquired by a Trust Unitholder from all amounts contributed by any of the Operating Avi Parties (each an "**Avi Party RRSP Contribution**") to the Trust Unitholder's self-directed RRSP account held during the Investment Period applicable to the Series of Units for which a Section 6.2 Redemption Notice has been received including any Trust Units issued to the Trust

Unitholder in accordance with distributions made by the Trust pursuant to Section 5.7(a) herein with respect to Trust Units acquired by the Trust Unitholder through Avi Party RRSP Contributions with all funds (collectively the “**Avi Party Contribution Amount**”) received through any Avi Party RRSP Contributions shall, subject to all necessary regulatory approvals, be paid and satisfied by the Trust issuing promissory notes (the “**Section 6.2 Redemption Notes**”). The Section 6.2 Redemption Notes shall be promissory notes issued in series, or otherwise, by the Trust and issued to redeeming Trust Unitholders in principal amounts equal to the aggregate of the Section 6.2 Redemption Price per Trust Unitholder representing the Avi Party Contribution Amount that will not be paid in cash and having the following terms and conditions:

1. unsecured and bearing interest from and including the issue date of each such note at a rate equal to lesser of (i) the Royal Bank of Canada Prime Rate in effect as of the date a Section 6.2 Redemption Notice is received; and (ii) one half of the interest rate of the Promissory Note related to the Series of Units being redeemed, payable annually in arrears (with interest after as well as before maturity, default and judgment, and interest on overdue interest at such rate);
 2. subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustee with holders of senior indebtedness;
 3. due and payable on the fifth anniversary of the date of issuance;
 4. subject to earlier repayment without penalty; and
 5. subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the Trustee.
- (iii) Notwithstanding anything to the contrary in subparagraph (ii) above, the Trustee, at its sole discretion may redeem Trust Units acquired by a Trust Unitholder by way of an Avi Party RRSP Contribution by cash payment, where the Units tendered for redemption total 1,000 Units or less.
- e) The Trust shall not be required to make cash payments for redemptions of Units pursuant to subparagraph (d)(i) above in excess of \$50,000 (the “**Section 6.2 Redemption Limit**”) per month (each a “**Section 6.2 Redemption Period**”) provided that the Trustee may, in its sole discretion, waive such limitation in respect of all Trust Units tendered for redemption pursuant to a Section 6.2 Redemption Notice. Trust Units tendered for redemption in any Section 6.2 Redemption Period in which the total amount payable by the Trust pursuant to subparagraph (d)(i) above exceeds the Section 6.2 Redemption Limit will be redeemed for cash on a pro-rata basis up to the Section 6.2 Redemption Limit;
- f) Any remaining unpaid balance over and above the Section 6.2 Redemption Limit shall be paid by the Trust on or before the last day of the month following the month in which a payment is made by the Trust pursuant subparagraph (e) above, subject always to such payments, together the aggregate of payments to be made by the Trust pursuant to subparagraph (d)(i) above in the month in question not exceeding the Section 6.2 Redemption Limit. In the event that the aggregate of such payments to be made by the Trust pursuant to subparagraphs (d)(i) and (e) above in any one month exceed the Section 6.2 Redemption Limit, payments shall be made by the Trust in the following priority: (i) Payments required by subparagraph (e) first followed by payments required by subparagraph (d)(i) secondly; and
- g) Payments made by the Trust of the Section 6.2 Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed.

6.3 Redemption of Units on an Investment Period Maturity Date

- a) Trust Units of Series may be redeemed by a Trust Unitholder for the full Subscription Price per Unit (the “**Section 6.3 Redemption Price**”) on the last day (each an “**Investment Period Maturity Date**”) of an Investment Period of the Units to be redeemed upon the Trust Unitholder providing the Trustee with a duly completed and properly executed notice (each a “**Section 6.3 Redemption Notice**”) requesting the Trust to redeem Trust Units, in a form acceptable to the Trustee, acting reasonably, 30 days prior to the Investment Period Maturity Date, specifying the identity, capacity or authority of the person giving such notice and number and Series of Trust Units to be so redeemed, along with the Trust Unit Certificate(s) representing the Trust Units to be so redeemed, shall be sent by a holder of Trust Units to the Trust at the office of the Trust. The Trustee may request such further information or evidence, as it deems necessary, acting reasonably, to act on a Section 6.3 Redemption Notice;
- b) Trust Units shall be considered to be tendered for redemption on the date that the Trustee has, to its satisfaction, received the Section 6.3 Redemption Notice and other required documents or evidence as aforesaid;
- c) The Section 6.3 Redemption Price payable in respect of the Trust Units surrendered for redemption shall be satisfied by way of a cash payment within 30 days of the Investment Period Maturity Date to which Trust Units being redeemed relate; and
- d) Payments made by the Trust of the Section 6.3 Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed.

6.4 Redemption of Units After an Investment Period Maturity Date

- a) To exercise a right to require redemption of Trust Units of a Series at any time after the Investment Period Maturity Date applicable to the Trust Units, a duly completed and properly executed notice (each a “**Section 6.4 Redemption Notice**”) requesting the Trust to redeem Trust Units, in a form acceptable to the Trustee, acting reasonably, shall be sent by a holder of Trust Units to the Trust at the office of the Trust between March 1 and April 30 or between May 1 and October 31 in any year after (each of the above periods shall be referred to herein as a “**Section 6.4 Redemption Period**”) specifying the identity, capacity or authority of the person giving such notice and number and Series of Trust Units to be so redeemed, along with the Trust Unit Certificate(s) representing the Trust Units to be so redeemed. The Trustee may request such further information or evidence, as it deems necessary, acting reasonably, to act on a Section 6.4 Redemption Notice; and
- b) Trust Units shall be considered to be tendered for redemption on the date that the Trustee has, to its satisfaction, received the Section 6.4 Redemption Notice and other required documents or evidence as aforesaid.
- c) Upon receipt by the Trustee on behalf of the Trust of the Section 6.4 Redemption Notice, the holder of the Trust Units tendered for redemption shall be entitled to receive a price per Trust Unit (hereinafter called the “**Section 6.4 Redemption Price**”) equal to the Unit Subscription Price of each Trust Unit to be redeemed together with any Cash Flow of the Trust that the Unit to be redeemed would be entitled to with respect to the interest payable under the Promissory Note to which the Series of Units relate as provided for in Section 4.1 herein up to the date on which the Section 6.4 Redemption Price is paid in accordance with subparagraph (d) below;
- d) Subject to Sections 6.5 and 6.6 below, the Section 6.4 Redemption Price payable in respect of the Trust Units surrendered for redemption shall be satisfied by way of a cash payment within 30 days of the end of the Section 6.4 Redemption Period in which a Section 6.4 Redemption Notice was received; and

- e) Payments made by the Trust of the Section 6.4 Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed.

6.5 No Cash Redemption in Certain Circumstances

The Trust shall not be required to make a payment in cash of the Section 6.4 Redemption Price with respect to Trust Units tendered for redemption pursuant to a Section 6.4 Redemption Notice if:

- a) in the sole opinion of the Trustee, the payment of the Section 6.4 Redemption Price in cash by the Trust would not be in the best interest of the Trust having regard to the then current cash position of the Trust; or
- b) the Trust, in the sole opinion of the Trustee, is able to make a cash payment with respect to the Section 6.4 Redemption Price and the total amount payable by the Trust pursuant to Section 6.4 in respect of such Trust Units tendered for redemption in the same Section 6.4 Redemption Period exceeds \$500,000 (the “**Section 6.4 Redemption Period Limit**”); provided that the Trustee may, in its sole discretion, waive such limitation in respect of all Trust Units tendered for redemption pursuant to a Section 6.4 Redemption Notice. Trust Units tendered for redemption in any Section 6.4 Redemption Period in which the total amount payable by the Trust pursuant to Section 6.4(d) exceeds the Section 6.4 Redemption Period Limit will be redeemed for cash on a pro-rata basis up to the Section 6.4 Redemption Period Limit and, unless any applicable regulatory approvals are required, by a distribution of Redemption Notes under Section 6.6 below for the balance; or
- c) the redemption of Trust Units will result in the Trust losing its status as a “mutual fund trust” for the purposes of the Tax Act.

6.6 Section 6.4 Redemption Price Paid by Redemption Notes

If, pursuant to Section 6.5, a cash payment for the whole of all the Trust Units tendered for redemption by a Trust Unitholder pursuant to a Section 6.4 Redemption Notice is not applicable to Trust Units tendered for redemption, then the Trustee, as soon as reasonably practicable, shall advise the Trust Unitholders in writing that the Section 6.4 Redemption Price for the Trust Units tendered for redemption pursuant to Section 6.4 will be paid in part by Section 6.4 Redemption Notes (as defined below), and such Trust Unitholders shall have 15 Business Days from the date of the Trustees’ notice hereunder to rescind their redemption. If not rescinded, the Section 6.4 Redemption Price shall, subject to all necessary regulatory approvals, be paid and satisfied by the Trust issuing promissory notes (the “**Section 6.4 Redemption Notes**”). Section 6.4 Redemption Notes shall be promissory notes issued in series, or otherwise, by the Trust and issued to redeeming Trust Unitholders in principal amounts equal to the aggregate of the Section 6.4 Redemption Price per Trust Unit that will not be paid in cash and having the following terms and conditions:

- i. unsecured and bearing interest from and including the issue date of each such note at the same interest rate as the Promissory Note related to the Series of Trust Units being redeemed, payable annually in arrears (with interest after as well as before maturity, default and judgment, and interest on overdue interest at such rate);
- ii. subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustee with holders of senior indebtedness;
- iii. due and payable on the third (3rd) anniversary of the date of issuance;
- iv. subject to earlier repayment without penalty; and
- v. subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the Trustee.

6.7 Redemption by Trust Unitholder where Trust Unitholder ceases to be employed by an Avi Party

- a) Where the employment of a Trust Unitholder, or an individual who is the annuitant of a registered retirement savings plan that is a Trust Unitholder is terminated by an Avi Party, other than through termination of employment for Cause, such person may request redemption or cause the Trust Unitholder to request redemption of some or all of their Trust Units by providing a duly completed and properly executed notice (each a “**Section 6.7(a) Redemption Notice**”) requesting the Trust to redeem Trust Units, in a form acceptable to the Trustee, acting reasonably, specifying the identity, capacity or authority of the person giving such notice and number and Series of Trust Units to be so redeemed, along with the Trust Unit Certificate(s) representing the Trust Units to be so redeemed to the Trust at the office of the Trust. The Trustee may request such further information or evidence, as it deems necessary, acting reasonably, to act on such Section 6.7(a) Redemption Notice. The redemption price payable per Unit by the Trust with respect to Trust Units redeemed pursuant to a Section 6.7(a) Redemption Notice will be the Section 6.3 Redemption Price which will be paid in cash by the Trust within 60 days of the date of receipt of the Section 6.7(a) Redemption Notice by the Trust;
- b) Where the employment of a Trust Unitholder, or an individual who is the annuitant (each an “**Annuitant**”) of a registered retirement savings plan that is a Trust Unitholder ceases to be employed by an Avi Party as a result of the resignation of employment by the Trust Unitholder or an Annuitant, such person may request redemption or cause the Trust Unitholder to request redemption of some or all of their Trust Units by providing a duly completed and properly executed notice (each a “**Section 6.7(b) Redemption Notice**”) requesting the Trust to redeem Trust Units, in a form acceptable to the Trustee, acting reasonably, specifying the identity, capacity or authority of the person giving such notice and number and Series of Trust Units to be so redeemed, along with the Trust Unit Certificate(s) representing the Trust Units to be so redeemed to the Trust at the office of the Trust. The Trustee may request such further information or evidence, as it deems necessary, acting reasonably, to act on such Section 6.7(b) Redemption Notice. The redemption price payable per Trust Unit by the Trust with respect to Trust Units redeemed pursuant to a Section 6.7(b) Redemption Notice will be the Section 6.3 Redemption Price which will be paid in accordance with the terms and conditions of subparagraph (d) below;
- c) Where a Trust Unitholder, or an individual who is the annuitant of a registered retirement savings plan that is a Trust Unitholder ceases to be employed by an Avi Party as a result of having been terminated for Cause, such person may request redemption of some or all of their Trust Units by providing a duly completed and properly executed notice (each a “**Section 6.7(c) Redemption Notice**”) requesting the Trust to redeem Trust Units, in a form acceptable to the Trustee, acting reasonably, specifying the identity, capacity or authority of the person giving such notice and number and Series of Trust Units to be so redeemed, along with the Trust Unit Certificate(s) representing the Trust Units to be so redeemed to the Trust at the office of the Trust. The Trustee may request such further information or evidence, as it deems necessary, acting reasonably, to act on such Section 6.7(c) Redemption Notice. The redemption price payable per Trust Unit by the Trust with respect to Trust Units redeemed pursuant to a Section 6.7(c) Redemption Notice will be the Section 6.4 Redemption Price;
- d) The Trust shall pay the Section 6.3 Redemption Price to Trust Unitholders that have requested redemption of their Trust Units pursuant to a Section 6.7(b) Redemption Notice and shall pay the Section 6.4 Redemption Price to Trust Unitholders have requested redemption of their Trust Units pursuant to a Section 6.7(c) Redemption Notice as follows:
 - (i) by way of a cash payment within 60 days of the receipt of a Section 6.7(b) or Section 6.7(c) Redemption Notice by the Trust of the Unit Subscription Price with respect to all Trust Units acquired by the Trust Unitholder through contributions made personally by Trust Unitholder (the “**Unitholder Contribution**”) to his/her self-directed RRSP account during the Investment Period to which the Trust Units to be redeemed relates including any Trust Units issued to the Trust Unitholder in accordance with distributions made by the Trust pursuant to Section 5.7(a) herein with respect to Trust Units acquired by the Trust Unitholder through Unitholder Contributions; and

- (ii) with respect to Trust Units acquired by a Trust Unitholder from all amounts contributed by any of the Operating Avi Parties (each an **“Avi Party RRSP Contribution”**) to the Trust Unitholder’s self-directed RRSP account held during the Investment Period applicable to the Series of Units for which a Section 6.7(b) Redemption Notice or Section 6.7(c) Redemption Notice has been received including any Trust Units issued to the Trust Unitholder in accordance with distributions made by the Trust pursuant to Section 5.7(a) herein with respect to Trust Units acquired by the Trust Unitholder through Avi Party RRSP Contributions with all funds (collectively the **“Avi Party Contribution Amount”**) received through any Avi Party RRSP Contributions shall, subject to all necessary regulatory approvals, be paid and satisfied by the Trust issuing promissory notes (the **“Section 6.7 Redemption Notes”**) on the same terms and conditions as the Section 6.2 Redemption Notes.
- e) Payments made by the Trust with respect to redemptions of Trust Units occurring pursuant subparagraphs (a) and (d) above are conclusively deemed to have been made upon the mailing of a cheque and Section 6.7 Redemption Notes in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed other than with respect to amounts due and owing under the Section 6.7 Redemption Notes.

6.8 Redemption by the Trust where Trust Unitholder ceases to be employed by an Avi Party

The Trust may at any time during the term of the Trust, upon written notice to a Trust Unitholder (each a **“Section 6.8 Redemption Notice”**), redeem some or all of the Trust Units of a Trust Unitholder, or a Trust Unitholder that is a registered retirement savings plan, the annuitant of which is a Trust Unitholder whose employment has been terminated by an Avi Party, whether for Cause or otherwise, for the Section 6.4 Redemption Price, which shall be paid by the Trust as follows:

- (i) with respect to a Trust Unitholder whose employment with an Avi Party has not been terminated for Cause, the Trust shall pay the Trust Unitholder the Section 6.4 Redemption Price with respect to the Trust Units to be redeemed by the Trust on or before the 60th day after delivery by the Trust of the Section 6.8 Redemption Notice and conditions of Section 6.7(e) herein shall apply in all respects to payments made pursuant this subparagraph; and
- (ii) with respect to a Trust Unitholder whose employment with an Avi Party has been terminated for Cause, the Trust shall pay the Trust Unitholder the Section 6.4 Redemption Price with respect to the Trust Units to be redeemed by the Trust in accordance with the terms and conditions of Section 6.7 (d) herein and the terms and conditions of Section 6.7(e) herein shall apply in all respects to payments made pursuant this subparagraph.

6.9 Hardship Redemption

- a) A Trust Unitholder, or his or her personal representative, as the case may be, shall be entitled to request the Trust to redeem (a **“Hardship Redemption”**) up to the entire amount of a Trust Unitholder’s Trust Units, for the Unit Subscription Price per Unit (the **“Hardship Redemption Amount”**), at any time upon written notice (a **“Hardship Redemption Notice”**) to the head office of the Trust, in the event of:
 - (i) the death or long term disability (as such disability is defined under the benefits plan of the Avi Party with whom the Trust Unitholder is employed) of an individual Trust Unitholder holding Trust Units; or
 - (ii) the death or long term disability (as such disability is defined under the benefits plan of the Avi Party with whom the Trust Unitholder or the annuitant of registered retirement savings plan that is a Trust Unitholder is employed) of the spouse of an individual Trust Unitholder holding Trust Units. The approval of any request for a Hardship Redemption shall only occur when permitted by law. The Trust shall pay the aggregate of the Hardship Redemption Amount in cash to a Trust Unitholder within 30 days of the receipt of a Hardship Redemption Notice; and

- b) Payments made by the Trust with respect to redemptions of Trust Units occurring pursuant subparagraph (a) above are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed.

6.10 Redemption in Additional Limited Circumstances

- a) A Trust Unitholder, shall be entitled to request the Trust to redeem (a “**Section 6.10 Redemption**”) up to the entire amount of a Trust Unitholder’s Trust Units, for the Unit Subscription Price per Trust Unit (the “**Section 6.10 Redemption Amount**”), at any time upon written notice (the “**Section 6.10 Redemption Notice**”) to the office of the Trust, in the event of:
 - (i) the Trust Unitholder electing to use funds invested in Trust Units in the furtherance of a Life Long Learning Plan (as that term is defined under the Tax Act); or
 - (ii) the Trust Unitholder electing to use funds invested in Trust Units to acquire a home under the First Time Homeowner’s Plan (as that term is defined under the Tax Act).
- b) The approval of any request for a Section 6.10 Redemption shall only occur when permitted by law. The Trust shall pay the aggregate of the Section 6.10 Redemption Amount in cash to a Trust Unitholder within 30 days of the receipt of a Section 6.10 Redemption Notice; and
- c) Payments made by the Trust with respect to redemptions of Trust Units occurring pursuant subparagraph (a) above are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed.

6.11 Discretionary Redemption by the Trust

- a) Notwithstanding anything to the contrary in Sections 6.2, 6.3, 6.4, 6.7, 6.9 and 6.10 herein and subject always to Section 6.8 herein, the Trust may at any time during the term of the Trust, upon 30 days written notice, redeem some or all of the Trust Units of a Trust Unitholder for a price per Trust Unit equal to of the Unit Subscription Price of each Trust Unit to be redeemed together with any Cash Flow of Trust that the Unit to be redeemed would be entitled to with respect to the interest payable under the Promissory Note to which the Series of Units relate as provided for in Section 4.1 herein; and
- b) Payments made by the Trust with respect to redemptions of Trust Units occurring pursuant subparagraph (a) above are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed.

6.12 Purchase for Cancellation

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

6.13 Cancellation of all Redeemed Trust Units

All Trust Units which are redeemed or purchased for cancellation under this Article 6 shall be cancelled and such Trust Units shall no longer be outstanding and shall not be reissued.

8 APPOINTMENT, RESIGNATION AND REMOVAL OF THE TRUSTEE

8.1 Appointment of Trustee

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

8.2 Ceasing to Hold Office

The Trustee ceases to hold office when:

- a) it resigns or shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up its affairs;
- b) they are removed in accordance with Section 8.3; or
- c) they cease to be duly qualified to act as a Trustee as provided under Section 7.2.

A resignation of a Trustee becomes effective 60 days from the date a written resignation is received by the Trust, or on the date specified in the resignation, whichever is later.

Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to that Trustee and to the benefits of the indemnity provided in this Declaration of Trust. Upon the resignation or removal of a Trustee, or upon a Trustee otherwise ceasing to be a Trustee, such Trustee shall cease to have the rights, privileges and powers of a Trustee hereunder, shall execute and deliver such documents as the successor Trustee(s) shall require for the conveyance of any Trust property, including without limitation the Trust, held in such Trustee's name, shall account to the successor Trustee(s) as they may require for all property which that Trustee holds as Trustee, and shall thereupon be discharged as a Trustee.

8.3 Removal of a Trustee

The Trust Unitholders may remove any Trustee from office, by Extraordinary Resolution at a meeting of Trust Unitholders called for that purpose only in the event that the Loan Advance has been in default for a period of 30 consecutive days. Notice of such removal shall be provided to such Trustee no less than 15 days prior to the effective date of the removal unless otherwise agreed to in writing. A vacancy created by the removal of a Trustee may be filled by Ordinary Resolution at the meeting of Trust Unitholders at which that Trustee is removed or, if not so filled, shall be filled as set forth in Section 8.5.

8.4 Vacancies

No vacancy of the office of the Trustee shall operate to annul this Declaration of Trust or affect the continuity of the Trust. If a Trustee ceases to hold office for any reason, and such cessation results in the board of Trustees not having a majority of Trustees who are residents of Canada for the purposes of the Tax Act (the "**Residents**"), the Trustees will, as soon as possible, fill the vacancy in accordance with Section 8.5 in order that a majority of Trustees shall be Residents, and if necessary, one or more Trustees who are not residents, to be determined by the Trustees at any time, shall resign (temporarily or otherwise) so that a majority of Trustees shall be Residents.

8.5 Filling Vacancies

The remaining Trustees or Trustee (as the case may be) may fill a vacancy of the resulting through the resignation or death of a Trustee without the approval of the Trust Unitholders

9.1 Powers of the Trustee

- a) Subject to the terms and conditions of this Declaration of Trust, the Trustee may exercise from time to time in respect of the Trust and the investments and affairs of the Trust any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof;

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

9.2 Specific Powers and Authorities

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

- a) to supervise the activities and manage the investments and affairs of the Trust;
- b) to maintain records and provide reports to Trust Unitholders;
- c) to open, operate and close accounts and other similar credit, deposit and banking arrangements and to negotiate and sign banking and financing contracts and agreements;
- d) without limit as to amount, issue any type of debt securities or convertible debt securities and borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, hypothecate, pledge, assign or grant a security interest in any money owing to the Trust or engage in any other means of financing the Trust;
- e) to obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- f) to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;
- g) to establish places of business of the Trust;
- h) to manage the Trust and to, sell, transfer and assign the Trust; however, the Trustee shall not sell all or substantially all of the Trust without the consent of the Trust Unitholders by Extraordinary Resolution;

- i) to invest, hold shares, trust units, beneficial interests, partnership interests (other than general partnership interests), joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;
- j) to cause title to any of the Trust assets to be drawn up in the name of such person on behalf of the Trust or, to the extent permitted by applicable law, in the name of the Trust, as the Trustee shall determine;
- k) to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements;
- l) to enter into any agreement or instrument to create or provide for the issue of Trust Units or (including any firm or best efforts underwriting agreement), to cause such Trust Units to be issued for such consideration as the Trustee, in its sole discretion, may deem appropriate and to do such things and prepare and sign such documents, including the prospectus and any registration rights agreement, to qualify such Trust Units for sale in whatever jurisdictions they may be sold or offered for sale;
- m) to enter into any agreement in connection with, or to facilitate, the issuance of Exchangeable Securities;
- n) to determine conclusively the value of any or all of the Trust from time to time and, in determining such value, to consider such information and advice as the Trustee in its sole judgment, may deem material and reliable;
- o) to collect, sue for and receive all sums of money or other property or items that are believed due to the Trust;
- p) to effect payment of distributions to the holders of Trust Units as provided in Article 5;
- q) to invest funds of the Trust as provided in Article 4;
- r) if the Trustee becomes aware by written notice that the beneficial owners of 49% or more of the Trust Units or securities exchangeable into Trust Units then outstanding are, or may be, Non-Residents or that such situation is imminent, the Trustee shall obtain such advice as they deem appropriate in order to ascertain the tax and other implications that such level of Non-Resident ownership may have for the Trust and Trust Unitholders and if and to the extent that they determine that such level of Non-Resident ownership would have material adverse tax or other consequences to the Trust or Trust Unitholders, shall ensure that appropriate limitations on Non-Resident ownership as provided in Section 13.5 are met;
- s) to possess and exercise all the rights, powers and privileges pertaining to the ownership of securities owned by the Trust to the same extent that any person might, unless otherwise limited herein, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally or for any particular meeting or action and may include the exercise of discretionary power;
- t) where reasonably required, to engage, employ or contract with or retain on behalf of the Trust any persons as agents, representatives, employees or independent contractors (including without limitation, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers, consultants, technical advisors, depositories, custodians, transfer agents or otherwise) in one or more capacities;
- u) except as prohibited by applicable law, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors or other persons the doing of such things and the exercise of such powers hereunder as the Trustee may from time to time reasonably require, so long as any such delegation is not inconsistent with any of the provisions of this Declaration of Trust and subject at all times to the general control and supervision of the Trustee as provided for herein;

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

- ii) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust whether or not specifically mentioned herein.

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

9.3 *Restrictions on Trustee's Powers*

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

9.5 *Standard of Care*

In carrying out its functions under this Declaration of Trust, the Trustee shall act honestly and in good faith, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and act in good faith in accordance with the intent of the provisions of this Declaration of Trust respecting the relative rights of the Trust Unitholders.

9.8 *Indemnification of Trustee*

The Trustee shall be fully indemnified and saved harmless out of the Trust in respect of:

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 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;

- a) all other costs, charges, taxes, penalties and interest in respect of unpaid taxes; and
- b) all other expenses and liabilities sustained or incurred by the Trustee in respect of the administration or termination of the Trust;

Unless any of the foregoing arise out of the gross negligence, wilful misconduct or fraud of the Trustee. This indemnification shall survive the termination of the Trust and the resignation or removal of the Trustee.

Notwithstanding any other provision of this Declaration of Trust, and whether such losses or damages are foreseeable or unforeseeable, the Trustee shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

11.1 *Permitted Amendments to the Declaration of Trust*

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

- a) for the purpose of ensuring continuing compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Trustee or the Trust;
- b) in a manner which provides additional protection for the Trust Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to the Trust Unitholders;
- c) ensuring that the Trust will satisfy the provisions of the Tax Act with respect to retaining its qualification as a "mutual fund trust", pursuant to subsection 132(6) of the Tax Act, as the Tax Act may be amended from time to time;
- d) to ensure that the Trust is not considered a "SIFT trust" as defined in the Tax Act;
- e) in a manner which, in the opinion of the Trustee, is necessary or desirable as a result of changes in Canadian taxation laws;

- f) to remove any conflicts or inconsistencies in this Declaration of Trust or to make minor corrections which are, in the opinion or advice of counsel, necessary or desirable and not prejudicial to the Trust Unitholders;
- g) to change the status of, or the laws governing, the Trust which, is desirable in order to provide Trust Unitholders with the benefit of any legislation limiting their liability; or
- h) to include Method of Payment of Distributions and Discretionary Trust Unit Redemption Rights of any Discretionary Series of Trust Units issued by the Trust in accordance with Section 3.1(b);

but notwithstanding the foregoing, no such amendment shall modify the voting rights of any Trust Unit or reduce the fractional undivided interest in the Trust assets represented by any Trust Unit without the consent of the holder of such Trust Unit, and no amendment shall reduce the percentage of votes required to be cast at a meeting of the Trust Unitholders for the purpose of this Section 11.1 without the consent of the holders of all of the Trust Units then outstanding.

12 MEETINGS OF UNITHOLDERS

12.1 *General and Special Meetings of Unitholders*

General meetings of the Trust Unitholders shall be called, at a time and at a place in Canada set by the Trustee. The business transacted at such meetings shall include the presentation of the financial statements of the Trust for the preceding fiscal years, the appointment of Auditors for the ensuing years, and the transaction of such other business as Trust Unitholders may be entitled to vote upon as hereinafter provided in this Article 12 or as the Trustee may determine or as may be properly brought before the meeting;

- a) special meetings of the Trust Unitholders may be called by the Trustee at any time and for any purpose;
- b) the Trustee shall call a special meeting in the event that the payment terms of any Loan Advance has been in default for 30 consecutive days for the purpose of obtaining direction from the Trust Unitholders as to whether the Trust Unitholders want to replace the Trustee with a Trustee appointed by the Trust Unitholders;
- c) Trust Unitholders holding in the aggregate not less than 25% of all votes entitled to be voted at a meeting of Trust Unitholders may requisition the Trustee to call a special meeting of Trust Unitholders for the purposes stated in the requisition other than to remove the Trustee(s), unless such removal is to occur in accordance with the terms and conditions of sub-paragraph (d) above. The requisition shall:
 - (i) be in writing;
 - (ii) set forth the name and address of, and number of Trust Units and Exchangeable Securities (and votes attached thereto which, in the aggregate, must not be less than 25% of all votes entitled to be voted at a meeting of Trust Unitholders) held by each person who is supporting the requisition; and
 - (iii) state in reasonable detail the business to be transacted at the meeting and shall be sent to the Trustee.
- d) upon receiving a requisition complying with the foregoing, the Trustee shall call a meeting of Trust Unitholders to transact the business referred to in the requisition, unless:
 - (i) a record date for a meeting of Trust Unitholders has been fixed;
 - (ii) the Trustee has called a meeting of Trust Unitholders and have given notice thereof pursuant to Section 12.2; or
 - (iii) in connection with the business as stated in the requisition:
 - (A) it clearly appears that a matter covered by the requisition is submitted by the Trust Unitholders primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustee, or the Trust Unitholders, or primarily for the purpose of promoting general economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Trust;

- (B) the Trust, at the Trust Unitholder's request, had previously included a matter substantially the same as a matter covered by the requisition in an information circular relating to a meeting of Trust Unitholders held within 36 months preceding the receipt of such requisition and the Trust Unitholders failed to present the matter, in person or by proxy, at the meeting;
 - (C) substantially the same matter covered by the requisition was submitted to Trust Unitholders in an information circular relating to a meeting of Trust Unitholders held within 36 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or
 - (D) the rights conferred by this Section 12.1 are being abused to secure publicity;
- e) if the Trustee does not, within 90 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are one or more of those set forth in Section 12.1(c)(iv)(C) above), any Trust Unitholder who signed the requisition may call the meeting in accordance with the provisions of Article 12, *mutatis mutandis*;
 - f) meetings of Trust Unitholders shall be held in Calgary, Alberta, or at such other place in Canada as the Trustee shall designate;
 - g) the chair of any general or special meeting shall be a person designated by the Trustee for the purpose of such meeting;
 - h) the Trustee, the Auditors and any other person approved by the Trustee or the chair of the meeting may attend meetings of the Trust Unitholders;
 - i) any person entitled to attend a meeting of Trust Unitholders may participate in the meeting, subject to and in accordance with applicable securities laws, if any, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Trust makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of this Declaration of Trust to be present at the meeting; and
 - j) if the Trustee or the Trust Unitholders call a meeting of Trust Unitholders pursuant to this Declaration of Trust, the Trustee or Trust Unitholders, as the case may be, may determine that the meeting shall be held, subject to and in accordance with applicable securities laws, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

12.2 Notice of Meetings

Notice of all meetings of Trust Unitholders shall be given by unregistered mail, postage prepaid, addressed to each Trust Unitholder at the Trust Unitholder's last address on the books of the Trust, mailed at least 21 days and not more than 50 days before the meeting. Such notice shall specify the time when, and the place where, such meeting is to be held and shall specify the nature of the business to be transacted at such meeting in sufficient detail to permit a Trust Unitholder to form a reasoned judgment thereon, together with the text of any Extraordinary Resolution, at the time of mailing of the notice, proposed to be passed. Any adjourned meeting, other than a meeting adjourned for lack of a quorum under Section 12.3, may be held as adjourned without further notice. The accidental omission to give notice or the non-receipt of such notice by a Trust Unitholder shall not invalidate any resolution passed at any such meeting. Notwithstanding the foregoing, a meeting of Trust Unitholders may be held at any time without notice if all the Trust Unitholders are present or represented thereat or those not so present or represented have waived notice. Any Trust Unitholder (or a duly appointed proxy of a Trust Unitholder) may waive any notice required to be given under the provisions of this Section 12.2, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice.

12.3 Quorum

At any meeting of the Trust Unitholders, subject as hereinafter provided, a quorum shall consist of two or more individuals present in person either holding personally or representing as proxies not less in aggregate than ten percent (10%) of the votes attached to all outstanding Units. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Trust Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than seven (7) days later and to such place and time as may be appointed by the chair of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Trust Unitholders then present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12.4 Voting Rights of Trust Unitholders

Only Trust Unitholders of record shall be entitled to vote and each Unit shall entitle the holder or holders of that Unit on a poll vote at any meeting of Trust Unitholders to the voting rights set out herein. Every question submitted to a meeting shall, unless a poll vote is demanded, be decided by a show of hands vote, on which every person present and entitled to vote shall be entitled to one vote per Unit held by such person. At any meeting of Trust Unitholders, any holder of Units entitled to vote thereat may vote by proxy and a proxyholder need not be a Trust Unitholder, provided that no proxy shall be voted at any meeting unless it shall have been received by the Transfer Agent for verification at least 24 hours prior to the commencement of such meeting, or such lesser time as the chairman of the meeting may allow. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Trust Unitholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

12.5 Resolutions Binding the Trust

Notwithstanding any other provision of this Declaration of Trust, a resolution in writing executed by Trust Unitholders holding more than 50% or 66⅔% of the votes, as the case may be, attached to outstanding Units at any time shall be as valid and binding as an Ordinary Resolution or an Extraordinary Resolution, respectively, for all purposes of this Declaration of Trust as if such Trust Unitholders had exercised at that time all of the voting rights to which they were then entitled under Section 12.5 or Section 12.6 in favour of such resolution at a meeting of Trust Unitholders duly called for the purpose.

13.5 Limitation of Non-Resident Ownership

It is in the best interest of Trust Unitholders that the Trust always qualify as a "mutual fund trust" under the Tax Act and in order to ensure the maintenance of such status:

13.6 Transfer of Units

Trust Units shall be transferable on the register or one of the branch transfer registers only by the Trust Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Transfer Agent, and no transfer of Units shall be effective or shall be in any way binding upon the Trust until the transfer has been recorded on the register or one of the branch transfer registers maintained by the Transfer Agent. Upon such delivery the transfer shall be recorded on the register or branch transfer registers and a new certificate for the Units shall be issued to the transferee and a new certificate for the balance of Units not transferred shall be issued to the transferor.

13.12 Power of Attorney

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

14.1 Term of Trust

Subject to the other provisions of this Declaration of Trust, the Trust shall continue for a term ending (21) years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on November 6, 2014. For the purpose of terminating the Trust by such date, the Trustee shall commence winding-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.

14.2 Termination with the Approval of Unitholders

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

14.3 Procedure Upon Termination

Upon being required to commence wind-up the affairs of the Trust, the Trustee shall as soon as reasonably practicable give notice thereof to the Trust Unitholders, which notice shall designate the time or times at which Trust Unitholders may surrender their Units for cancellation and the date at which the registers of Units of the Trust shall be closed.

14.4 Powers of the Trustee Upon Termination

After the date on which the Trustee is required to commence to wind-up the affairs of the Trust, the Trustee shall undertake no activities except for the purpose of winding-up the affairs of the Trust as hereinafter provided and, for this purpose, the Trustee shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustee under this Declaration of Trust.

14.5 Sale of Investments

The Trustee shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust assets after the date referred to in Section 14.3 and, after such sale, the sole obligation of the Trustee under this Declaration of Trust shall be to hold such proceeds or assets in trust for distribution under Section 14.6.

14.6 Distribution of Proceeds or Assets

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 together with any cash forming part of the Trust assets among the holders of each Series of Trust Units in accordance with their pro-rata interests with respect to a Series of Trust Units.

SUMMARY OF THE FUNDING AGREEMENT

This is a summary only and is subject to the complete terms and conditions of the Funding Agreement dated February 18, 2015.

Avi Canada and the Trust have entered into the Funding Agreement pursuant to which Avi Canada has agreed to pay all costs and fees associated with this Offering.

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

3.1 Compensation and Securities Held

3.1.1 The Trust

The following table sets out information about each of officers and directors of the Trustee of the Trust and each person who, directly or indirectly, beneficially owns or controls ten percent (10%) or more of any Trust Units. No compensation has been paid since inception of the Trust:

Name and municipality of principal residence	Position held and date of obtaining that position ⁽¹⁾	Compensation paid by the Trust since inception and the compensation anticipated to be paid in current financial year ⁽²⁾	Number, type and percentage of securities of the Trust held after completion of the Minimum Offering	Number, type and percentage of securities of the Trust held after completion of the Offering ⁽³⁾
P. Lamont Kendall Calgary, Alberta	Director and President of the Trustee	Nil	Nil	90,007 Units (1.37%)
Michele Ward Calgary, Alberta	Director, CFO and Vice-President of the Trustee	Nil	Nil	97,442 Units (1.48%)
Vered Amir Calgary, Alberta	Director and Vice-President of the Trustee	Nil	Nil	Nil (0%)

(1) Each of these individuals have held these positions since establishment of the Trustee.

(2) No salaries or fees will be paid to the Trustee or any officer, director or employee of the Operating Avi Parties from the funds raised under this Offering or the Previous Offerings.

(3) Represents Units held by each of the above Mr. Kendall and Ms. Ward as of the date of this Offering Memorandum. Mr. Kendall and Ms. Ward may acquire additional Units under this Offering. The number of additional Units that Mr. Kendall and Ms. Ward may acquire cannot be determined.

3.2 Management Experience

The names, municipalities of residence, offices held with the Trust, and principal occupations of the directors and officers of the Trustee for the past five (5) years are as follows:

Name	Office Held	Principal Occupation and Related Experience
P. Lamont Kendall Calgary, Alberta	President and director of the Trustee of the Trust	Mr. Monte Kendall graduated from the University of Western Ontario with a Bachelor of Arts Degree in 1974. He achieved his Chartered Accountant designation in 1980 and shifted his focus to the building industry with Alberta New Home Warranty shortly after achieving his designation. In 1999, Monte joined HBA as VP Finance and progressed to Chief Financial Officer in 2006 and then was named the company's CEO in 2012. In 2018, Mr. Kendall resigned as CEO to accept the role of Vice Chairman of the Board of Directors. Mr. Kendall takes great pride in both his participation of the growth of HBA over the past 20 plus years as well as ensuring its continued success through strategic planning.

Name	Office Held	Principal Occupation and Related Experience
Michele Ward Calgary, Alberta	Vice-President, CFO and director of the Trustee of the Trust	Mrs. Michele Ward graduated from the University of Alberta with a Bachelor of Commerce Degree in 1995. She achieved her Chartered Accountant designation in 1998 and continued her career for another 13 years in public practice until she left her position as Partner at MNP LLP to join industry. In 2012, Michele joined HBA as Chief Financial Officer to act in all financial aspects including financial monitoring and reporting, improvement over controls and processes, financial forecasting and planning, financial and tax compliance, corporate risk assessment and corporate restructuring.
Vered Amir Calgary, Alberta	Vice-President and director of the Trustee of the Trust	Ms. Vered Amir is a dedicated director and strategic advisor for HBA with over 30 years of service. In addition, she has played a pivotal role in the success of HBA through her leadership and devotion in the areas of finance and land acquisitions, becoming an influential leader within Homes by Avi. Ms. Amir's passion for leadership has enabled Homes by Avi to give back through many sponsorships and engagements to provide meaningful support to the community.

3.3 Penalties, Sanctions, Bankruptcy, Insolvency & Criminal or Quasi-Criminal Matters

- (i) There is no penalty or sanction that has been in effect during the last ten (10) years, and no cease trade order that has been in effect for a period of more than 30 consecutive days during the last ten (10) years, against any executive officer, director or control person of the Trust or the Trustee or against an issuer of which any of the foregoing was an executive officer, director or control person at the time; and
- (ii) No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years with regard to any executive officer, director or control person of the Trust or the Trustee or any issuer of which any of the foregoing was an executive officer, director or control person at that time.
- (iii) No criminal or quasi-criminal matters have been associated any executive officer, director or control person of the Trust or the Trustee or against an issuer of which any of the foregoing was an executive officer, director or control person at the time.

3.4 Loans

The Trust will loan the Gross Proceeds of this Offering and the Previous Offerings to the Operating Avi Parties in accordance with the terms and conditions of the Loan Agreement. See Item 2.6 - "Material Contracts – Summary of the Loan Agreement". The Trust is a Related Party to the Operating Avi Parties as See Item 2.1.4 – "Related Party Matters". See Item 2.1.4 – "Related Party Matters".

ITEM 4 - CAPITAL STRUCTURE

4.1 Trust's Capital

The following table sets out the capitalization of the Trust as at February 28, 2023 both before and after giving effect to this Offering.

Description of Security	Number Authorized to be Issued	Number Outstanding as at February 28, 2023	Assuming the Maximum Offering of 6,000,000 Units ^{(2) (3)}
Units	Unlimited	6,564,132 ⁽¹⁾	12,564,132

(1) Represents the Units issued under the Previous Offerings and Units issued as Cash Flow of the Trust less all Units redeemed to the date of this Offering Memorandum.

(2) The Offering is not subject to a maximum amount and additional Units may be issued pursuant to the Offering.

(3) Does not include any Units that may be issued as representing Cash Flow of the Trust after the date of this Offering Memorandum.

4.2 Long-Term Debt

The Trust

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

4.3 Prior Sales

The following Units of the Trust have been issued during the last 12 months:

Date of issuance	Type of security issued	Series of Units	Number of Units issued	Price per Unit	Total funds received
May 31, 2022	Trust Units	I1	306,921	\$1.00	\$306,921
September 8, 2022	Trust Units	I3	322,172	\$1.00	\$322,172
November 30, 2022	Trust Units	I5	455,111	\$1.00	\$455,111
February 28, 2023	Trust Units	I7	420,849	\$1.00	\$420,849
Total:			1,505,053		\$1,505,053

During the last 12 months, the following distributions as Cash Flow of the Trust have been issued to Unitholders by way of a distribution of Units:

Date of issuance	Type of security issued	Series of Units	Number of securities issued	Price per security	Total funds received
May 31, 2022	Trust Units	G12	21,771	\$1.00	\$21,771
May 31, 2022	Trust Units	H8	10,717	\$1.00	\$10,717
September 8, 2022	Trust Units	G13	21,821	\$1.00	\$21,821
September 8, 2022	Trust Units	H9	10,748	\$1.00	\$10,748
September 8, 2022	Trust Units	I2	4,560	\$1.00	\$4,560
November 30, 2022	Trust Units	G14	21,915	\$1.00	\$21,915
November 30, 2022	Trust Units	H10	10,899	\$1.00	\$10,899
November 30, 2022	Trust Units	I4	9,425	\$1.00	\$9,425
February 28, 2023	Trust Units	G15	21,447	\$1.00	\$21,447
February 28, 2023	Trust Units	H11	10,553	\$1.00	\$10,553
February 28, 2023	Trust Units	I6	15,987	\$1.00	\$15,987
Total:			159,843		\$159,843

4.3.1 Promissory Notes Issued to Date

During the last 12 months, the following Promissory Notes have been issued by Avi Canada to the Trust:

Date of issuance	Promissory Note	Total Funds Loaned by the Trust
May 31, 2022	G12	21,771
May 31, 2022	H8	10,717
May 31, 2022	I1	306,921
September 8, 2022	G13	21,821
September 8, 2022	H9	10,748
September 8, 2022	I2	4,560
September 8, 2022	I3	322,172
November 30, 2022	G14	21,915
November 30, 2022	H10	10,899
November 30, 2022	I4	9,425
November 30, 2022	I5	455,111
February 28, 2023	G15	21,447
February 28, 2023	H11	10,553
February 28, 2023	I6	15,987
February 28, 2023	I7	420,849
Total:		\$1,664,896 ⁽¹⁾

(1) As of the date of this Offering Memorandum the Operating Avi Parties have repaid the sum of \$7,502,053 to the Trust in order to allow the Trust to redeem an aggregate of 7,502,053 Units. The aggregate principal balance of the Loans as of the date of this Offering Memorandum is \$6,564,132.

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

Purpose of the Trust

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

Each Unit is transferable (subject to the terms of the Declaration of Trust and applicable securities laws) and is not subject to any conversion or pre-emptive rights and entitles the holder thereof to require the Trust to redeem any or all of the Units held by such holder. See Item 2.6 - "Material Contracts - Summary of Declaration of Trust - Section 6 - Redemption of Units".

The Units do not represent a traditional investment and should not be viewed by investors as "shares" in the Trust. The Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The price per Unit will not be a function of anticipated distributable income from the Trust and the ability of the Trust to effect long-term growth in the value of the Trust. Instead, the value of the Units will be directly related to the Loan and the Operating Avi Parties' ability to generate sufficient revenue from the Avi Business to allow the Operating Avi Parties to meet their payment obligations of principal and interest under the Loans. See Item 10 - "Risk Factors".

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

Redemption of Units

Each holder of Units shall be entitled to require the Trust, on the demand of such holder of Units, to redeem all or any part of the Units registered in the name of such holder of Units at the Redemption Price. See Item 2.6 - "Material Contracts - Summary of the Declaration of Trust - Section 6 - Redemption of Units" for the specific terms of Unitholder's rights of redemption.

Unitholders may redeem Units subject to certain restrictions set forth in the Declaration of Trust. The Redemption Price per Unit redeemed may be paid by the Trust through the issuance of Redemption Notes rather than in cash in certain circumstances. Subscribers should note that Redemption Notes will not be a qualified investment for tax-exempt subscribers. See Item 8 - "Income Tax Considerations and Deferred Plan Eligibility". Redemptions in certain circumstances will also be subject to various maximum redemptions limits as provided for in the Declaration of Trust. See Item 2.6 - "Material Contracts - Summary of the Declaration of Trust – Section 6 - Redemption of Units".

Subscribers should note that the redemption right may be the primary mechanism for Trust Unitholders to liquidate their investment.

Redemption Terms of the Units

The following is a summary of the terms and conditions under which the Units can be redeemed by Unitholders. Subscribers should refer to Item 2.6 - “Material Contracts - Summary of Declaration of Trust - Section 6 - Redemption of Units” for the full terms of the redemption rights of the Units”. Capitalized terms below that are not defined in this Offering Memorandum shall have the same meanings as provided for in the Declaration of Trust.

Redemption Right ⁽¹⁾	Trust Unit Redemption Price	Payment Terms of Redemption Price	Notice Period for Redemption	Payment Date
Section 6.2 Redemption Right During Investment Period	\$1	Cash payment of Personal Contribution Amounts and Promissory Notes ⁽²⁾ issued for any Avi Contribution.	No Notice period. A Trust Unitholder shall send a duly completed and properly executed notice requesting the Trust to redeem Trust Units, specifying the identity, capacity or authority of the person giving notice and number and Series of Trust Units along with the Trust Unit Certificate(s) to be redeemed shall be sent to the office of the Trust.	Cash payment to be paid within 30 days of the Trust receiving a Notice.
Section 6.3 Redemption of Units on an Investment Period Maturity Date	\$1	Cash payment of the full Redemption Price of Units being redeemed.	30 days prior to the Investment Period Maturity Date.	Cash payment to be paid within 30 days of the Investment Period Maturity Date to which the Trust Units being redeemed relate.
Section 6.4 Redemption of Units After an Investment Period Maturity Date	\$1	Subject to Note 3 below, a cash payment of the Redemption Price per Trust Unit of each Trust Unit redeemed plus any Cash Flow of the Trust that the Units being redeemed would be entitled to with respect to the interest payable under the Promissory Note to which the Series of Units relate.	Between March 1 and April 30 or between May 1 and October 31 in any year after.	Cash payment to be paid within 30 days of the Section 6.4 Redemption Notice being received by the Trust.
Section 6.4 Redemption Price Paid by Redemption Notes ⁽³⁾	\$1	If there is no Cash Redemption in certain circumstances pursuant to Section 6.5 then the Trust may issue Section 6.4 Redemption Notes. Trust Unitholders shall have 15 Business Days from the date of the Trustees’ notice to rescind their redemption. If they do not rescind, the Section 6.4 Redemption Price shall be paid by Redemption Notes.	No Notice period. A Trust Unitholder shall send a duly completed and properly executed notice requesting the Trust to redeem Trust Units, specifying the identity, capacity or authority of the person giving notice and number and Series of Trust Units along with the Trust Unit Certificate(s) to be redeemed shall be sent to the office of the Trust.	The Promissory Notes will be due and payable by the Trust on the third anniversary of the date of issuance.

Redemption Right ⁽¹⁾	Trust Unit Redemption Price	Payment Terms of Redemption Price	Notice Period for Redemption	Payment Date
Section 6.7 Redemption by a Trust Unitholder where a Trust Unitholder is no longer employed by an Operating Avi Party	\$1	Cash payment of the full subscription price per Unit on the last day of an Investment Period for the Units being redeemed	No Notice period. A Trust Unitholder shall send a duly completed and properly executed notice requesting the Trust to redeem Trust Units, specifying the identity, capacity or authority of the person giving notice and number and Series of Trust Units along with the Trust Unit Certificate(s) to be redeemed shall be sent to the office of the Trust.	Cash payment to be paid within 60 days of the date of receipt of a Redemption Notice by the Trust.
Section 6.7 Redemption by a Trust Unitholder where employment of a Trust Unitholder is terminated for cause by an Operating Avi Party.	\$1	Trust Units tendered for redemption shall receive a price per Unit equal to the Unit Subscription Price of each Trust Unit to be redeemed together with any Cash Flow of the Trust that the Unit to be redeemed would be entitled to with respect to the interest payable under the Promissory Note to which the Series of Units relate subject to Sections 6.5 and 6.6 of the Declaration of Trust.	No Notice period. A Trust Unitholder shall send a duly completed and properly executed notice requesting the Trust to redeem Trust Units, specifying the identity, capacity or authority of the person giving notice and number and Series of Trust Units along with the Trust Unit Certificate(s) to be redeemed shall be sent to the office of the Trust.	Cash payment to be made within 30 days of the 6.4 Redemption Notice was received.
Section 6.8 Redemption by the Trust where Employment has been terminated by an Operating Avi Party for Cause: Where Employment has been terminated by an Operating Avi Party for reasons other than for Cause:	\$1	Personal Contributions will be paid for the Redemption Price per Unit plus any Cash Flow of the Trust that the Units being redeemed would be entitled to with respect to the interest payable under the Promissory Note to which the series of Units relate. Avi Contribution amounts will be paid by a Redemption Note ⁽²⁾ . A cash payment of the Redemption Price per Trust Unit of each Trust Unit redeemed plus any Cash Flow of the Trust that the Units being redeemed would be entitled to with respect to the interest payable under the Promissory Note to which the Series of Units relate.	No Notice period. The Trust may at any time during the term of the Trust, upon written notice to a Trust Unitholder redeem some or all of the Trust Units of a Trust Unitholder who has been terminated by an Operating Avi Party, whether for Cause or otherwise.	Cash payment within 30 days of the receipt of a Section 6.4 Redemption Notice. Cash payment within 30 days to be redeemed by the Trust on or before the 60 th day after delivering to the Trust a 6.8 Redemption Notice.

Redemption Right ⁽¹⁾	Trust Unit Redemption Price	Payment Terms of Redemption Price	Notice Period for Redemption	Payment Date
6.9 Hardship Redemption	\$1	A Trust Unitholder or a personal representative may redeem the entire amount their Trust Units for Redemption Price per Unit. The aggregate amount will be paid in cash.	No Notice period. A Trust Unitholder or personal representative shall send a duly completed and properly executed notice requesting the Trust to redeem Trust Units, specifying the identity, capacity or authority of the person giving notice and number and Series of Trust Units along with the Trust Unit Certificate(s) to be redeemed shall be sent to the office of the Trust.	Trust shall pay the aggregate of the Hardship Redemption amount in cash within 30 days of receipt of a Hardship Redemption Notice.
6.10 Life Long Learning Plan or First Time Homeowner's Plan	\$1	A Trust Unitholder may redeem the entire amount of a Trust Unitholder's Trust Units for the subscription price per Unit. The aggregate amount will be paid in cash.	No Notice period. A Trust Unitholder shall send a duly completed and properly executed notice requesting the Trust to redeem Trust Units, specifying the identity, capacity or authority of the person giving notice and number and Series of Trust Units along with the Trust Unit Certificate(s) to be redeemed shall be sent to the office of the Trust.	Trust shall pay the aggregate of the Section 6.10 Redemption amount in cash within 30 days of receipt of a Section 6.10 Redemption Notice.

1. Section numbers referenced above refer to the corresponding Sections of the Declaration of Trust. See Item 2.6 - "Material Contracts - Summary of Declaration of Trust" for the full terms of the above redemption rights.
2. Terms of the Redemption Notes are as follows: Interest from and including the issue date of each note at a rate equal to lesser of (1) the RBC Prime Rate in effect as of the date a Section 6.2 Redemption Notice is received and (2) one half of the interest rate of the Promissory Notes related to the Series of Units being redeemed payable annually in arrears due and payable on the 5th anniversary of the date of issuance.
3. No Cash Redemption In Certain Circumstances - The Trust shall not be required to make a payment in cash of the Section 6.4 Redemption Price with respect to Trust Units tendered for redemption pursuant to a Section 6.4 Redemption Notice if: (a) in the sole opinion of the Trustee, the payment of the Section 6.4 Redemption Price in cash by the Trust would not be in the best interest of the Trust having regard to the then current cash position of the Trust; (b) or the Trust, in the sole opinion of the Trustee, is able to make a cash payment with respect to the Section 6.4 Redemption Price and the total amount payable by the Trust pursuant to Section 6.4 in respect of such Trust Units tendered for redemption in the same Section 6.4 Redemption Period exceeds \$500,000 (the "**Section 6.4 Redemption Period Limit**"); provided that the Trustee may, in its sole discretion, waive such limitation in respect of all Trust Units tendered for redemption pursuant to a Section 6.4 Redemption Notice. Trust Units tendered for redemption in any Section 6.4 Redemption Period in which the total amount payable by the Trust pursuant to Section 6.4(d) exceeds the Section 6.4 Redemption Period Limit will be redeemed for cash on a pro-rata basis up to the Section 6.4 Redemption Period Limit and, unless any applicable regulatory approvals are required, by a distribution of Redemption Notes for the balance.

Limited Liability

The Declaration of Trust provides that no Unitholder, in its capacity as such, shall incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind to any person, and no resort will be had to, nor will recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever in connection with the Trust's assets, the obligations or the activities or affairs of the Trust, any actual or alleged act or omission of the Trustee, any transaction entered into by the Trustee or any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust.

In the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder's share of the Trust's assets represented by its Units.

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

Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of the Trust to the same extent a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against the Trust (to the extent that claims are not satisfied by the Trust) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. See Item 10 – "Risk Factors".

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

Distributions

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

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

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

5.2 Subscription Procedure

1. In order to subscribe for Units, Subscribers must complete, execute and deliver the following documentation to the Trustee at 245 Forge Road SE, Calgary, Alberta, T2H 0S9, or such other location which the Trustee may specify: complete and execute the Subscription Agreement which accompanies this Offering Memorandum, including all applicable exhibits and/or schedules thereto;
2. (i) pay the subscription price by certified cheque or bank draft dated the date of the Subscription Agreement in the amount of one dollar (\$1) for each Unit subscribed for made payable to "**Avi Mutual Fund Trust**"; or (ii) if using funds from Deferred Plans, pay the subscription price of one dollar (\$1) for each Unit subscribed in the manner agreed to between the Deferred Plan administrator and the Trustee; and
3. complete and execute any other documents deemed necessary by the Trustee to comply with applicable securities laws;

If the conditions of closing are not satisfied within the required time, all documents and subscription funds will be returned to the Subscribers without interest or deduction.

The subscription proceeds tendered by each Subscriber will be held “in trust” for a period of two (2) days during which period the Subscriber may request a return of the subscription proceeds by delivering a notice to the Trustee not later than midnight on the second business day after the Subscriber signs the Subscription Agreement. A Subscriber will become a Unitholder of the Trust following the acceptance of a subscription by the Trustee. If a subscription is withdrawn or is not accepted by the Trustee, all documents will be returned to the Subscriber within 30 days following such withdrawal or rejection without interest or deduction.

The Subscription Agreement includes terms that provide for the subscription of Units by each Subscriber on May 31, 2023, August 31, 2023 and November 30, 2023 and February 29, 2024 (each a “**Subscription Date**”) with funds comprising a Subscriber’s Personal Contribution and if applicable, corresponding Avi Contribution. Subscribers may advise the Trust, upon written notice within 2 business days of a Subscription Date that a Subscriber does not wish to proceed with his/her subscription on a Subscription Date and a Subscriber’s funds represented by any Employee Contribution will be released to the Subscriber.

The Subscription Agreement shall also be deemed to be a subscription for all Units issued to Unitholders as Cash Flow of the Trust for the above period.

Closings of the Offering will occur from time to time on such dates as may be determined by the Trustee. The Trust undertakes to hold all subscription funds in trust for at least two business days prior to investing such funds and will return subscription funds to you without interest or deduction if: (a) you give notice to the Trust of cancellation of your Subscription Agreement no later than midnight on the second business day after you sign the Subscription Agreement; or (b) if the Subscription Agreement is not accepted.

All Subscription Agreements are subject to acceptance by the Trust and satisfaction of the conditions set forth in the Subscription Agreement provided with this Offering Memorandum. The Trust may, in its sole discretion, reject any Subscription Agreement in whole or in part. No Unit shall be deemed to have been issued until the Trust accepts the Subscriber’s Subscription Agreement in writing. No Subscriber shall have any recourse against the Trust if a Subscription Agreement is rejected in whole or in part.

5.3 Offering Jurisdictions

The Offering is being made pursuant to the exemptions from the prospectus requirements contained in the applicable securities laws in Alberta and British Columbia pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106 (the “**Offering Memorandum Exemption**”).

The Offering Memorandum Exemption is available for distributions to Subscribers who are resident in Alberta and British Columbia, who are purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form.

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

The Trust will not accept any Subscription Agreement unless the sale of Units to the Subscriber would qualify for an exemption from the prospectus and/or registration requirements under applicable Canadian securities legislation.

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

ITEM 6 - REPURCHASE REQUESTS

(a) The below table relates to repurchase requests for the two (2) most recently completed financial years:

Description of security	Date of end of financial year	No. of securities with outstanding repurchase requests on the first day of the year	Number of securities for which investors made repurchase requests during the year	Number of securities repurchased during the year	Average price paid for the repurchased securities	Source of funds used to complete the repurchase	No. of securities with outstanding repurchase requests on the last day of the year
Series A Units	Dec 31, 2021	Nil	68,495	68,495	\$1.00	Loan repayments	Nil
Series B Units	Dec 31, 2021	Nil	120,909	120,909	\$1.00	Loan repayments	Nil
Series C Units	Dec 31, 2021	Nil	138,370	138,370	\$1.00	Loan repayments	Nil
Series D Units	Dec 31, 2021	Nil	283,526	283,526	\$1.00	Loan repayments	Nil
Series E Units	Dec 31, 2021	Nil	863,327	863,327	\$1.00	Loan repayments	Nil
Series F Units	Dec 31, 2021	Nil	51,561	51,561	\$1.00	Loan repayments	Nil
Series G Units	Dec 31, 2021	Nil	27,861	27,861	\$1.00	Loan repayments	Nil
Series H Units	Dec 31, 2021	Nil	1,008	1,008	\$1.00	Loan repayments	Nil
Series A Units	Dec 31, 2022	Nil	8,040	8,040	\$1.00	Loan repayments	Nil
Series B Units	Dec 31, 2022	Nil	42,655	23,340	\$1.00	Loan repayments	19,315 ⁽¹⁾
Series C Units	Dec 31, 2022	Nil	44,273	27,796	\$1.00	Loan repayments	16,477 ⁽¹⁾
Series D Units	Dec 31, 2022	Nil	111,409	86,838	\$1.00	Loan repayments	24,571 ⁽¹⁾
Series E Units	Dec 31, 2022	Nil	109,451	99,661	\$1.00	Loan repayments	9,790 ⁽¹⁾
Series F Units	Dec 31, 2022	Nil	598,162	584,871	\$1.00	Loan repayments	13,291 ⁽¹⁾
Series G Units	Dec 31, 2022	Nil	37,329	20,192	\$1.00	Loan repayments	17,137 ⁽¹⁾
Series H Units	Dec 31, 2022	Nil	29,831	11,371	\$1.00	Loan repayments	18,460 ⁽¹⁾
Series I Units	Dec 31, 2022	Nil	12,181	4,000	\$1.00	Loan repayments	8,181 ⁽¹⁾

(1) The redemption request associated with these Trust Units was processed by the Trust in January 2023 for the redemption price of \$1.00 per Trust Unit.

(b) The below table relates to repurchase requests for the period between December 31, 2022 January 31, 2023.

Description of security	Beginning and end dates of the period	No. of securities with outstanding repurchase requests on the first day of the period	Number of securities for which investors made repurchase requests during the period	Number of securities repurchased during the period	Average price paid for the repurchased securities	Source of funds used to complete the repurchase	No. of securities with outstanding repurchase requests on the last day of the period
Series B Units	Jan 1, 2023 to Jan 31, 2023	19,315	Nil	19,315	\$1.00	Loan repayments	Nil
Series C Units	Jan 1, 2023 to Jan 31, 2023	16,447	Nil	16,477	\$1.00	Loan repayments	Nil
Series D Units	Jan 1, 2023 to Jan 31, 2023	24,571	Nil	24,571	\$1.00	Loan repayments	Nil
Series E Units	Jan 1, 2023 to Jan 31, 2023	9,790	5,189	9,790	\$1.00	Loan repayments	5,189 ⁽¹⁾
Series F Units	Jan 1, 2023 to Jan 31, 2023	13,291	5,508	13,291	\$1.00	Loan repayments	5,508 ⁽¹⁾
Series G Units	Jan 1, 2023 to Jan 31, 2023	17,137	19,179	25,004	\$1.00	Loan repayments	11,312 ⁽¹⁾
Series H Units	Jan 1, 2023 to Jan 31, 2023	18,460	6,554	18,460	\$1.00	Loan repayments	6,554 ⁽¹⁾
Series I Units	Jan 1, 2023 to Jan 31, 2023	8,181	5,600	8,181	\$1.00	Loan repayments	5,600 ⁽¹⁾

(1) The redemption request associated with these Trust Units was processed by the Trust in February 2023 for the redemption price of \$1.00 per Trust Unit.

Non Fulfillment of Investor Repurchase Rights

As at February 15, 2023, the Trust has paid all redemption requests received for the price of \$1.00 per Trust Unit in accordance with the terms and conditions of the Declaration of Trust.

ITEM 7 - CERTAIN DIVIDENDS AND DISTRIBUTIONS

The Trust in its two (2) most recently completed financial years, has not paid dividends or distributions that exceeded cash flow from operations.

ITEM 8 - INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

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

8.1 General

The following summary fairly describes, as of the date hereof, the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Unitholder who acquires Units pursuant to this Offering and who, for the purposes of the Tax Act, is resident in Canada, holds the Units as capital property and deals at arm's length with, and is not affiliated with, the Trust. Units generally will be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired the Units in one or more transactions considered to be an adventure in the nature of trade. A Unitholder who would not otherwise hold Units as capital property may be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to treat the Unitholder's "Canadian securities" (as defined in the Tax Act), including the Units, as capital property.

This summary is not applicable to a Unitholder: (i) that is a "financial institution" for purposes of the mark to market rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter" or a "tax shelter investment"; (iv) which has elected to compute its income in accordance with the "functional currency" reporting rules; or (v) who has entered into or will enter into a "derivative forward agreement", all within the meaning of the Tax Act. Such Unitholders should contact their own tax advisors having regard to their own particular circumstances.

This summary is based on the facts set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, Proposed Amendments, existing case law and understanding of the current published administrative policies and assessing practices of the CRA.

This summary assumes that the Proposed Amendments will be enacted as currently proposed although no assurance can be given that the Proposed Amendments will be enacted in the form publicly announced or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is based upon the assumption that the Trust will, at all times, qualify as a "mutual fund trust" within the meaning of the Tax Act. Further, this summary is based on the assumption that the tax payable under paragraph 122(1)(b) of the Tax Act ("**SIFT Tax**") on income of a trust that is a specified investment flow-through trust ("**SIFT Trust**") as defined in the Tax Act will not apply to the Trust.

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

8.2 Status of the Trust

This summary is based on the assumption that the Trust will qualify at all times as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act, and that the Trust has validly elected under subsection 132(6.1) of the Tax Act to qualify as a "mutual fund trust" from the beginning of its first taxation year.

To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property); the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Units for distribution to the public, the number of Unitholders and dispersal of ownership of Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada.

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

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

8.3 Taxation of the Trust

The Trust will be subject to tax under Part I of the Tax Act on its income for a taxation year, including the taxable portion of net realized capital gains. In computing its income for tax purposes, the Trust may deduct reasonable administrative expenses and 20% of its respective share of the total issue expenses of the Offering, prorated for any taxation year which is less than 365 days, to the extent that the expenses were not otherwise deductible in a preceding year. The taxation year of the Trust ends on December 31.

Upon the actual or deemed disposition of a security held by the Trust as capital property, the Trust will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security. The Trust will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the “**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Trust for such taxation year which may arise upon the sale of securities in connection with redemptions of Units.

The Trust will also be entitled to deduct from its income for a taxation year otherwise determined, after taking into account the inclusions and deductions outlined above, the portion of such income that becomes payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Trust or a Unitholder is entitled in the year to enforce payment of the amount. The Declaration of Trust requires that the Trust distribute or make payable its net income for tax purposes for each taxation year of the Trust to Unitholders to such an extent that the Trust will not be liable in any taxation year for income tax under Part I of the Tax Act on such net income (after taking into account any applicable losses of the Trust).

8.4 Taxation of Unitholders

8.4.1 Trust Distributions

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

Provided that appropriate designations are made by the Trust, the portion of its taxable capital gains and taxable dividends received from taxable Canadian corporations that are paid or payable to a Unitholder will retain their character as taxable capital gains and taxable dividends to the Unitholder for purposes of the Tax Act. Such dividends, when designated to a Unitholder that is an individual, will be subject to the gross-up and dividend tax credit provisions normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules for eligible dividends. Income of the Trust that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains may increase an individual Unitholder's (other than certain trusts) liability for alternative minimum tax.

The non-taxable portion of net realized capital gains of the Trust 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 and will not reduce the adjusted cost base of the Unitholder's Units. Any other amount in excess of the net income of the Trust that is paid or payable by the Trust to a Unitholder in a year will generally not be included in the Unitholder's income for the year. However, where any such other amount is paid or payable to a Unitholder, other than as proceeds of disposition of Units, the adjusted cost base of the Units held by such Unitholder will be reduced by such amount. To the extent that the adjusted cost base to a Unitholder of a Unit is less than zero at any time in a taxation year, such negative amount will be deemed to be a capital gain of the

Unitholder from the disposition of the Unit in that year. The amount of such capital gain will be added to the adjusted cost base of such Unit.

The adjusted cost base of a Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. Units issued to a Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income. A Unitholder will generally be required to average the cost of all newly-acquired Units with the adjusted cost base of Units held by the Unitholder as capital property in order to determine the adjusted cost base of the Unitholder's Units at any particular time.

8.4.2 Disposition of Units

On the disposition or deemed disposition of Units, a Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Unitholder's proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Units and any reasonable costs incurred by the Unitholder in connection with the disposition. The taxation of capital gains or capital losses is described below under "Capital Gains and Capital Losses".

8.4.3 Redemption of Units

The redemption of Units in consideration for cash, Trust Assets or Redemption Notes, as the case may be, will be a disposition of such Units for proceeds equal to the amount of such cash or the fair market value of such Trust Assets or Redemption Notes, less any portion thereof that is considered to be a distribution of the income of the Trust. Redeeming Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less any portion thereof that is considered a distribution of the Trust's income) is greater (or less) than the Unitholder's aggregate adjusted cost base of the Units so redeemed and any reasonable costs of disposition.

8.4.4 Capital Gains and Capital Losses

Generally, one-half of any capital gain realized or deemed to be realized by a Unitholder in a taxation year will be included in the Unitholder's income for the year as a taxable capital gain. Subject to specific rules in the Tax Act, one-half of any capital loss realized or deemed to be realized by a Unitholder in a taxation year is an allowable capital loss which must be deducted from any taxable capital gain realized by the holder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Tax Act. A Unitholder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" as defined in the Tax Act, may be liable to pay an additional refundable tax of 10 $\frac{2}{3}$ % on certain investment income, including taxable capital gains. Capital gains realized by a Unitholder who is an individual (other than certain trusts) may increase an individual Unitholder's liability for alternative minimum tax.

8.4.5 Eligibility for Investment by Deferred Plans

Provided that, at all times, the Trust qualifies as a "mutual fund trust" within the meaning of the Tax Act, the Units will be "qualified investments" under the Tax Act for a trust governed by a Deferred Plan, subject to the specific provisions of any such plan.

Not all securities are eligible for investment in an RRSP, RRIF, RESP, or a TFSA. You should consult your own professional advisers to obtain advice on the eligibility of these securities for these types of Deferred Plans. RRSPs, RRIFs, RESP, and TFSAs are subject to rules in Part XI.01 of the Tax Act that may result in negative tax consequences if a trust governed by an RRSP, RRIF, RESP, or a TFSA acquires a security that is a "prohibited investment" for that particular RRSP, RRIF, RESP, or TFSA as defined in Part XI.01, notwithstanding that the security may otherwise be a "qualified investment" for Deferred Plans.

The Units will generally not be a "prohibited investment" for an RRSP, RRIF, RESP, or a TFSA if the controlling individual of the RRSP, RRIF, RESP, or a TFSA deals at arm's length with the Trust for the purposes of the Tax Act and the controlling individual does not have a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Trust, or a corporation, partnership or trust with which the Trust does not deal at arm's length for the purposes of the Tax Act. Generally, an individual will have a significant interest in the Trust if at any time, the individual, together with other individuals, corporations, trusts and partnerships that do not deal at arm's length with the individual, hold at any time Units that have a fair market value of 10% or more of the fair market value of all the outstanding Units of the Trust. Unitholders should consult their own professional advisers as to whether the Units will be a "prohibited investment" in their particular circumstances.

Trust Assets and Redemption Notes may not be eligible for investment in an RRSP, RRIF, RESP, or a TFSA. You should consult your own professional advisers to obtain advice on the eligibility of these securities for these types of Deferred Plans.

Finally, there can be no assurance that the Canadian federal income tax laws and administrative policies of the CRA respecting the status of the Units as “qualified investments” for Deferred Plans will not be changed in a manner that adversely affects the Unitholders. In that event, negative tax consequences will result and potential Subscribers should consult with their own professional advisers in this regard.

Trust Assets or Redemption Notes received as a result of a distribution or redemption of Units will not be a “qualified investment” for Deferred Plans, which may give rise to adverse consequences to a Deferred Plan or the annuitant, holder or beneficiary thereunder.

The income tax information contained in Item 8 was provided by Buchanan Barry LLP Chartered Professional Accountants, and it is based on the current provisions of the Income Tax Act, the Regulations thereunder and published administrative practices of the CRA. The comments do not take into account or anticipate changes in the law, whether by judicial, regulatory, governmental or legislative action after the date of this document. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules. No assurance can be given that the Tax Act will not be amended in a manner which will fundamentally alter the income tax consequences to a Subscriber for securities.

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

ITEM 9 - COMPENSATION PAID TO SELLERS AND FINDERS

The Trust has not retained an underwriter in respect of the sale and distribution of the Units. The officers and directors of the Trustee may be involved directly in the selling of Units but will not receive any fees or commissions for affecting such sales.

ITEM 10 - RISK FACTORS

An investment in the Trust is speculative and contains certain risks. Prospective Subscribers should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Trust will meet its business objectives. The Trust's returns may be unpredictable and, accordingly, the Trust's Units are not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Trust as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and Subscribers should not subscribe unless they can readily bear the consequences of such loss.

Covid-19 Pandemic

The ongoing impact of the Covid-19 pandemic may continue to or present new challenges to the Operating Avi Parties operations, business environment and the North American residential home building, home sales and residential development industry as a whole. Although the impact of the pandemic has not negatively affected the business of the Operating Avi Parties like it has in many other industry sectors, management cannot reasonably estimate the length or anticipate when a full recovery period will commence. A resurgence of the Covid-19 pandemic may have the following adverse effects on the business of the Trust and the Operating Avi Parties: (i) the Operating Avi Parties may incur increased costs with respect to a potential rise in costs associated with purchasing building materials and goods; (ii) disruption of supply chains, may result in the reduced availability of products for purchase thereby resulting in delays to meeting certain project deadlines; (iii) if economic uncertainty in various industry sectors continue resulting in further job loss and financial insecurity there may be a potential for slower sales activity as homebuyers may delay in proceeding with a home purchase; (iv) current or future government stimulus programs may cause high levels of inflation in Canada thereby increasing cost of living resulting in reduced ability for homebuyers to proceed with a purchase. The occurrence of any one of or more of the above events may cause the Operating Avi Parties to be unable to meet some or all of their obligations under the Loan Agreement.

RISKS ASSOCIATED WITH THE TRUST

Conflicts of interest

Avi Canada is the sole shareholder of each of Avi Calgary GP, Avi Edmonton GP, Avi Urban and the Trustee.

Avi Canada is the sole limited partner of each of Avi Calgary LP and Avi Edmonton LP.

Monte Kendall and Michele Ward are each officers and directors of the Trustee and are Vice Chairman of the Board of Directors (Kendall) and CFO (Ward) of each of Avi Calgary GP, Avi Edmonton GP, Avi Urban, Avi Land and Avi Canada. Vered Amir is a director of each of Avi Calgary GP, Avi Edmonton GP, Avi Urban and Avi Canada and is a shareholder of Avi Canada's sole corporate shareholder.

The solicitors, accountants and others that act for the Trust may also be the same parties that act for the Operating Avi Parties, or other entities receiving loan funds. No independent counsel will be retained to represent the interests of the Trust with respect to the various non-arms length loans and transactions contemplated hereunder.

There may be occasions when the Operating Avi Parties encounter conflicts of interest in connection with the Trust's activities.

The Declaration of Trust permits the Trustee (and the Operating Avi Parties) to take actions to resolve a material conflict of interest without the approval of the Trust Unitholders provided that each of the Operating Avi Parties uses reasonable best efforts to resolve any such conflict of interest as equitably as possible under the prevailing facts and circumstances. There is no independent committee or other persons representing the Trust Unitholders in situations involving conflicts of interests between the Operating Avi Parties and/or the Trust Unitholders. Accordingly, the Unitholders are relying on the ability, honesty and integrity of the Trustee, its officers and directors and the Operating Avi Parties to resolve any such material conflicts of interests, which resolutions might have been different had the interests of Unitholders been represented by independent persons in such circumstances.

The terms of the Loan Agreement provide that in the event that the payment terms of any Loan Advance has been in default for 30 consecutive days, the Trustee shall call a Special Meeting of the Trust Unitholders for the purpose of obtaining direction from the Trust Unitholders as to whether the Trust Unitholders want to replace the Trustee with a Trustee appointed by the Trust Unitholders.

Loan Security

The Trust will only have security over the present and after acquired personal property of Avi Canada. The other Operating Avi Parties will not provide any security in respect of the Loans and as such the Trust will be an unsecured creditor of the Operating Avi Parties other than Avi Canada.

Avi Canada has limited assets, the primary of which are the limited partnership units it owns as sole limited partner in each of Avi Edmonton LP and Avi Calgary LP and the shares it owns in the other Operating Avi Parties.

Avi Canada has granted security (collectively the "**Prior Security**"), as guarantor under a number of guarantees (collectively the "**Guarantees**"), over its present and after acquired personal property to: (i) private and institutional lenders (each a "**Lender**") with respect of loans (each a "**Operating Loan**") provided to the Operating Avi Parties; and (ii) to a shareholder of Avi Canada with respect to shareholders loans (collectively the "**Shareholder Loans**") advanced to Avi Canada by that shareholder. Subscribers should note that security granted by Avi Canada in favour of the Trust will also be subordinated to security provided to Lenders with respect to financing provided by Lenders to the Operating Avi Parties after the date of this Offering Memorandum. As of January 31, 2023 the total exposure of Avi Canada under the Guarantees and the Shareholder Loans is \$87,831,580.73. This amount will increase and decrease over time as Operating Loans are paid out and new Operating Loans are entered into. In addition the amount of the Shareholders' Loan may also increase or decrease over the term of the Loans.

As the Trust will be an unsecured creditor of the Operating Avi Parties, other than Avi Canada, the Trust will be subordinate to secured creditors of those Operating Parties which will include Lenders (who have loaned funds to these Operating Avi Parties both previous to the date of this Offering Memorandum as well as after the date of this Offering Memorandum.

In the event of a default by an Operating Avi Party of its obligations under an Operating Loan, a Lender may seek recourse from Avi Canada for amounts due and owing as a result of such a default. If Avi Canada is unable to pay such amounts, the Lender may seize Avi Canada's present and after acquired personal property which could include Avi Canada's equity interest in the other Operating Avi Parties. Were this event to occur, there may be little if any assets left in Avi Canada to secure the Loans.

In the event of a default by the Operating Avi Parties under any of the Loans, the Trust may choose to enforce its security over Avi Canada's assets. There will be intervening encumbrances, such as the Prior Security or other interests of other third parties that will or may stand in priority to the Trust's security which may prevent the Trust from realizing on or enforcing some or all of its security against the assets of Avi Canada. There may be principals at law or at equity that may prevent the Trust from enforcing some or all of its security against the assets of Avi Canada. The assets of Avi Canada may not have a sufficient value to satisfy any outstanding debt obligations to the Trust. The same risks apply with respect to the any steps that the Trust may take as an unsecured creditor of the Operating Avi Parties other than Avi Canada.

In certain circumstances, applicable legislation provides for the granting of security over the assets of entities to secure repayment of liabilities owing by such entities to certain parties. Such legislated security sometimes is granted priority over security granted by the entity itself. An example is that certain taxation authorities (including the Canada Revenue Agency) are provided with such legislated priority security over the assets of a taxpayer with respect to certain amounts owing by the taxpayer to the taxation authority. Such priority security would have priority over the security granted to the Trust over the assets of Avi Canada.

Blind Pool Offering

This is a "blind pool" Offering. The lands that the Operating Avi Parties will acquire with the proceeds of this Offering have not yet been determined. The Operating Avi Parties have full discretion to deploy the proceeds of the Loans for the purposes disclosed in Item 1.2 of this Offering Memorandum as they see fit. As such Subscribers will not, in advance of their subscription for Units under this Offering, have the benefit of considering the merits or risks lands acquired by the Operating Avi Parties.

No assurance of investment return

The success of the Trust and, accordingly, a return on investment for a purchaser of Units, is entirely dependent upon the Operating Avi Parties ability to meet its payment obligations of principal and interest pursuant to the Loan, which in turn will be dependent upon the success of the Operating Avi Parties. **As a result, there is no assurance or guarantee that the Trust and, correspondingly, the purchasers of Units pursuant to this Offering, will earn a return on their investment. Unitholders could lose the entire amount of their investment.**

Nature of investment

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

Concentration of investments

The Trust's investments will be limited to that of a single asset being the Loans to the Operating Avi Parties. The Operating Avi Parties business operates in a single industry (being the Avi Business). Concentration of the Trust's investments in such a manner involves greater risk to an investor of Units than the exposure generally associated with more diversified investment funds, and may result in greater fluctuations in returns.

Rights of Unitholders

A Unitholder does not have all of the same protections, rights and remedies as a shareholder would have under the *Business Corporations Act* (Alberta) ("**ABCA**"). Unlike shareholders of an ABCA corporation, the Trust will not be required to hold annual Unitholder meetings and Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation.

Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction).

Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation which would apply where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties.

Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances whereas Unitholders may rely only on the general provisions of the Declaration of Trust which permit the winding-up of the Trust with the approval of an Extraordinary Resolution of the Unitholders. Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include comparable rights.

Reliance on the Trustee

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

Dependence on key personnel

The success of the Trust will depend in large part upon the services of key personnel employed by the Operating Avi Parties. The loss of any of these individuals, for any reason, could have a material adverse effect on the prospects of the Operating Avi Parties and, as a result, the Trust. Failure to retain or to attract additional key employees with necessary skills could have a material adverse impact upon growth and profitability of the Avi Business. The contributions of key personnel employed by Operating Avi Parties to the immediate future operations of the Avi Business is likely to be of central importance and the loss of any one of these individuals could have a material adverse effect on the Avi Business and, as a result, the Trust. There can be no assurance that such personnel will remain with the Operating Avi Parties.

Limited working capital

The Trust will have a limited amount of working capital, as all or substantially all of the Gross Proceeds of the Offering will be used to provide the Loans.

Termination of the Trust

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

Leverage of the Trust

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

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

Lack of independent counsel representing Unitholders

The Trust and the Trustee have consulted with and retained for their benefit legal counsel to advise them in connection with the formation and terms of the Trust and the Offering of Units. Unitholders have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel. There has been no review by independent counsel on behalf of the Subscribers of the Offering Memorandum or any other documentation in relation to the Offering.

Liability for return of distributions

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

Recourse to the Trust's Assets

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

Indemnification

The Trustee and its officers and directors and each former trustee is entitled to indemnification and reimbursement out of the Trust Assets, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Unitholders of the Trust.

Effect of expenses on returns

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

Lack of regulatory oversight

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

RISKS ASSOCIATED WITH THE UNITS

No Regulatory Review

Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.

Restrictions on redemption and transfer; Illiquidity of Units

It is intended that the Trust will continue for an indefinite term. As a result, a Unitholder's principal source of liquidity for its Units will be through its right of redemption. Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions. See Item 2.6 - "Material Contracts - Summary of Declaration of Trust - Redemption of Units".

There will be no public market for the Units and an application for listing of the Units on a stock exchange will not be made. Units in the Trust are highly illiquid investments and should only be acquired by Subscribers able to bear the economic risk of an investment in the Units for an indefinite period of time. The Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus and registration requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The Units will be subject to "hold periods" under applicable securities legislation and, as the Trust is currently not a "reporting issuer" in any province or territory, the "hold periods" may never expire. Additionally, Unitholders will not be permitted to transfer or sell their Units without the

consent of the Trustee, which may be withheld in the Trustee's sole discretion, and may be subject to the satisfaction of certain other conditions, including the provision of an opinion that such a transfer would not subject the Trust or the Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation.

Distribution of income

Although the Trust intends to make distributions quarterly, there is no guarantee that it will be able to do so. See "Risks associated with the Trust – No assurance of investment return" below.

The Trust will distribute Trust Income and Trust Capital Gains for each taxation year, so that Trust Income and Trust Capital Gains may be taxable to Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions is intended to be made in cash, but the Trust may, in certain circumstances, make distributions by distributing additional Units. See Item 2.6 - "Material Contracts – Summary of the Declaration of Trust – Unit Distributions". In the event that the Trust does not make cash distributions, Unitholders will have to rely solely on the redemption of their Units to obtain a cash return on their investment in Units.

Nature of Units

Trust Units of each Series are entitled to an equal undivided beneficial interest in any distribution from the Trust to which a Series of Units is entitled. The Units do not represent debt instruments and there is no principal amount owing to Unitholders under the Units, and the Units are not insured against loss through the Canada Deposit Insurance Corporation.

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

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

Mutual Fund Trust Status

To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada. If the Trust ceases to qualify as a "mutual fund trust", there may be adverse tax consequences to the Trust and Unitholders. There can be no assurance that the Canadian federal income tax laws and administrative policies of the CRA respecting the treatment of mutual fund trusts and unit trusts will not be changed in a manner which adversely affects the holders of Units.

Eligibility of Units for Investment by Deferred Plans

If the Trust ceases to qualify as a "mutual fund trust" the Units may not be or may cease to be qualified investments for Deferred Plans which will have adverse tax consequences to Deferred Plans and their annuitants, holders or beneficiaries. If the Units are or become a prohibited investment for trusts governed by tax-free savings accounts, adverse tax consequences may result to the holder of the tax-free savings account.

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

Where, at the end of a month, an RESP holds Units that are not qualified investments, the RESP must, in respect of that month, pay a tax equal to one (1%) percent of the fair market value of the Units at the time such Units were acquired by the RESP. If an RESP acquires Units that are not qualified investments, the CRA may revoke the RESP's registration, in which case the RESP will become taxable under Part I of the Tax Act and any Canadian Education Savings Grant payments will have to be repaid.

Eligibility of Trust Assets or Redemption Notes for investment by Deferred Plans

Trust Assets or Redemption Notes received as a result of a distribution or redemption of Units will not be a qualified investment for Deferred Plans, which may give rise to adverse consequences to a Deferred Plan or the annuitant, holder or beneficiary thereunder. See Item 8.4 – “*Eligibility for Investment by Deferred Plans*”.

RISKS ASSOCIATED WITH REDEMPTIONS

Use of Available Cash

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

Limitation on Payment of Redemption Price in Cash

The total cash amount available for the payment of the redemption price of Units by the Trust is limited to \$500,000 per year.

Payment of Redemption Price Issuance of Redemption Notes

The redemption of Units may be paid and satisfied by way of Redemption Notes, as determined by the Trustee in its Discretion, to the redeeming Unitholder. Such property will not be liquid and will not be a qualified investment for Deferred Plans and will be a prohibited investment for Deferred Plans. Adverse tax consequences generally may apply to a Unitholder, or Deferred Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Units. Accordingly, investors that propose to invest in Units through Deferred Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

Redemption Notes will be Unsecured

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

Payment of Redemption Notes

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

Priority of Redemption Notes over Units

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

Tax Treatment of Units and Unitholders

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

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

Tax Characterization of Trust Income and Trust Capital Gains

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

SIFT status

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

RISKS ASSOCIATED WITH THE AVI BUSINESS

Acquisition Risk

The operation of a residential home building business entails risks that investments made in such a business will fail to perform in accordance with expectations. In operating of the Avi Business, the Operating Avi Parties will incur certain risks, including the expenditure of funds on, and the devotion of management's time to development of projects that may not come to fruition. Additional risks inherent in acquisitions include risks that projects will not achieve anticipated sales levels and that estimates of the project development costs may prove inaccurate.

General Real Estate Ownership Risks

All real estate property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions, local real estate markets, demand for new homes, competition from other builders and various other factors. Certain significant expenditures, including property taxes, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real estate property regardless of whether a Project is producing any income. Real estate property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the Operating Avi Parties' ability to vary their land portfolio promptly in response to changing economic or investment conditions. If for whatever reason, liquidation of assets is required, there is a risk that sale proceeds realized might be less than the current book value of the Operating Avi Parties' real estate holdings or that market conditions would prevent prompt disposition of assets. The Operating Avi Parties may, in the future, be exposed to a general decline of demand by buyers for their homes.

Alberta Economy

Due to challenging market conditions in Alberta, the Operating Avi Parties experienced an overall decline in closings during the period of 2017-2022 in comparison to the previous five (5) year period. The Operating Avi Parties have forecasted a rebound in closings for 2023 based on sales results from 2022 combined with stronger market conditions within Alberta. The Operating Avi Parties are closely monitoring potential negative effects of changes to borrowing costs and fluctuations in commodities and energy pricing as they might relate to the housing market. Significant negative impact from these forces may adversely affect the Operating Avi Parties' operation and the ability to repay the Loans to the Trust.

Past Performance

The track record of management shall not imply or predict (directly or indirectly) any level of future performance of the Trust or the Operating Avi Parties. Management's performance and the performance of the Trust and Operating Avi Parties is dependent on future events and is, therefore, inherently uncertain. Past performance cannot be relied upon to predict future events for a variety of factors, including, without limitation, varying business strategies, different local and national economic circumstances, different supply and demand characteristics relevant to buyers and sellers of assets, varying degrees of competition and varying circumstances pertaining to the capital markets.

General Economic Conditions

Current and future market disruptions to the credit and financial markets in Canada, the United States of America and the rest of the world may adversely affect the Trust and/or Operating Avi Parties activities. Interest rates, changes in currency exchange rates, changes in commodity pricing, general levels of economic activity may adversely affect the business activities of the Trust and/or Operating Avi Parties.

World Events

Recent military events in Europe have caused instability in the world financial markets and may generate global economic instability. The continued threat of existing or new military actions in Europe or elsewhere may lead to increased volatility in financial markets and commodity prices worldwide and could adversely affect the financial results of the businesses of Trust and/or Operating Avi Parties. In the event of ongoing or future market disruptions, it is impossible to predict what interim or permanent governmental restrictions may be imposed on the markets or the effect of such restrictions on the business strategies of the Trust and/or Operating Avi Parties.

Financing Risks

There is no assurance that the Operating Avi Parties' will be able to obtain sufficient financing to finance the acquisition of land for the development of their Projects, or, if available, that Operating Avi Parties' will be able to obtain financing on commercially acceptable terms. Further, there is no assurance or guarantee that any financing, if obtained, will be renewed when they mature or, if renewed, renewed on the same terms and conditions (including the rate of interest). In the absence of mortgage financing, the amount of land which the Operating Avi Parties' will be able to purchase, which may affect the return on an investment in Units. Even if the Operating Avi Parties are successful in obtaining adequate financing, the Operating Avi Parties may not be able to generate sufficient funds through the development of their projects to service their financing. If a default occurs under any of the financing, one or more of the lenders could exercise its rights including, without limitation, foreclosure or sale of the lands owned by the Operating Avi Parties.

Interest Rate Fluctuations

The financing may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Operating Avi Parties cost of borrowing.

Environmental Matters

Under various environmental and ecological laws, the Operating Avi Parties and/or their subsidiaries could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in lands owned or acquired by them. The failure to deal effectively with such substances may adversely affect the Operating Avi Parties' ability to develop homes upon such lands or to borrow using the lands as collateral and could potentially also result in claims against the Operating Avi Parties by third parties.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Trust. Prospective Subscribers should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Trust.

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

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

ITEM 11 - REPORTING OBLIGATIONS

The Trust will send (or make available if sending is not required under applicable securities laws) to Unitholders within six (6) months of the fiscal year end, the annual audited financial statements of the Trust, together with comparative financial statements for the preceding fiscal year, if any, and the report of the Auditors thereon.

Such financial statements shall be prepared in accordance with International Financial Reporting Standards (“IFRS”) provided that such statements and the obligations to deliver such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities.

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

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

ITEM 12 - RESALE RESTRICTIONS AND REDEMPTION RIGHTS

12.1 Restricted Period

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

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

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

ITEM 13 - PURCHASERS' RIGHTS

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

13.1 Two Day Cancellation Right

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

13.2 Statutory and Contractual Rights of Action in the Event of a Misrepresentation

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

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

Rights of Purchasers in Alberta and British Columbia

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

- (a) the Trust to cancel your Subscription Agreement to buy these Units, or
- (b) for damages against the Trust, every Person who was a Trustee at the date of this Offering Memorandum and every other Person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various 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 Units. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the Subscription Agreement within 180 days after the date that you purchased the Units. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the Units.

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

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

ITEM 14 - FINANCIAL STATEMENTS

Financial statements of

Avi Mutual Fund Trust

December 31, 2022 and 2021

Avi Mutual Fund Trust
December 31, 2022

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Independent auditor's report

To the Trustee of Avi Mutual Fund Trust

Opinion

We have audited the financial statements of Avi Mutual Fund Trust (the "Trust"), which comprise the statements of financial position as at December 31, 2022 and 2021, the statements of income and comprehensive income, changes in unitholders' equity and cash flows for the years then ended, 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 Avi Mutual Fund Trust as at December 31, 2022, and its financial performance and its cash flows for the year then ended 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 Trust 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.

Other Matter

The financial statements for the Trust for the year ended December 31, 2021 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on January 28, 2022.

Responsibilities of Management and Trustee 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.

The Trustee is responsible for overseeing the Trust's financial reporting process.

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 Trust'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 the Trustee 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.

Calgary, Canada
February 14, 2023

Grant Thornton LLP

Chartered Professional Accountants

Avi Mutual Fund Trust

Statements of income and comprehensive income years ended December 31

	2022	2021
	\$	\$
Income		
Interest income (Note 4)	341,279	336,731
Expenses		
Bank charges	320	309
Cost recovery from related parties (Note 4)	(320)	(309)
Total expenses	-	-
Net income and comprehensive income	341,279	336,731

Avi Mutual Fund Trust
Statements of financial position
as at December 31

	2022	2021
	\$	\$
Assets		
Current assets		
Cash	-	190
Accounts receivable	9,440	-
Loans to related parties (Note 4)	6,264,518	5,579,784
Total assets	6,273,958	5,579,974
Liabilities		
Current liabilities		
Bank indebtedness	3,630	-
Advances from related parties	5,810	190
Total liabilities	9,440	190
Unitholders' equity		
Trust units (Note 5)	6,264,518	5,579,784
Total liabilities and unitholders' equity	6,273,958	5,579,974

 on behalf of Trustee

Avi Mutual Fund Trust
Statements of cash flows
years ended December 31

	2022	2021
	\$	\$
Operating activities		
Net income and comprehensive income	341,279	336,731
Changes in non-cash working capital		
Accounts receivable	(9,440)	-
Advances from (to) related parties	5,620	(79)
Net cash from operating activities	337,459	336,652
Investing activities		
Loans to related parties	(684,734)	655,343
Net cash used in investing activities	(684,734)	655,343
Financing activities		
Distributions to unitholders	(341,279)	(336,731)
Issuance of trust units	1,550,843	899,714
Redemption of trust units	(866,109)	(1,555,057)
Net cash used in financing activities	343,455	(992,074)
Net (decrease) increase in cash	(3,820)	(79)
Cash, beginning of year	190	269
Cash (bank indebtedness), end of year	(3,630)	190

Avi Mutual Fund Trust

Statements of changes in unitholders' equity years ended December 31

	Trust Units	Retained Earnings	Total Unitholders' Equity
		\$	\$
Balance , December 31, 2020	6,235,127	-	6,235,127
Net income and comprehensive income		336,731	336,731
Redemption of Series A units	(68,495)		(68,495)
Redemption of Series B units	(120,909)		(120,909)
Redemption of Series C units	(138,370)		(138,370)
Redemption of Series D units	(283,526)		(283,526)
Net Redemption of Series E units	(843,884)		(843,884)
Net Issuance of Series F units	26,223		26,223
Net Issuance of Series G units	368,439		368,439
Net Issuance of Series H units	405,179		405,179
Distributions		(336,731)	(336,731)
Balance December 31, 2021	5,579,784	-	5,579,784
Net income and comprehensive income		341,279	341,279
Redemption of Series A units	(8,040)		(8,040)
Redemption of Series B units	(23,340)		(23,340)
Redemption of Series C units	(27,796)		(27,796)
Redemption of Series D units	(86,838)		(86,838)
Redemption of Series E units	(99,661)		(99,661)
Net Redemption of Series F units	(564,046)		(564,046)
Net Issuance of Series G units	66,548		66,548
Net Issuance of Series H units	333,718		333,718
Net Issuance of Series I units	1,094,189		1,094,189
Distributions		(341,279)	(341,279)
Balance December 31, 2022	6,264,518	-	6,264,518

Avi Mutual Fund Trust

Notes to the financial statements

December 31, 2022

1. Nature of business

Avi Mutual Fund Trust (the "Trust") is an unincorporated open-ended trust established by the Trust's Declaration of Trust dated November 6, 2014 as amended (the "Declaration of Trust").

The Trust was formed to raise funds for the purposes of entering into a loan agreement with the Operating Avi Parties (a group of companies, including affiliates and subsidiaries of Homes by Avi (Canada) Inc., Homes by Avi Urban (2006) Inc., Homes by Avi (Calgary) GP Inc., Homes by Avi (Calgary) LP, Homes by Avi (Edmonton) GP Inc., Homes by Avi (Edmonton) LP, and Avi Land Corporation Inc. and any of their respective current or future affiliates and subsidiaries. The Operating Avi Parties are considered to be related parties due to common officers and directors with the Trustee. The Operating Avi Parties operate in the home building industry and intend to use these funds for the investment in land and other acquisition and development related costs.

The Trustee of the Trust is the Avi MFT Corporate Trustee (the "Trustee"). The Trustee, through its officers and directors, is responsible for the management and control of business and affairs of the Trust on a day-to-day basis in accordance with terms of the Declaration of Trust.

The address of the Trust is 245 Forge Road SE, Calgary, Alberta, T2H 0S9.

2. Basis or presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were authorized for issue by the Trustee of the Trust on February 14, 2023.

3. Significant accounting policies

These financial statements have been prepared in accordance with IFRS using the historical cost basis and are stated in Canadian dollars, which is the Trust's functional currency.

Financial instruments

Financial assets and financial liabilities are recognised in the Trust's statement of financial position when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expires.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into categories including amortized cost, fair value through profit or loss ("FVTPL") or fair value through

Avi Mutual Fund Trust

Notes to the financial statements

December 31, 2022

3. Significant accounting policies (continued)

other comprehensive income ("FVOCI"). In the period presented, the Trust does not have any financial assets categorized as FVOCI. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are measured at amortized cost if the asset meet the following conditions and are not designated as FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Trust recognises an impairment loss under an expected credit loss ("ECL") model. Under the ECL model, the Trust considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the financial assets. In applying this forward looking approach, a distinction is made between (a) financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and (b) financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'). Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date. Twelve-month expected credit losses are recognized for the first category while lifetime expected credit losses are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial asset. Changes in expected credit losses are recognized in the statement of income and comprehensive income.

Avi Mutual Fund Trust

Notes to the financial statements

December 31, 2022

3. Significant accounting policies (continued)

Fair values

Certain of the Trust's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of the loans to related parties, accounts receivable and advances from related parties approximate their carrying value due to their short term nature.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value is assessed and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. There are no Level 1-3 valuations used in determination of fair values.

Trust units

The Trust units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with International Accounting Standard ("IAS") 32, Financial Instruments: Presentations, in which case, the puttable instrument may be presented as equity. The Trust units were determined to meet the equity conditions of IAS 32, and are therefore classified and accounted for as equity.

Income taxes

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (eg as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Trust's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses in the period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported as part of net income in the period the adjustments become known.

Avi Mutual Fund Trust

Notes to the financial statements

December 31, 2022

4. Loans to related parties

During the year, the Trust has loaned monies on demand to the Operating Avi Parties at 6%. Interest is calculated and paid quarterly for all loans related to Active Series and annually for Matured Series as described in Note 5. As part of this agreement (Note 1), all administrative costs of the Trust are paid by Homes by Avi (Canada) Inc. These loans are secured by a general security agreement securing all present and after acquired personal property of Homes by Avi (Canada) Inc. in favour of the Trust.

5. Trust units

The Trust completed an offering on March 16, 2022 and issued 1,550,843 units and redeemed 866,109 in the year ended December 31, 2022 (2021 – 899,714 and 1,555,057 respectively). The Declaration of Trust provides that an unlimited number of trust units (the "Units") may be issued. At the discretion of the Trustees, the Trust may designate Units issued into separate series based on the date of issue of such Units, and the interest of each unitholder will be determined by the number of Units registered in the name of the unitholder in each series. Units of each series represent an equal undivided beneficial interest in any distribution of the Trust to which a series of Units is entitled, and in the net assets of the Trust in the event of termination or winding up of the Trust to which a series of Units is entitled. Each Unit entitles the holder to one vote at all meetings of unitholders.

Each unitholder is entitled to require the Trust to redeem all or any part of their Units in accordance with the terms of the offering. The redemption price will be in accordance with the Declaration of Trust.

Issued and outstanding	2022		2021	
	Number	Amount \$	Number	Amount \$
Series A	134,739	134,739	142,779	142,779
Series B	344,614	344,614	367,954	367,954
Series C	425,023	425,023	452,819	452,819
Series D	557,564	557,564	644,402	644,402
Series E	655,046	655,046	754,707	754,707
Series F	828,280	828,280	1,392,326	1,392,326
Series G	1,486,166	1,486,166	1,419,618	1,419,618
Series H	738,897	738,897	405,179	405,179
Series I	1,094,189	1,094,189	-	-
	6,264,518	6,264,518	5,579,784	5,579,784

Units in Series A to F are available for redemption as at February 28, 2022 and referred to as the Matured Series. Units in Series G to I are referred to as the Active Series and only redeemable under limited circumstances.

Avi Mutual Fund Trust

Notes to the financial statements

December 31, 2022

6. Financial risk management

Overview

The Trust's planned operations are exposed to a variety of financial risks that arise as a result of its operating and financing activities:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risks, and the Trust's management of capital.

The Trust employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Trust's business objectives and risk tolerance levels. While the Trustees have the overall responsibility for the establishment and oversight of the Trust's risk management framework, management has the responsibility to administer and monitor these risks.

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at December 31 was as follows:

	2022	2021
	\$	\$
Accounts receivable	9,440	-
Loans to related parties	6,264,518	5,579,784

The Trust manages the credit exposure by monitoring the related parties' ability to pay.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial as they are due. The Trust's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Trust's ongoing liquidity will be impacted by various external events and conditions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Trust is exposed to a fair value risk on its fixed-rate loans to related parties. The Trust had no interest rate swaps or financial contracts in place as at December 31, 2022 and 2021 or during the years then ended. As of December 31, 2022, assuming all variables are held constant, an increase of 1% to the interest rate applicable to the Trust's loans to related parties would result in an increase or decrease to the Trust's net income of \$56,880.

Avi Mutual Fund Trust

Notes to the financial statements

December 31, 2022

6. Financial risk management (continued)

Capital management

The Trust will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Trust considers its capital structure to include unitholders' equity and working capital. In order to maintain or adjust the capital structure, the Trust may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Trust currently has no debt outstanding and monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Trust is not subject to externally imposed capital requirements.

7. Comparative information

Certain of the financial information presented in these financial statements has been reclassified to conform to the presentation adopted for the current year.

ITEM 15 – DATE AND CERTIFICATE

Dated: March 1, 2023

This Offering Memorandum does not contain a misrepresentation.

AVI MUTUAL FUND TRUST

BY THE DIRECTORS OF AVI MFT CORPORATE TRUSTEE INC.

signed "P. Lamont Kendall"

P. LAMONT KENDALL

signed "Michele Ward"

MICHELE WARD

signed "Vered Amir"

VERED AMIR