

**THIS OFFERING MEMORANDUM PERTAINS TO AN OFFERING OF SECURITIES ONLY IN THOSE JURISDICTIONS AND ONLY 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. THE SECURITIES OFFERED UNDER THIS OFFERING MEMORANDUM QUALIFY FOR DISTRIBUTION IN THE JURISDICTIONS IN WHICH THEY ARE OFFERED PURSUANT TO EXEMPTIONS UNDER SECURITIES LAWS IN THOSE JURISDICTIONS. 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.**

**FORM 45-106F2**  
**Offering Memorandum for Non-Qualifying Issuers**



**REVESCO PROPERTIES TRUST**  
**OFFERING OF SERIES A UNITS, SERIES B UNITS, SERIES C UNITS AND SERIES F UNITS**

**Date:** April 4, 2025

**The Issuer**

**Name:** Revesco Properties Trust (the “Trust”)

**Head office:** Address: 1310-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7

Phone #: 604.628.4326

Website address: [www.revescoproperties.com](http://www.revescoproperties.com)

E-mail address: [RPTinfo@revescoproperties.com](mailto:RPTinfo@revescoproperties.com)

**Currently listed or quoted?** No. **These securities do not trade on any exchange or market.**

**Reporting issuer?** No.

**The Offering**

**Securities offered:** Series A Units (the “Series A Units”), Series B Units (the “Series B Units”), Series C Units (the “Series C Units”) and Series F Units (the “Series F Units”) (collectively, the “Units”) of the Trust.

See Item 2.7.1 “Trust Declaration” and Item 5.1 “Terms of the Units of the Trust”.

**Price per security:** Series A Units, Series B Units, Series C Units and Series F Units will be issued at the applicable series net asset value per Unit determined in accordance with the Trust Declaration (as defined below). For Series A Units and Series F Units, the series net asset value per Unit will be calculated on a quarterly basis on the last day of each quarter, and all such Units will be issued at the price per Unit equal to the series net asset value per Unit calculated on such last day of each quarter. For the Series B Units and the Series C Units, the series net asset value per Unit will be calculated on a quarterly basis on the last day of each quarter, and all such Units will be issued at the price per Unit equal to the series net asset value per Unit calculated for the preceding quarter. The number of Units acquired by the subscriber will be confirmed by the Trust in a statement delivered to the subscriber after the purchase date. See Item 5.1 “Terms of the Units of the Trust” and Item 5.2 “Subscription Procedure”.

**Minimum / Maximum offering:** **There is no minimum offering. You may be the only purchaser.** There is no maximum offering.

Minimum subscription:	For Series A Units, Series B Units and Series F Units, the minimum initial subscription amount is \$10,000 or such other amount as is permitted under applicable securities laws and approved by the Trust. For Series C Units, the minimum initial subscription amount is an amount denominated in United States dollars equal to CA\$15,000, calculated based on the Bank of Canada daily rate on the date that is the last business day of the month that the Manager accepts the subscription, or such other amount as is permitted under applicable securities laws and approved by the Trust. There is no minimum subscription amount for subsequent subscriptions by existing Unitholders.
Payment terms:	Cheque, wire, electronic transfer or bank draft payable to the Trust. See Item 5.2 “Subscription Procedure”.
Proposed Closing date(s):	This is a continuous offering. Closings will occur from time to time at such times as the Trust may determine. The Trust may terminate the Offering (as defined below) at any time.
Income tax consequences:	There are important tax consequences to these securities. See Item 8 “Canadian Income Tax Consequences and RRSP Eligibility” and Item 9 “Certain Material U.S. Federal Income Tax Considerations”.

### **Insufficient Funds**

**Funds available under the offering may not be sufficient to accomplish the proposed objectives. See Item 2.6 “Insufficient Funds”.**

### **Compensation Paid to Sellers and Finders**

A person has received or will receive compensation for the sale of securities under this offering. See Item 10 “Compensation Paid to Sellers and Finders”.

### **Payments to Related Party**

Most of your investment will be paid to a related party of the Trust. See Item 1.2 “Use of Available Funds”.

### **Certain Dividends or Distributions**

The Trust has not paid any dividends or distributions that exceeded cash flow from operations. See Item 7 “Certain Dividends or Distributions”.

### **Certain Related Party Transactions**

This Offering Memorandum contains disclosure with respect to one transaction between the Trust and a related party, where the Trust paid more to a related party than the related party paid for a real property. See Item 2.3.2 “Transfers”.

### **Resale Restrictions**

You will be restricted from selling your securities for an indefinite period. See Item 13 “Resale Restrictions”. However, the Units are redeemable in certain circumstances. See Item 5.1.3 “Redemptions of Units of the Trust”.

### **Restrictions on Redemption Rights**

**You will have a right to require the Trust to redeem the Units you hold, but this right is qualified by a specified price, certain restrictions and fees. As a result, you might not receive the amount of proceeds that you want. See Item 5.1 “Terms of the Units of the Trust”.**

### **Purchaser’s Rights**

You have two Business Days (as defined below) to cancel your agreement to purchase the Units. If there is a misrepresentation in this Offering Memorandum, you have a right to damages or to cancel the agreement. See Item 14 “Purchasers’ Rights”.

**No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 11 “Risk Factors”.**

This Offering is being made pursuant to exemptions from the prospectus requirements and, where applicable, registration requirements of applicable securities legislation in Canada. Subscriptions will be received if, as and when accepted, subject to prior sale and satisfaction of the conditions set forth under Item 5.2 “Subscription Procedure” and to the right of the Trust to close the subscription books at any time without notice. Closings will be held from time to time as determined by the Trust. See Item 4.3 “Prior Sales” and Item 5.2 “Subscription Procedure”.

No action has been or will be taken to permit a public offering of the Units in any jurisdiction where action would be required to be taken for such purpose. Accordingly, the distribution or circulation of this Offering Memorandum and the offering and sale of the Units may be restricted by law in certain jurisdictions. This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Memorandum may come are directed to inform themselves of and observe such restrictions and all legal requirements of their respective jurisdictions of residence in respect of the acquisition, holding and disposition of the Units.

**Prospective investors should thoroughly review this Offering Memorandum and are advised to consult with their own legal, investment, accounting and tax advisors concerning this investment.**

The Units will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation has been authorized nor may be relied upon as having been authorized by the Trust. Any subscription for Units made by any person on the basis of statements or representations not contained in this Offering Memorandum, or inconsistent with the information contained herein, shall be solely at the risk of such person. Neither the delivery of this Offering Memorandum at any time nor any sale of any of the Units made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the business and affairs of the Trust since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

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## **MARKET AND INDUSTRY DATA**

This Offering Memorandum includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Although the Trust believes this information to be reliable, the Trust has not independently verified any of the third party sourced data referred to herein. The Trust has not analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, nor has the Trust ascertained the underlying economic assumptions relied upon by such sources. Certain providers of market data and forecasts may be advisors to participants in the real estate industry and may present information in a manner that is more favorable to that industry than would be presented by an independent source.

## **FORWARD-LOOKING STATEMENTS**

Certain statements or information contained in this Offering Memorandum constitute “forward-looking statements” within the meaning of that phrase under applicable Canadian securities laws. Any statements that express, or involve discussions as to, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, through words or phrases such as “will”, “may”, “expect”, “anticipate”, “believe”, “continue”, “estimate”, “intend”, “plan”, “potential”, “predict”, “project”, “seek”, “target” or other similar words) are not statements of historical fact and may be forward-looking statements.

Certain information regarding the Trust set forth in this Offering Memorandum, including the Trust’s future plans and business, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. Forward-looking statements included in this Offering Memorandum include, but are not limited to: use of proceeds of the offering; the business to be conducted by the Trust; the ability to make and the timing and payment of distributions, including the intention to make Quarterly Cash Distributions (as defined below) in the range of 4.75% to 6% per annum depending on the series of Units; payment of fees; the Trust’s business objectives, investment strategy, investment philosophy, investment process and investment mandate; treatment of the Units under governmental regulatory regimes and tax laws; the Trust’s financial and business prospects and financial outlook; the timing and methods of funding the Trust’s operations, including debt financing; and the nature of the operations of the Trust and any Properties, including intentions and strategies for purchasing (or otherwise investing in), renovating, upgrading, and repositioning of the Properties, and ongoing rental and management of the Properties; and the Trust’s internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, ability to meet its target distribution levels, investment opportunities, future expenditures, plans for and results of business activities, loan portfolio results, business prospects and opportunities.

These statements are only predictions and actual events or results may differ materially. Although the Trust believes that the expectations reflected in the forward-looking statements are reasonable, the Trust 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 which could cause the Trust’s actual results to differ materially from those expressed or implied in any forward-looking statements made by the Trust. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

## **EXPLANATORY NOTE AND CURRENCY**

Except for the Series C Units, the Units offered under this Offering Memorandum are denominated in United States dollars. The Trust’s consolidated financial statements are prepared in United States dollars. All dollar amounts stated herein, unless otherwise stated, are expressed in United States currency.

## **NON-IFRS MEASURE**

This Offering Memorandum includes the terms Transaction Price, which is a non-IFRS financial measure, and IFRS Net Asset Value, both as defined in the Glossary. The Trust considers the non-IFRS financial measure to be a valuable measure for allowing subscribers and unitholders to better understand the costs and benefits of the expenses paid by the Trust. Such non-IFRS measure is not a standardized financial measure under the financial reporting network used to prepare the Audited Financial Statements of the Trust nor should the measure be viewed as an alternative to the net asset value per Unit in accordance with IFRS. Subscribers should be further cautioned that the Transaction Price as

calculated by the Trust may not be comparable to similar financial measures disclosed by other issuers. For more information, see Item 5.1.1 – “Differences between IFRS Net Asset Value and Transaction Price”.

## SUMMARY

*The following is only a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum.*

### The Trust

The Trust is an unincorporated, open-ended investment trust, established under the laws of British Columbia and governed by the terms and conditions of a declaration of trust dated March 31, 2021, as amended on October 28, 2022 and on April 29, 2024 (the “**Trust Declaration**”), among Christopher Wood and Scott Lee, the individual trustees of the Trust, (collectively, the “**Trustees**”) and RPT Canada Admin Inc. (the “**Canada Admin**”), the Trust’s administration services manager.

The Trust is authorized to issue an unlimited number of Units, issuable in classes and series. There is currently one class of Units, issuable in four series of Units – Series A Units, Series B Units, Series C Units and Series F Units are being offered under this Offering Memorandum.

Series A Units are available to investors through an authorized investment dealer (i.e., a Canadian Investment Regulatory Organization (“**CIRO**”) dealer).

Series B Units are available to investors through an exempt market dealer.

Series C Units are available to investors through an exempt market dealer.

Series F Units are available to investors that have a fee-based account with an authorized investment dealer (i.e. a CIRO dealer).

See Item 5.1 “Terms of the Units of the Trust”. For a description of the compensation payable in connection with the purchase of such Units, see Item 10 “Compensation Paid to Sellers and Finders”.

The Trust has been established to acquire Class A Units (“**Voting LP Units**”) of Revesco Canadian Holdings Limited Partnership (the “**Partnership**”), temporarily hold cash and investments for the purposes of paying the expenses and liabilities of the Trust, make other investments as contemplated by the Trust Declaration, pay amounts payable by the Trust in connection with the redemption of any Units and make distributions to unitholders of the Trust (the “**Unitholders**”). Through its ownership of Voting LP Units, the Trust will invest indirectly in entities that will acquire, finance, hold, manage, operate, develop, improve, convert and sell a portfolio of revenue-producing real estate properties predominantly located in the United States and Canada (the “**Properties**”). The Trust may also make loans to its Affiliates directly or hold loans which the Partnership originates and distributes to the Trust. See Item 2.7.1 “Trust Declaration” and Item 5.1 “Terms of the Units of the Trust”.

### The Partnership

The Partnership is a limited partnership formed pursuant to and governed by the laws of British Columbia and created pursuant to a limited partnership agreement dated March 31, 2021 (the “**Partnership Agreement**”), among the Trust, as initial limited partner and Revesco Canada Holdings G.P. Inc. (the “**General Partner**”), as general partner, and each person who from time to time becomes a limited partner of the Partnership (collectively, the “**Limited Partners**”) by subscribing for Voting LP Units or Class B LP Units (“**Preferred LP Units**” and together with Voting LP Units, the “**Partnership Units**”). The Partnership is currently authorized to issue an unlimited number of Partnership Units.

All distributions received by the Partnership will be distributed to the Limited Partners except for that amount which is necessary for the purposes of paying the



expenses and liabilities of the Partnership, including the expenses of the General Partner.

As of March 31, 2025, the Partnership has issued 2,256,860 Preferred LP Units. Preferred LP Units entitle the holders thereof to a greater proportion of the Available Cash (as defined below) of the Partnership as compared to Voting LP Units. Specifically, the amount of Available Cash attributable to Preferred LP Units will be equal to 7/6 of the amount of Available Cash attributable to Voting LP Units. The subscription proceeds from the Offering will be primarily used by the Trust to indirectly invest in the US REIT (as defined below) (through the purchase by the Trust of Voting LP Units) and the proceeds are expected ultimately to be used by the Property LPs (as defined below) to acquire properties. The Partnership may, from time to time at the discretion of the General Partner, issue additional Preferred LP Units.

The Partnership was established, among other things, to acquire shares of common stock (“**US REIT Common Stock**”), no par value per share, of Revesco (USA) Real Estate Investment Trust, Inc. (the “**US REIT**”) and temporarily hold cash and investments for the purposes of paying the expenses and liabilities of the Partnership and making distributions to the Limited Partners. The Partnership will acquire, finance, hold, manage, operate, develop, improve, convert and sell the Properties directly and/or through its ownership of US REIT Common Stock. See Item 2.7.2 “Partnership Agreement”.

#### **The US REIT**

The US REIT is a Maryland corporation that qualifies as a real estate investment trust for U.S. tax purposes and is governed by the laws of State of Maryland and its charter and Bylaws. The US REIT was established, among other things, to:

- (a) engage in any lawful activity (including engaging in business as a real estate investment trust under the *Internal Revenue Code of 1986*, as amended, or any successor statute (the “**Code**”)) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force; and
- (b) acquire limited partnership units (the “**US LP Units**”) of Revesco USA REIT Holdings, LP (the “**US LP**”).

See Item 2.7.4 “US REIT Charter and Bylaws”.

#### **The US LP**

The US LP is a limited partnership formed pursuant to and governed by the laws of the State of Colorado. The US LP is further governed by its limited partnership agreement dated March 31, 2021, by and among the US REIT, as general partner of the US LP, the US REIT, as the Class A Partner, and Revesco Investor Group LP, as the Class B Partner (“**Revesco Investor Group LP**”, and with the US REIT, collectively, the “**US Limited Partners**”). The US LP was established, among other things, to:

- (a) acquire limited partnership units (“**Property LP Units**”) in single purpose subsidiaries (the “**Property LPs**”) that will be formed to purchase the Properties;
- (b) acquire existing Property LPs through the purchase or exchange of equity therein;
- (c) acquire, purchase, sell, exchange, assign and transfer equity interest in entities holding Properties;

- (d) acquire, purchase, sell, exchange, assign and transfer debt instruments associated with real property;
- (e) enter into joint ventures with third parties to achieve the foregoing; and
- (f) temporarily hold cash and investments and make distributions to the holders of the US LP Units.

The principal business of the US LP is to identify investment opportunities and assist in the creation of the Property LPs and the acquisition of properties thereby. See Item 2.7.5 “US Holding LP Partnership Agreement”.

#### **The Property LPs**

Property LPs will be formed to acquire, hold, manage, operate, lease, develop, improve, convert and sell the Properties. A unique Property LP will be formed for each Property so acquired. To date, seven such Property LPs have been formed to hold the properties acquired. A Property LP has also been formed to acquire equity or debt instruments secured by Properties. Additional Property LPs may also be formed to acquire equity or debt instruments secured by Properties or in connection with joint ventures with third parties. In addition, the US LP may acquire existing Property LPs through the purchase or exchange of equity therein. See Item 2.1 “Structure”.

#### **Revesco Investor Group LP**

The Revesco Investor Group LP is a limited partnership formed pursuant to the laws of the State of Colorado. The Revesco Investor Group LP is being used by Christopher Wood, Scott Lee, Rhys Duggan, Mark Myles and employees of Revesco (USA) Properties, LP (the “US Admin”) to co-invest in the Properties through ownership of units of Revesco Investor Group LP. The Revesco Investor Group LP is a limited partner of the US LP. The Revesco Investor Group LP is entitled to up to 25% of the Annual Adjusted Increase in Net Asset Value (as defined below), after all US Limited Partners have received a cumulative annual preferred return equal to 7% of their capital contributions. See Item 2.1 “Structure”.

#### **Trust Administrative Fees Payable**

The Trust and the Partnership employs Canada Admin, and the US REIT, US LP and the Property LPs will employ US Admin to provide certain administrative services provided that the cost of such goods or services are competitive with the cost of similar goods or services provided by an independent third party.

The fees outlined in the table below may be paid directly to Canada Admin or US Admin, as applicable, to Affiliates of Canada Admin or US Admin, or to third parties engaged by Canada Admin or US Admin, from time to time. The Trust believes these fees are reasonable and competitive with the cost of similar goods or services provided by independent third parties. All fees are subject to tax under the applicable laws of Canada and the United States.

Fee	Details	Paid To
Administration Fee	An administration services fee equal to approximately \$10,000 per fiscal year, payable quarterly by the Trust.	Canada Admin
Asset Management Fee	An asset management fee equal to the sum of 0.5% per annum of the gross purchase price of all real property owned or debt instrument	US Admin

	held by the US LP or its subsidiaries.	
Acquisition Fee	An acquisition fee equal to 1% of the purchase price of any real property acquired by or debt instrument entered into by the US LP or its subsidiaries.	US Admin
Disposition Fee	A disposition fee equal to 1% of the gross proceeds of any real property disposed of or debt instrument sold by or repaid to the US LP or its subsidiaries.	US Admin
Property Management Fee	A property management fee equal to 4% of the gross revenues of any real properties owned by the US LP or its subsidiaries.	US Admin
Construction Management Fee	A constructions management fee of 5% of all Construction Costs incurred by the US LP or its subsidiaries.	US Admin
Leasing Fee	A leasing fee of up to 6% of all lease revenue generated on new leases or lease renewals less any third party commissions paid.	US Admin Co.
Loan Origination Fee	A loan origination/guarantee fee equal to 1% of the total loan amount.	US Admin

See Item 3.1 “Compensation and Securities Held”.

## Offering

This is a continuous offering of the Units. There is no maximum offering. There is also no minimum offering. You may be the only purchaser. This Offering is being made pursuant to exemptions from the prospectus requirements and, where applicable, registration requirements of applicable securities legislation in Canada. See Item 5.2 “Subscription Procedure”.

## Subscription Procedure

Subscribers may invest in the Trust by subscribing for Series A Units, Series B Units, Series C Units or Series F Units.

Series A Units are available to investors through an authorized investment dealer (i.e., a CIRO dealer).

Series B Units are available to investors through an exempt market dealer.

Series C Units are available to investors through an exempt market dealer.

Series F Units are available to investors that have a fee-based account with an authorized investment dealer (i.e. a CIRO dealer).

To subscribe for Units, a subscriber must complete and execute a subscription agreement for Units (a “**Subscription Agreement**”) and deliver the Subscription Agreement to the Trust, together with payment for the Units subscribed for by

cheque, wire, electronic transfer or bank draft payable to the Trust, or by other means acceptable to Canada Admin.

The Trust has the right to accept or reject the subscriber's subscription in whole or in part. If the subscription is rejected in whole or in part, all or a portion of the purchase price, as the case may be, will be promptly delivered to the subscriber, without interest.

The subscription funds will be held in trust until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a subscriber. See Item 5.2 "Subscription Procedure".

**Subscription Price**

Series A Units, Series B Units, Series C Units and Series F Units will be issued at the applicable series net asset value per Unit determined in accordance with the Trust Declaration. For Series A Units and Series F Units, the series net asset value per Unit will be calculated on a quarterly basis on the last day of each quarter, and all such Units will be issued at the price per Unit equal to the series net asset value per Unit calculated on such last day of each quarter. For the Series B Units and the Series C Units, the series net asset value per Unit will be calculated on a quarterly basis on the last day of each quarter, and all such Units will be issued at the price per Unit equal to the series net asset value per Unit calculated for the preceding quarter. The number of Units acquired by the subscriber will be confirmed by Canada Admin in a statement delivered to the subscriber after the purchase date. See Item 5.2 "Subscription Procedure".

**Minimum Subscription**

For Series A Units, Series B Units and Series F Units, the minimum initial subscription amount is \$10,000 or such other amount as is permitted under applicable securities laws and approved by the Trust. For Series C Units, the minimum initial subscription amount is an amount denominated in United States dollars equal to CA\$15,000, calculated based on the Bank of Canada daily rate on the date that is the last business day of the month that the Manager accepts the subscription, or such other amount as is permitted under applicable securities laws and approved by the Trust. There is no minimum subscription amount for subsequent subscriptions by existing Unitholders.

See Item 5.2 "Subscription Procedure".

**Closing**

Closings will occur from time to time at such times as the Trust may determine. The Trust may terminate the Offering at any time. See Item 5.2 "Subscription Procedure".

**Dealer Compensation**

The Trust may pay a Sales Fee to authorized investment dealers, for any Series A Units sold directly by such authorized dealers, in an amount not to exceed 3% of the gross proceeds raised from the sale of Units by such authorized dealers, as determined by the Trust.

The Trust may pay a Sales Fee to exempt market dealers, for any Series B Units sold directly by such authorized dealers, in an amount not to exceed 5% of the gross proceeds raised from the sale of Units by such authorized dealer, as determined by the Trust.

The Trust may pay a Sales Fee to exempt market dealers, for any Series C Units sold directly by such authorized dealer, in an amount not to exceed 5% of the gross proceeds raised from the sale of Units by such authorized dealer, as determined by the Trust.

The Trust may also pay trailing commissions on Series A Units, Series B Units and Series C Units for as long as the Unitholder holds such Series A Units, Series B Units and Series C Units with that authorized dealer.

No Sales Fee or trailing commissions are paid in respect of the Series F Units.

For more information, see Item 10 “Compensation Paid to Sellers and Finders”.

**Use of Proceeds**

The net subscription proceeds received from the issuance of Units will primarily be indirectly invested in the US REIT (through the purchase by the Trust of Voting LP Units) and the proceeds are expected ultimately to be used by the Property LPs to acquire properties. See Item 2.2 “The Business”.

**The Trust’s Distribution Policy**

The Trustees shall allocate to Unitholders of the Trust all of the net income of the Trust for each taxation year and a sufficient amount of the net capital gains of the Trust for the taxation year so that the Trust will not have any obligation to pay tax under Part I of the *Income Tax Act* (Canada) (the “**Tax Act**”), after taking into account any entitlement to a capital gains refund under the Tax Act.

The Trust intends to make Quarterly Cash Distributions in the range of 4.75% to 6% per annum depending on the series of Units. Unless otherwise determined by the Trustees, such Quarterly Cash Distributions will be made effective on the last business day of March, June, September and December each year (the “**Distribution Date**”). The Trust intends to pay out the Quarterly Cash Distributions within 30 days of the Distribution Date.

Any net income or net realized capital gains attributable to the Units that has not been previously distributed through the Quarterly Cash Distributions will be distributed on December 31 of each year. Any such distributions payable to Unitholders may be reinvested in additional Units at the applicable series net asset value per Unit on the date of the distribution.

See Item 5.1.2 – “Distributions to Unitholders”.

The Trust has a Distribution Reinvestment Plan (DRIP). See Item 2.8 “Distribution Reinvestment Plan”.

**The Partnership’s Distribution Policy**

The Partnership’s Available Cash shall be distributed by the General Partner on each Distribution Date as follows:

- (a) first, 100% to the General Partner until the General Partner has received \$250; and
- (b) second, 100% to the Limited Partners such that each Limited Partner will receive (i) the Voting LP Unit Distribution Entitlement (as defined below) on such Distribution Date for each Voting LP Unit held by the Limited Partner, and (ii) the Preferred LP Unit Distribution Entitlement (as defined below) on such Distribution Date for each Preferred LP Unit held by the Limited Partner.

This means that holders of Preferred LP Units will be entitled to a greater proportion of the Available Cash of the Partnership as compared to holders of Voting LP Units. Specifically, the amount of the Partnership’s Available Cash attributable to Preferred LP Units will be equal to 7/6 of the amount of the Partnership’s Available Cash attributable to Voting LP Units of the Partnership. Accordingly, the holders of

Preferred LP Units will receive, on a per unit basis, approximately 15% more Available Cash than the Trust, as a holder of Voting LP Units.

All distributions made to the Limited Partners (other than distributions of Available Cash) will be made to Limited Partners *pro rata* based on the number of units of the Partnership held. Distributions made to Limited Partners may be made at any time, and from time to time, as determined by the General Partner in its discretion.

As of March 31, 2025, there are 2,256,860 Preferred LP Units issued and outstanding. The Partnership may, from time to time at the discretion of the General Partner, issue additional Preferred LP Units.

See Item 2.7.2 “Partnership Agreement”.

## Redemptions of Units

Each Unitholder will be entitled at any time and from time to time to require the redemption of all or any part of such Unitholder’s Units on March 31, June 30, September 30 and December 31 of each year or such other dates designated by the Trust at the fair market value per Unit, calculated in the manner provided by the Trust Declaration less, in the discretion of the Trust, an amount that reflects the costs incurred by the Trust in connection with the redemption of Units, including the costs of liquidation of any assets and all fees payable by the Trust to its service providers as a result of the redemption, any withholding tax and any applicable early redemption deduction amounts as set out in Item 5.1.3 “Redemptions of Units of the Trust - Deductions on Redemptions”.

Upon payment to the redeeming Unitholder of the Redemption Price (as defined below) of the Units redeemed, the Trust and Trustees will be discharged from all liability to the Unitholder in respect of the Units so redeemed. In certain circumstances, redemptions will be paid out in Redemption Notes (as defined below) instead of cash.

The Trust will deduct from redemption proceeds otherwise payable to a Unitholder of the Trust an early redemption deduction for Units that are redeemed within a specified period of time. Such early redemption deduction shall be equal to the following percentages of the total redemption amount:

	<b>Series A Units</b>	<b>Series B Units</b>	<b>Series C Units</b>	<b>Series F Units</b>
Within the first 12 months of subscribing	4%	8%	8%	4%
After month 12 but before the end of month 24 of subscribing	3%	6%	6%	3%
After month 24 but before the end of month 36 of subscribing	2%	4%	4%	2%
After month 36 but before the end of month 48 of subscribing	1%	2%	2%	1%
After month 48 of subscribing	Nil	Nil	Nil	Nil

The Trust may, at its sole discretion, waive any early redemption deduction in respect of redemption of any Units.

See Item 5.1.3 “Redemptions of Units of the Trust”.

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, since the payment of redemptions will take priority over the payment of cash distributions by the Trust. See Item 11 “Risk Factors”.

**Distribution on  
Termination of the Trust**

Upon the dissolution of the Trust, if, after:

- (a) paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust;
- (b) providing for indemnity against any other outstanding liabilities and obligations; and
- (c) paying in full the Redemption Price applicable to outstanding Units, if any,

any assets of the Trust remain or if the Trustees are unable to sell all of the Trust’s assets by the date set for termination, then the Trustees shall, subject to obtaining all necessary regulatory approvals, distribute the remaining part of the proceeds of the sale of the Trust’s assets together with any cash forming part of the Trust’s assets to the Unitholders indicated on the applicable register(s) of the Trust, in accordance with their proportionate share. See Item 5.1.2 – “Distributions to Unitholders”.

**Independent Advisory  
Committee**

The Trust established an independent advisory committee (the “**Independent Advisory Committee**”) for the purpose of reviewing or making recommendations in respect of Conflict of Interest Matters (as defined below) or other matters regarding the business of the Trust referred to the Independent Advisory Committee from time to time by the Trust. Such matters may include related-party transactions or contracts involving or affecting the Trust. See Item 3.5 “Independent Advisory Committee”.

**Eligibility for investment**

The Trust currently qualifies as a “mutual fund trust” under the Tax Act and is expected to continue qualify as a “mutual fund trust” at all material times. As long as the Trust continues to qualify as a “mutual fund trust”, Units will be qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit-sharing plans, registered disability savings plans, tax-free savings accounts and first home savings accounts. Annuitants of registered retirement savings plans and registered retirement income funds, holders of tax-free savings accounts, registered disability savings plans and first home savings accounts, and subscribers of registered education savings plans should consult with their own tax advisors as to whether units would constitute a “prohibited investment” under the Tax Act in their particular circumstances. See Item 8 “Canadian Income Tax Consequences and RRSP Eligibility”.

Redemption Notes (as defined below) or other property which may be received in connection with an *in specie* redemption of Units as described under the Item 5.1.3 “Redemptions of Units of the Trust” generally will not be qualified investments for Registered Plans. Accordingly, Unitholders should consult with their own tax advisors before deciding to exercise redemption rights in connection with Units held in a Registered Plan.

**Taxation of Unitholders**

Each year, a Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will

generally be required to include in the calculation of income for tax purposes the amount, calculated in Canadian dollars, of any income and the taxable portion of any capital gains of the Trust distributed to the Unitholder in the year, whether or not the distribution is paid in cash or reinvested in additional Units. Any other non-taxable distribution (other than the non-taxable portion of any capital gains of the Trust), paid or payable to a Unitholder in a taxation year, such as a return of capital, reduces the Unitholder's adjusted cost base of their Units. If such a reduction would otherwise cause a Unitholder's adjusted cost base to become a negative amount, the Unitholder will be deemed to realize a capital gain equal to that negative amount and their adjusted cost base will be reset to nil.

A Unitholder will generally realize a capital gain (or loss) on the redemption or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

See Item 8 "Canadian Income Tax Consequences and RRSP Eligibility" and Item 9 "Certain Material U.S. Federal Income Tax Considerations".

#### **Transferability of Units**

A Unitholder is not entitled to transfer (whether by sale, assignment or otherwise) any of its Units except: (i) with the prior, written consent of the Trust; or (ii) as otherwise expressly provided in the Trust Declaration. No transfer of Units is effective as against the Trustees or is in any way binding upon the Trustees until the transfer has been recorded on the register maintained by the Trust or the Transfer Agent. See Item 13 "Resale Restrictions".

#### **Risk Factors**

This is a risky investment. Investors could lose all of the money they invest in Units. Certain risks associated with an investment in Units are described in Item 11 "Risk Factors."



## GLOSSARY

*The following terms used in this Offering Memorandum have the meanings set out below.*

“**Affiliate**” or “**Affiliates**” where used to indicate a relationship between persons, has the meaning given in NI 45-106;

“**Annual Adjusted Increase in Net Asset Value**” means the increase in the US LP’s net asset value, if any, over the prior calendar year, as calculated on December 31, less additional capital contributions made during the prior calendar year;

“**Available Cash**” means, in respect of the Partnership, at the time of determination, the amount of all cash, demand deposits, and short-term marketable securities of the Partnership derived from the conduct of the Partnership’s operations (excluding capital contributions), without deduction for depreciation or amortization, but after: (i) deducting cash funds used to pay all debt service on indebtedness of the Partnership and any other liabilities as they become due; (ii) deducting all Partnership costs and expenses, investments, and capital improvements, replacements, and betterments; (iii) withholding amounts restricted under any lender borrowing agreements or otherwise required to be reserved or set aside under such agreements; and (iv) deducting amounts set aside in the nature of reserves to be maintained in amounts deemed sufficient by the General Partner for the anticipated needs of the Partnership for working capital, investments, capital improvements, replacements, and betterments, and/or to pay debt service and other costs and expenses incident to the conduct of the Partnership’s business;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**Business Day**” means a day other than a Saturday, Sunday or any day on which the principal office of the Trust’s bankers located in Vancouver, British Columbia, is not open for business during normal banking hours;

“**Canada Admin**” means the entity appointed as the administration services manager of the Trust and the Partnership pursuant to the Canada Administration Services Agreement, which is currently RPT Canada Admin Inc.;

“**Canada Administration Services Agreement**” means the administration services agreement between the Partnership, the Trust and Canada Admin dated March 31, 2021 in connection with the performance of administrative duties on behalf of the Trust and the Partnership;

“**Cash Portion**” has the meaning set out under Item 5.1.3 “Redemptions of Units of the Trust”;

“**Conflict of Interest Matter**” means a situation where a reasonable person would consider the person or entity in question, or an entity related to such person or entity, to have an interest which may conflict with their ability to act in good faith and in the best interests of the Trust;

“**Closing**” means a closing of the Offering;

“**Construction Costs**” means the contracted value of any third-party construction costs incurred in the renovation of developed Properties;

“**CRA**” means Canada Revenue Agency;

“**Distribution Date**” means, in respect of the Partnership or the Trust, the last Business Day of each calendar quarter, or such other date as may be determined by the General Partner or the Trust, respectively;

“**DRIP**” means the distribution reinvestment plan established by the Trust on April 28, 2023, as may be amended from time to time. See Item 2.8 – “Distribution Reinvestment Plan”;

“**DRIP Enrollment Form**” means the enrollment form indicating that the Unitholder elects to participate in the DRIP (which may be included in the investor’s subscription agreement);

“**DRIP Unit Price**” means a price per Unit of a particular series equal to the most recent subscription price per Unit of such series that such Units were offered to investors for purchase less a discount of 2%;

“**IFRS**” means the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board and Interpretations;

“**IFRS Net Asset Value**” means the net asset value of the Trust in the Audited Financial Statements of the Trust prepared in accordance with IFRS;

“**General Partner**” means Revesco Canada Holdings G.P. Inc., a company formed pursuant to and governed by the laws of the Province of British Columbia;

“**Limited Partners**” means, collectively, the holders of Partnership Units;

“**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions*;

“**Non-Registered Participant**” means a Participant who holds Units through an intermediary such as a financial institution, broker or nominee and has enrolled in the DRIP through the intermediary.

“**Non-Resident**” means: (i) a person (within the meaning of the Tax Act but, for greater certainty, not including a partnership) who is not resident in Canada for the purposes of the Tax Act; or (ii) a partnership that is not a “Canadian partnership” as defined in the Tax Act;

“**Offering**” means this offering of Units pursuant to this Offering Memorandum;

“**Participant**” means a Unitholder who has elected, in accordance with the terms of the DRIP, to participate in the DRIP and includes both Registered Participants and Non-Registered Participants;

“**Partnership Act**” means the *Partnership Act* (British Columbia);

“**Partnership**” means Revesco Canadian Holdings Limited Partnership, a limited partnership formed pursuant to and governed by the laws of the Province of British Columbia and created pursuant to the Partnership Agreement;

“**Partnership Agreement**” means the limited partnership agreement governing the Partnership dated March 31, 2021 among the General Partner, as the general partner, and the Trust, as initial limited partner, and each person who from time to time becomes a Limited Partner;

“**Partnership Units**” mean the Voting LP Units and the Preferred LP Units;

“**Preferred LP Unit Distribution Entitlement**” means in respect of each Preferred LP Unit on a particular Distribution Date the amount determined as follows:

$$\text{Preferred LP Unit Distribution Entitlement} = \frac{A}{(\frac{6}{7} \times B) + C}$$

where:

- |   |   |   |
|---|---|---|
| A | = | the amount of Available Cash available for distribution to Limited Partners on the Distribution Date; |
| B | = | the number of Voting LP Units outstanding on the Distribution Date; and                               |
| C | = | the number of Preferred LP Units outstanding on the Distribution Date;                                |

“**Preferred LP Units**” means Class B Units of the Partnership;

“**Prime Rate**” means at any time the rate of interest expressed as a rate per annum which the Canadian Imperial Bank of Commerce establishes from time to time as the reference rate of interest in order to determine the interest rate it will charge for loans in Canadian dollars to its Canadian customers and which it refers to as its prime rate;

“**Principal Holders**” means a Trustee, officer and promoter of the Trust and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Trust;

**“Properties”** means those revenue-producing real estate properties predominantly located in the United States and Canada that will be directly or indirectly purchased by the Trust;

**“Property LPs”** means the limited partnerships established from time to time to acquire, hold, manage, operate, develop, improve, convert and sell Properties;

**“Property LP Units”** means the limited partnership units of the Property LPs;

**“Quarterly Cash Distributions”** has the meaning set out under Item 5.1.1 “Distributions to Unitholders”;

**“Redemption Date”** means March 31, June 30, September 30, and December 31 of each year or such other dates as the Trust may determine;

**“Redemption Limit”** has the meaning set out under Item 5.1.3 “Redemptions of Units of the Trust”;

**“Redemption Note”** means an unsecured subordinated promissory note issued by a Sub Trust in consideration for one or more Partnership Units sold by the Trust to the Sub Trust pursuant to a written agreement, and such notes shall have provisions to be determined at the time of issuance by the Sub Trust including, in general terms: (i) a maturity date of 10 years or less; (ii) an interest rate equal to the Prime Rate plus 3%, which interest is payable monthly in arrears; and (iii) the Sub Trust shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus;

**“Redemption Price”** has the meaning set out under Item 5.1.3 “Redemptions of Units of the Trust”;

**“Redemption Restrictions”** has the meaning set out under Item 5.1.3 “Redemptions of Units of the Trust”;

**“Registered Participant”** means a Participant who is a registered holder of Units, as shown on the register maintained by or on behalf of the Trust for outstanding Units, and has enrolled in the DRIP;

**“Registered Plan”** means a trust governed by a “registered retirement savings plan”, “registered retirement income fund”, “registered education savings plan”, “registered disability savings plan”, “deferred profit sharing plan”, “first home savings account”, or “tax-free savings account” within the meaning of those terms in the Tax Act;

**“Revesco Investor Group LP”** means Revesco Investor Group LP, a limited partnership formed pursuant to the laws of the State of Colorado, which is the Class B Partner of the US LP, and which will be the vehicle through which Christopher Wood, Scott Lee, Rhys Duggan, Mark Myles and employees of Revesco (USA) Properties, LP co-invest in the Properties;

**“Sales Fee”** means a fee payable to authorized investment dealers and exempt market dealers, for any Units sold directly by the authorized dealers, in an amount not to exceed (i) 3% of the gross proceeds raised from the sale of Series A Units by such authorized dealers, (ii) 5% of the gross proceeds raised from the sale of Series B Units by such authorized dealers, or (iii) 5% of the gross proceeds raised from the sale of Series C Units by such authorized dealers, as determined by the Trustees in their sole discretion;

**“Securities”** means shares of public corporations, bonds of public corporations, units of mutual fund trusts, units of real estate investment trusts, securities listed on a designated stock exchange, and other securities that are “qualified investments” (as defined in Regulation 4900(1) under the Tax Act);

**“Series Expenses”** in respect of any particular series of Units of the Trust means the expenses of the Trust (including any management, performance and other fees and any costs of currency hedging) that are charged only to that series;

**“Subscription Agreement”** means the subscription agreement to be completed by subscribers to subscribe for Units under the Offering;

**“Subscription Price”** means the applicable series net asset value per Unit determined in accordance with the Trust Declaration;

**“Sub Trust”** means an open-ended *inter vivos* trust to be named and settled for the purposes of facilitating the payment of redemptions as follows: (i) established by way of a declaration of trust governed by the laws of the Province of British Columbia and the laws of Canada applicable therein; (ii) an officer of Canada Admin will be the settlor of the sub trust and settle the sub trust with the payment of an amount equal to the initial contribution of the settlor of the sub trust; (iii) one or more of the Trustees resident in Canada will act as the trustee(s) of the sub trust; (iv) the Trust will subscribe for one unit of the sub trust for consideration equal to the amount of the initial contribution of the settlor of the sub trust; (v) the settlor of the sub trust will redeem the settlor’s unit in the sub trust, such that the Trust will be the sole beneficiary of the sub trust and will be entitled to any and all distributions by the sub trust; and (vi) the sub trust shall not undertake any activity, take any action or make any investment that would result in the Trust not being considered a “mutual fund trust” for purposes of the Tax Act;

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

**“Transaction Price”** means the Subscription Price or the Redemption Price;

**“Transfer Agent”** means SGGG Fund Services Inc.;

**“Trust”** means Revesco Properties Trust, an unincorporated, open-ended investment trust established under the laws of British Columbia and governed by the Trust Declaration;

**“Trust Assets”** has the meaning set out under Item 2.7.1 “Trust Declaration”;

**“Trust Declaration”** means the declaration of trust governing the Trust dated March 31, 2021, as amended on October 28, 2022 and on April 29, 2024, among the Trustees and Canada Admin;

**“Trustee”** means, at any time, an individual who is, in accordance with the provisions of the Trust Declaration, a trustee of the Trust at that time, and **“Trustees”** means, at any time, all of the individuals, each of whom is at that time a trustee of the Trust, currently being Christopher Wood and Scott Lee;

**“Trust Liabilities”** has the meaning set out under Item 2.7.1 “Trust Declaration”;

**“Unitholder”** means a holder of Units;

**“Units”** means, collectively, the Series A Units, Series B Units, Series C Units and Series F Units of the Trust;

**“US Administration Services Agreement”** means the administration services agreement among the US REIT, US LP and US Admin dated March 31, 2021 in connection with the performance of administrative duties on the US REIT’s, US LP’s and Property LPs’ behalf;

**“US Admin”** means the entity appointed as the administration services manager of the US REIT and US LP pursuant to the US Administration Services Agreement;

**“US LP”** means Revesco USA REIT Holdings, LP a limited partnership formed pursuant to the laws of the State of Colorado;

**“US LP Units”** means limited partnership units of the US LP;

**“US REIT”** means Revesco (USA) Real Estate Investment Trust, Inc., a Maryland corporation that is intended to qualify as a real estate investment trust for U.S. tax purposes;

**“US REIT Common Stock”** means shares of common stock, no par value per share, of the US REIT;

**“Voting LP Unit Distribution Entitlement”** means in respect of each Voting LP Unit on a particular Distribution Date the amount determined as follows:

$$\text{Voting LP Unit Distribution Entitlement} = \frac{A}{B + (\frac{7}{6} \times C)}$$

where:

- A = the amount of Available Cash available for distribution to Limited Partners on the Distribution Date;
- B = the number of Voting LP Units outstanding on the Distribution Date; and
- C = the number of Preferred LP Units outstanding on the Distribution Date; and

**“Voting LP Units”** means Class A Units of the Partnership.

## ITEM 1 USE OF AVAILABLE FUNDS

### 1.1 Funds

The funds available to the Trust as a result of this offering are as follows:

Sources of Funds	Assuming Minimum Offering <sup>(1)</sup>	Assuming Maximum Offering <sup>(2)</sup>
A. Amount to be raised by this Offering	\$ -	\$50,000,000
B. Selling commissions and fees <sup>(3)</sup>	\$ -	\$(2,500,000)
C. Estimated Offering costs (including legal, accounting and audit) <sup>(4)</sup>	\$ -	\$(100,000)
D. Available funds: $D = A - (B + C)$	\$ -	\$47,400,000
E. Additional sources of funding required <sup>(5)</sup>	\$ -	\$72,100,000
F. Working capital deficiency <sup>(6)</sup>	\$ -	-
<b>G. Total: <math>G = (D + E) - F</math></b>	<b>\$ -</b>	<b>\$119,500,000</b>

- (1) There is no minimum offering. You may be the only purchaser.
- (2) There is no maximum offering. The amounts shown under “Assuming Maximum Offering” are for illustration purposes only based on an assumed maximum offering of \$50,000,000. For reference, as of March 31, 2025, the Trust has raised a total of \$29,915,402 through the issuance of Units. The funds the Trust receives from the sale of Units will be used as described below under Item 2 “Business of the Trust and Other Information and Transactions”.
- (3) The Trust may pay a Sales Fee to authorized investment dealers and exempt market dealers, in an amount not to exceed (i) 3% of the gross proceeds from the sale of Series A Units, (ii) 5% of the gross proceeds from the sale of Series B Units or (iii) 5% of the gross proceeds from the sale of Series C Units. Accordingly, assuming all Units are sold are Series B Units or Series C Units, the Trust could pay as much as \$2,500,000 in Sales Fees assuming a maximum offering of \$50,000,000. If the Units sold are Series F Units, the amount of Sales Fees will be lower. The amount included in the table above is based on the assumption that all Units sold are Series B Units and Series C Units. The Trust may also pay trailing commissions on Series A Units, Series B Units and Series C Units for as long as the Unitholder holds such Series A Units, Series B Units and Series C Units with that authorized dealer. No Sales Fee or trailing commissions are paid in respect of the Series F Units. For more information, see Item 10 “Compensation Paid to Sellers and Finders”.
- (4) Estimated Offering costs include expenses of or incidental to the issue, sale and delivery of the Units pursuant to this Offering, including, without limitation, fees and disbursements of legal counsel and accountants, and the reasonable out-of-pocket expenses (including applicable taxes) of the Trust in connection with such issue, sale and delivery of the Units. In addition, the Trust pays CA\$2,500 per meeting to each member of the Independent Advisory Committee. For more information on the Independent Advisory Committee, see Item 3.5 “Independent Advisory Committee”.
- (5) The Trust, through its associated entities, intends to finance the acquisition of Properties, if any, partially through mortgage or debt funding. There is no guarantee it will be able to acquire such mortgage or debt funding under reasonable terms.
- (6) As of the date of this Offering Memorandum, the Trust does not have a working capital deficiency.

### 1.2 Use of Available Funds

The available funds will be used as follows:

Description of intended use of available funds (listed in order of priority)	Assuming Minimum Offering <sup>(1)</sup>	Assuming Maximum Offering <sup>(2)</sup>
Acquisition of the Properties <sup>(3)</sup>	\$ -	\$114,500,000
Estimated closing costs for purchase of the Properties (including transfer fees, legal, due diligence and financing costs) <sup>(4)</sup>	\$ -	\$3,400,000
Creation of working capital reserve <sup>(5)</sup>	\$ -	\$1,600,000
<b>Total:</b>	<b>\$ -</b>	<b>\$119,500,000</b>

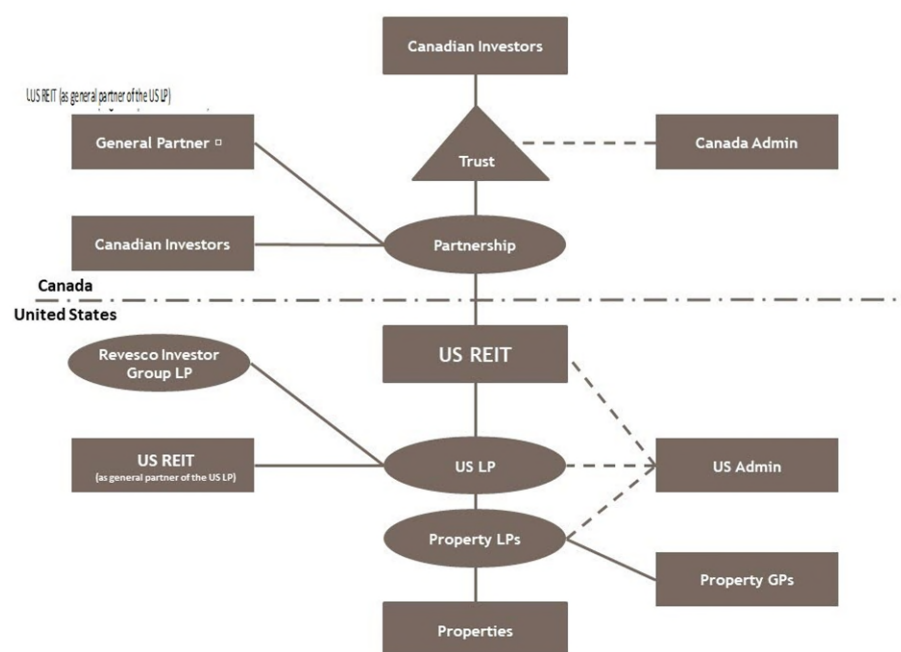
- (1) There is no minimum offering. You may be the only purchaser.

- (2) There is no maximum offering. The amounts shown under “Assuming Maximum Offering” are for illustration purposes only based on an assumed maximum offering of \$50,000,000. For reference, as of March 31, 2025, the Trust has raised a total of \$29,915,402 through the issuance of Units.
- (3) The amount incurred in respect of the purchase of Properties or debt or equity securities related to Properties by the Property LPs.
- (4) The Trust estimates that average closing costs for acquisitions will represent approximately 3% of the gross purchase price of a target Property. Closing costs will include the 1% acquisition fee paid to US Admin.
- (5) Property LPs will establish a working capital reserve to ensure sufficient funds are available to undertake capital expenditures at the Properties and to pay, from time to time, unanticipated operating and/or capital expenses of the Properties. The working capital reserve will represent approximately 1.15% of the gross purchase price of the Properties.

### 1.3 Proceeds Transferred to Other Affiliates

The Trust intends to use the subscription proceeds of the Offering primarily to indirectly invest in the US REIT (through the purchase by the Trust of Voting LP Units) and the proceeds are expected ultimately to be used by the Property LPs to acquire properties. The Trust may also loan funds to the US REIT or US LP. The proceeds from the sale of Voting LP Units will be used by the Partnership primarily to purchase US REIT Common Stock. The Partnership may also loan funds to the US REIT or US LP, with any such loans being distributed to the Trust. The proceeds from the sale of US REIT Common Stock will be used by the US REIT to purchase US LP Units. The proceeds from the sale of US LP Units will be used by the US LP to make indirect investments in Properties through the formation of Property LPs and the acquisition of Property LP Units.

The following is a diagram showing the relationship between the Trust and the other Affiliates as at March 31, 2025:



## **ITEM 2**

### **BUSINESS OF THE ISSUER AND OTHER INFORMATION AND TRANSACTIONS**

#### **2.1 Structure**

The investment structure referred to in this Offering Memorandum is shown in the chart under Item 1.2 “Use of Available Funds” above. This structure was designed with the following objectives in mind:

- (a) accommodate tax-efficient cross-border investment from Canada into the US;
- (b) satisfy Registered Plan eligibility requirements for Canadian investors;
- (c) shield Canadian investors from US tax reporting; and
- (d) compartmentalize operating liability.

#### ***The Trust***

The Trust is an unincorporated, open-ended investment trust, established on March 31, 2021 under the laws of the Province of British Columbia and governed by the terms and conditions of the Trust Declaration. The head office of the Trust is located at 1310-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Trustees of the Trust are (1) Christopher Wood, an individual residing in the city of Vancouver in the Province of British Columbia, and (2) Scott Lee, an individual residing in the city of North Vancouver in the Province of British Columbia. See Item 3.2 “Management Experience”.

#### ***The Partnership***

The Partnership is a limited partnership established on March 31, 2021 under the laws of the Province of British Columbia pursuant to the Partnership Agreement. The registered office of the Partnership is located at 1200-200 Burrard Street, Vancouver, British Columbia V7X 1T2 and the head office of the Partnership is located at 1310-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7.

The General Partner is the general partner of the Partnership. The General Partner is a company incorporated under the BCBCA on March 31, 2021. The registered and records office of the General Partner is located at 1200-200 Burrard Street, Vancouver, British Columbia V7X 1T2 and its head office is located at 1310-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7. The directors of the General Partner are Christopher Wood and Mark Myles. See Item 3.2 “Management Experience”.

#### ***US REIT***

The US REIT was incorporated in Maryland by filing Articles of Incorporation on March 29, 2021 pursuant to the Maryland General Corporation Law. The US REIT is intended to qualify as a real estate investment trust for U.S. tax purposes. The principal executive office of the US REIT is located at 300-2731 17<sup>th</sup> Street, Denver, Colorado, 80211 and the resident agent of US REIT is CSC-Lawyers Incorporation Service Company located at 7 St. Paul Street, Suite 820, Baltimore, MD 21202. The directors of the US REIT are Christopher Wood, Scott Lee and Rhys Duggan. See Item 3.2 “Management Experience”.

#### ***US LP***

The US LP is a limited partnership formed on March 31, 2021 pursuant to and governed by the laws of the State of Colorado. The US LP is further governed by its limited partnership agreement dated March 31, 2021, by and among the US REIT, as general partner, the US REIT, as the Class A Partner, and Revesco Investor Group LP, as the Class B Partner. The registered and records office of the US LP is located at 300-2731 17<sup>th</sup> Street, Denver, Colorado, 80211.



## ***Property LPs***

Property LPs will be formed to acquire, hold, manage, operate, lease, develop, improve, convert and sell the Properties. A unique Property LP will be formed for each Property so acquired. To date, seven such Property LPs have been formed to hold the properties acquired. A Property LP has also been formed to acquire equity or debt instruments secured by Properties. Additional Property LPs may also be formed to acquire equity or debt instruments secured by Properties or in connection with joint ventures with third parties. In addition, the US LP may acquire existing Property LPs through the purchase or exchange of equity therein.

## ***Revesco Investor Group LP***

The Revesco Investor Group LP is a limited partnership formed on pursuant to the laws of the State of Colorado. The Revesco Investor Group LP is used by Christopher Wood, Scott Lee, Rhys Duggan, Mark Myles and employees of Revesco (USA) Properties, LP to co-invest in the Properties indirectly through their ownership of units of Revesco Investor Group LP. The Revesco Investor Group LP is a limited partner of the US LP. The directors of the general partner of the Revesco Investor Group LP are Christopher Wood, Scott Lee and Rhys Duggan. See Item 3.2 “Management Experience”.

## ***Canada Admin***

Canada Admin is a company incorporated under the BCBCA on March 31, 2021. The registered and records office of Canada Admin is located at 1200-200 Burrard Street, Vancouver, British Columbia V7X 1T2 and its head office is located at 1310-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7. The directors of Canada Admin are Christopher Wood, Scott Lee and Rhys Duggan. See Item 3.2 “Management Experience” and Item 2.7.3 “Canada Administration Services Agreement”.

## ***US Admin***

US Admin is a limited partnership formed pursuant to the laws of the State of Colorado. The registered and records office of US Admin is located at 300-2731 17<sup>th</sup> Street, Denver, Colorado, 80211. The directors of the general partner of US Admin are Christopher Wood, Scott Lee, Rhys Duggan and Mark Myles. See Item 3.2 “Management Experience” and Item 2.7.6 “US Administration Services Agreement”.

## **2.2 The Business**

The business of the Trust and associated entities in the structure are as outlined below. See also item 2.3 – “Development of the Business”.

**The Trust** – The Trust is the vehicle through which investment capital from Canadian residents will be raised and the Trust has been structured as such to allow for Registered Plan eligibility while preserving the tax efficiency of a flow through entity. The Trust has been established primarily for the purpose of investing in Properties indirectly by acquiring Voting LP Units. The Trust will also temporarily hold cash and money market investments for the purposes of paying the expenses and liabilities of the Trust, processing the redemption of Units, and to make distributions to Unitholders. The Trust’s long-term objective is to earn income by way of distributions from the Partnership, derived from the Partnership’s indirect interest in the Properties, and interest on loans to its Affiliates, which the Partnership will originate and assign to the Trust or the Trust will make directly. The specific structure of any such loans is yet to be determined and will be structured in accordance with the advice of counsel to ensure any such loans are properly characterized as debt and not equity for US and Canadian tax purposes. An investment in Units will be intended to provide investors with the opportunity to receive cash distributions originating from the Properties.

**The Partnership** - The Partnership has been established primarily for the purposes of raising capital through the issuance of Preferred LP Units and Voting LP Units and investing in Properties indirectly by acquiring US REIT Common Stock. The Partnership may also issue loans to its Affiliates for the completion of these purposes, with any such loans being distributed to the Trust. The specific structure of any such loans is yet to be determined and will be structured in accordance with the advice of counsel to ensure any such loans are properly characterized as debt and not equity for US and Canadian tax purposes. The Partnership will also temporarily hold cash for the purposes of paying its expenses and liabilities and making cash distributions to its Limited Partners. As of March 31, 2025, the Partnership has issued 2,256,860 Preferred LP Units. The Partnership may, from time to time at the discretion of the General Partner, issue additional Preferred LP Units.

**The US REIT** - The US REIT is a Maryland corporation that is intended to qualify as a real estate investment trust for U.S. tax purposes and is governed by the laws of the State of Maryland and its charter and Bylaws. The US REIT will use the proceeds raised from the issuance of US REIT Common Stock to, among other things, acquire US LP Units from US LP. In addition, the US REIT may receive loan financing from the Trust or the Partnership.

**The US LP** – The majority of the gross proceeds from the issuance of the US REIT Common Stock will be used by the US REIT to acquire US LP Units. In addition, the US LP may receive loan financing from the Trust or the Partnership. The US LP has been established for the purposes of issuing US LP Units to the US REIT and the Revesco Investor Group LP, and intends to concentrate on identifying Properties for possible acquisition in strong growth markets, and to manage the Properties with the view to preserving capital and providing quarterly cash distributions to the US REIT and the Revesco Investor Group LP. The US LP, among other things, will:

- (a) acquire Property LP Units in the Property LPs that will be formed to purchase the Properties;
- (b) acquire an existing Property LP through the purchase or exchange of equity therein;
- (c) acquire, purchase, sell, exchange, assign and transfer equity interest in entities holding Properties;
- (d) acquire, purchase, sell, exchange, assign and transfer debt instruments associated with Properties;
- (e) enter into joint ventures with third parties to achieve the foregoing; and
- (f) temporarily hold cash and investments and make distributions to the holders of US LP Units.

**The Property LPs** – The majority of the gross proceeds from the issuance of the US LP Units will be invested in Property LPs through the US LP's investment in Property LP Units. The Property LPs will be established for the purpose of holding the Properties. Property LPs may also be formed to acquire debt instruments or in connection with joint ventures with third parties. All such investment decisions will be made at the sole and absolute discretion of the US REIT, as general partner of the US LP.

**The Revesco Investor Group LP** - The Revesco Investor Group LP is used by Christopher Wood, Scott Lee, Rhys Duggan, Mark Myles and employees of Revesco (USA) Properties, LP to co-invest in the Properties through ownership of units of Revesco Investor Group LP. The Revesco Investor Group LP is a limited partner of the US LP and will be entitled to up to 25% of the Annual Adjusted Increase in Net Asset Value, after all US Limited Partners have received an annual preferred return equal to 7% of their capital contributions.

**Canada Admin** – Canada Admin will provide administrative services to the Trust and the Partnership. In consideration of the services provided by Canada Admin, the Trust will pay to Canada Admin an administration services fee equal to \$10,000 per fiscal year, payable quarterly.

**US Admin** – The US LP intends to engage US Admin, or one of its affiliates, to act as property manager to provide ongoing day-to-day management of the Properties. The fee payable to US Admin for its property management services is expected to be 4% of the gross rental revenue from the managed Properties. US Admin, or its affiliates, will also provide certain services to the US LP, including: asset management, acquisition, disposition, construction management, leasing and loan origination services.

The Trust has been established to provide investors attractive returns via the indirect acquisition, finance, management, operation, development, improvement and/or conversion of a portfolio of income producing properties which are predominantly located in the United States and Canada. The focus of these property acquisitions has been, and will continue to be, on open-air retail shopping centers and mixed use income generating properties. The Trust will indirectly invest in entities which will acquire, finance, hold, manage, operate, develop, improve, convert and sell the Properties acquired to generate profits. Further, the Trust may invest in preferred equity or debt instruments secured by income producing properties and quality development sites.

The Trust will have the benefit of its management's diverse real estate experience, industry relationships and market credibility established over the last 30 years. The management of the Trust have successfully invested in real estate since 1990 and will continue to co-invest at least \$5 million of their own equity along side investors. For more information on the experience of the management of the Trust. See Item 3.2 "Management Experience".

The real estate business is competitive. The Trust currently has and will continue to have competitors which may compete for suitable real property investments similar to those desired by the Trust. A number of these investors may have greater financial resources than those of the Trust or operate without the investment or operating guidelines of the Trust or according to more flexible conditions. An increase in the availability of investment funds, and an increase in interest in real property investments, may tend to increase competition for real property investments, thereby increasing purchase prices and/or reducing the yield on them.

Numerous other developers, managers and owners of properties may also compete in seeking tenants for any revenue producing Properties. The existence of competing developers, managers and owners for tenants could have an adverse effect on the Trust's ability to generate income from the Properties and on the rents charged in respect of Properties.

See Item 11 "Risk Factors – Industry Risk – General Real Estate Ownership Risks".

### ***Why US Retail Real Estate?***

US based open air retail and mixed use commercial real estate ownership is highly diversified while in Canada it is highly institutionalized. Not having to compete with institutional capital in the US allows for US based open air and mixed-use real estate assets to be bought at more attractive yields than seen in Canada. This along with a population base of over 330 million people, creates significantly more buying opportunities in the US with more attractive potential returns.

The Trust believes that an overreaction to the impact of e-commerce on retail commercial properties will allow the Trust to acquire well-located Properties below replacement cost. Retailers across the United States are looking to expand into well-located centers and with construction costs elevated, new development is limited, allowing for existing centers to experience increased occupancies and rent growth. As brick-and-mortar brands look to integrate e-commerce options into their offerings, they are looking to have a seamless storefront and online operation. This results in traditional retailers refreshing existing stores with new investment and even opening new stores to accommodate direct to consumer brands. While retail e-commerce sales are growing quickly, over 86% of US retail sales still occur in physical stores (US Census Bureau). Additionally, online retailers are taking advantage of any vacant space to continue their growth. Traditional and online retailers are working to capitalize on omnichannel approaches to reach the entire customer base. Many online-only retailers are experiencing increasing competition and rising online advertising costs, leading brick-and-mortar stores to become an attractive growth channel. Market fundamentals have also fully recovered in primary markets and absorption is beginning to take hold in secondary/tertiary markets where retail shopping center values remain depressed. Moreover, debt financing providers are seeking solid investment opportunities allowing the Trust to obtain long duration, fixed-rate financing. Employing low to moderate leverage, the Trust will be able to generate significant recurring cash flows from these investments.

The Trust will also look to acquire mixed use assets comprised of retail and residential in more urbanized environments. Densified neighbourhoods with solid fundamentals around transportation, employment, and retail opportunities will continue to thrive as the US population goes back to the office. The Trust will look to markets with growing urban populations for these opportunities.

## **2.3 Development of the Business**

The Trust was established on March 31, 2021. As of March 31, 2025, the Trust has issued 279,895 Series A Units, 223,251 Series B Units, 212,841 Series C Units and 2,209,318 Series F Units, for total aggregate proceeds of \$28,221,698 net of redemptions.

The Trust has used the subscription proceeds primarily to indirectly invest in the US REIT (through the purchase by the Trust of Voting LP Units) and the proceeds are expected ultimately to be used by the Property LPs to acquire properties.

### 2.3.1 Description of Real Property

#### Current Properties

At March 31, 2025, the Trust had invested in the following Properties: (1) 5 West Mendenhall (Bozeman, Montana); (2) Aspen Place at Sawmill (Flagstaff, Arizona); (3) Preston Highway (Louisville, Kentucky); (4) Harmony School Shops (Fort Collins, Colorado); (5) Park Lee Center (Phoenix, Arizona); and (6) Roswell Village (Atlanta, Georgia).

A description for each Property as at March 31, 2025 is set out in the tables below:

	<b>5 West Mendenhall</b> <i>Bozeman, Montana</i>	<b>Aspen Place at Sawmill</b> <sup>(1)</sup> <i>Flagstaff, Arizona</i>	<b>Floor &amp; Décor, Preston Highway</b> <i>Louisville, Kentucky</i>	<b>Harmony School Shops</b> <i>Fort Collins, Colorado</i>	<b>Park Lee Center</b> <i>Phoenix, Arizona</i>	<b>Roswell Village</b> <i>Atlanta, Georgia</i>
<b>Nature of interest</b>	The Trust and the Partnership hold 55% of ownership interest. The remaining 45% is held by RPT Investor Group, LP and DZ Investment Group LTD.	The Trust and the Partnership hold 83% of ownership interest. The remaining 17% is held by RPT Investor Group, LP and ICT Projects LP.	The Trust and Partnership hold 91% of ownership interest. The remaining 9% is held by RPT Investor Group, LP.	The Trust and Partnership hold 91% of ownership interest. The remaining 9% is held by RPT Investor Group, LP.	The Trust and Partnership hold 91% of ownership interest of RPT Park Lee LP. The remaining 9% is held by RPT Investor Group, LP.  RPT Park Lee, LP entered into a Tenants in Common Agreement (TIC) with HUB Development, LLC to purchase the Park Lee Shopping Center.  Per the agreement, RPT Park Lee, LP owns 55% of the property and the remaining 45% is owned by HUB Development, LLC.	The Trust and Partnership hold 91% of ownership interest. The remaining 9% is held by RPT Investor Group, LP.
<b>Material encumbrances</b>	None	None	None	None	None	None
<b>Any restriction on sale or disposition</b>	None	None	None	None	None	None
<b>Any environmental liabilities, hazards or contamination</b>	None to the knowledge of the Trust	None to the knowledge of the Trust	None to the knowledge of the Trust	None to the knowledge of the Trust	Except as noted below, none to the knowledge of the Trust.  The subject project had an environmental issue associated with the former dry cleaner tenant. Remediation was completed in 2023.	None to the knowledge of the Trust
<b>Any tax arrears</b>	None	None	None	None	None	None
<b>Utilities and other services not currently provided</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Current use</b>	5 West Mendenhall is a revenue-producing mixed-use property. With an abundance of social and recreational amenities just steps away, the property creates an ideal live-work-play environment. The retail and office component, which was purchased, boasts a stable income stream with 100% occupancy, long term leases and high-profile tenancy. Located just one block	Aspen Place at the Sawmill is a multi-tenant retail center located in downtown Flagstaff, Arizona. The property is made up of multiple buildings on 4.89 acres and anchored by REI and shadow anchored by Whole Foods. With a 226-unit apartment building (not included in the purchase) above a portion of the retail, the property creates an ideal outdoor lifestyle center.	Preston Place is a multi-tenant retail center located in Louisville, Kentucky. The property is made up of multiple buildings on 9.4 acres and anchored by Floor and Decor. The property is currently 100% leased by Floor & Décor, Value City Furniture, and Scooter's Coffee. The property also features two large, highway frontage, billboard signs that are leased to the second largest billboard	Harmony School Shops is a neighborhood retail center located in Fort Collins, Colorado. Located approximately 57 miles north of Denver, Fort Collins is the largest city in Larimer County and home to Colorado State University.	Park Lee is a multi-tenant retail center located in Phoenix, Arizona. This property sits on the southeast corner of Camelback Road and 17th Avenue and is situated in an infill neighborhood of Central Phoenix, Park Lee. It benefits from high population density, strong traffic counts, and several new residential developments. This	Roswell Village is a multi tenant retail shopping center located in Roswell, Georgia. and is 89% leased by a diverse tenant mix of restaurants, retailers and service-based tenants. Nearly 50% of the Property's income is derived from the anchor tenants, and the property has a top tier anchor line up with high credit profiles including Ross Dress for Less, Marshall, Crunch

	<b>5 West Mendenhall</b> <i>Bozeman, Montana</i>	<b>Aspen Place at Sawmill</b> <sup>(1)</sup> <i>Flagstaff, Arizona</i>	<b>Floor &amp; Décor, Preston Highway</b> <i>Louisville, Kentucky</i>	<b>Harmony School Shops</b> <i>Fort Collins, Colorado</i>	<b>Park Lee Center</b> <i>Phoenix, Arizona</i>	<b>Roswell Village</b> <i>Atlanta, Georgia</i>
	from the historic main street of the city, the property is located in an infill market and was purchased well below replacement cost.	The property is located close to downtown Flagstaff and Northern Arizona University. The city of Flagstaff is approximately 150 miles north of Phoenix and 80 miles south of the Grand Canyon.	company, Outfront Media. The property is located close to the Louisville International Airport, Churchill Downs and the University of Louisville. The city of Louisville is approximately 50 miles east of Frankfort and 70 miles northeast of Lexington.		property boasts low rents for the shop spaces and some vacancy, which will allow the Trust to add value through leasing. Further, there is an opportunity to develop a pad building in the parking lot.	Fitness (8,500+ members), and Carniceria 3 Hermanos, an ethnic grocer with 30+ mile drawing power.
<b>Proposed use</b>	Same as current use	Same as current use	Same as current use	Same as current use	Same as current use	Same as current use
<b>Buildings</b>	A 37,668 square foot luxury condominium building with an office and retail component on the first and second floors. The property was built in 2017 and is in good condition.	This property is a 99,566 square foot retail center built in phases between 2009-2016 and is in good condition.	A 134,019 square foot retail open air shopping center which was built in 1970 but renovated in 2017/2018. The property is in good condition.	Built in 2007, this property is a 85,000 square foot neighborhood retail center in good condition.	75,559 square foot retail property built in 1985 and in good condition.	Built in 1973, this property is a 150,211 square foot retail shopping center in good condition. The property was renovated in 2018 and in 2022.
<b>Occupancy level (as at March 31, 2025)</b>	100%	98%	100%	100%	85%	90%
<b>Development property</b>	No	No	No	No	No	No

- (1) On November 15, 2024, the Trust completed the acquisition of the Whole Foods retail location at the Aspen Place at Sawmill property, indirectly through RPT Aspen Place WF, LP. Following the completion of the transaction, the Trust and the Partnership now hold 100% of the retail at Aspen Place at Sawmill property.

As of the date of this Offering Memorandum, there are no current legal proceedings, or legal proceedings that the Trust knows to be contemplated, in relation to the current properties described above, that would be material to a reasonable investor.

### ***Proposed Acquisitions***

As of the date of this Offering Memorandum, the Trust has no proposed acquisitions of interests in real property.

### **2.3.2 Transfers**

The following table sets out information about a related party transaction between the Trust and a related party.

<b>Date of transfer</b>	<b>Legal name of seller</b>	<b>Legal name of buyer</b>	<b>Amount and form of consideration</b>	<b>Reasons for any material difference between amount of consideration paid by the Trust and the amount of consideration paid by a related party</b>
July 19, 2021	Revesco (USA) Properties of Fort Collins, LP (“ <b>Fort Collins LP</b> ”)	RPT Harmony Shops, LP	\$19,300,000 (cash)	The Partnership acquired this Property from Fort Collins LP for \$1,300,000 more than Fort Collins LP had acquired it in 2012 due to the increase in market value of the Property over the time period which Fort Collins LP had held it for.

### **2.3.3 Risk Factors Relating to the Properties**

For a description of the risk factors relating to the Properties, see Item 11.3 “Risk Factors – Industry Risk”.

### **2.3.4 Business & Investment Strategy**

The Trust currently intends to pursue the following strategies to achieve its objectives. The Trust may change its business and investment strategies from time to time.

#### ***Acquisition Strategy***

The Trust will seek to acquire and develop well-located, income-producing retail properties in strong, economically resilient markets across the United States. We target primary and secondary markets with robust demographic and employment growth, prioritizing needs-based centers, power centers, and high-performing lifestyle retail. Our acquisitions include stabilized assets with strong tenancy as well as value-add opportunities with repositioning potential. We seek neighborhood and community centers in dynamic trade areas, favoring properties with below-market lease rates and pricing below replacement cost to mitigate vacancy risk and enhance long-term value.

#### ***Financing Strategy***

As with most real estate investments, the Trust intends to acquire the investments using a combination of the Trust’s equity and debt secured by the underlying assets. Investments will be managed in a disciplined manner, with a focus on balance sheet management to ensure that the Trust maintains a prudent capital structure and conservative financial profile. By employing moderate leverage, with debt not expected to exceed 70% of the value of properties at time of acquiring debt, the Trust will seek to achieve a 12% to 15% total average annual return. See Item 4.2 “Long Term Debt”.

### **2.3.5 Major Events**

As at the date of this Offering Memorandum, the economic outlook in markets where the Properties are located remains uncertain as a result of persistent economic pressures, including elevated inflation, rising interest rates, the risk of recession and trade policies (such as U.S. tariffs and retaliatory tariffs imposed by Canada and other countries). This has created financial uncertainty across the global financial sector. However, the real estate market has been stabilizing and there is growing investor demand for resilient, income-generating assets. The Trust offers an opportunity for stable, long-term returns. Our focus on well-located open-air retail properties aligns with strong consumer spending, e-commerce-resistant tenants, and favorable supply-demand fundamentals. The Trust is well-positioned to capitalize on the resurgence of retail real estate while mitigating risk in a higher-rate environment.

These factors may impact the Trust’s investments during 2025. The Trust will continue to monitor these matters and their influence on the development and financial condition of the Trust.

## **2.4 Long Term Objectives**

The long term objective of the Trust is to issue sufficient securities to indirectly:

- (a) expand its asset base and increase funds from operations through a program of targeting Property acquisitions or development in strong and growing trade areas with dynamic and diversified economies below replacement cost and acquire distressed debt or preferred equity in Properties; and
- (b) generate stable cash distributions on a tax-efficient basis from investments in Properties in major markets in the United States and Canada.

## **2.5 Short Term Objectives**

The business objectives of the Trust for the next 12 months are to complete the Offering of a sufficient number of Units pursuant to this Offering Memorandum and future offering memorandums to be able to acquire sufficient Voting LP Units, to indirectly enable Property LPs to carry out the acquisition of Properties on a commercially reasonable basis.

<b>Actions to be taken</b>	<b>Target completion date or if not known, number of months to complete</b>	<b>Cost to complete, if applicable</b>
Identify and acquire the target properties	Ongoing — Next Property purchases are expected within twelve months.	Unknown
Develop, manage, reposition and enhance Properties	Ongoing – the development, improved management and repositioning of Properties typically are to occur over the first 12-24 months of ownership depending on the size, age and other characteristics of the property, including terms leases in place with existing tenants.  For Properties currently indirectly owned by the Trust, asset management plans outlining how the Trust intend to develop, improve management and reposition as appropriate are being executed on to enhance investment value.	Unknown
Purchase of debt or preferred equity of income producing Properties	Ongoing – through the investment in debt or preferred equity securities which are secured by or invested in income producing Properties, the Trust will earn an income stream while potentially providing access to the purchase of the underlying Property.	Unknown

## 2.6 Insufficient Funds

The net proceeds available as a result of the 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.

## 2.7 Material Contracts

The following is a list of contracts which are material to this Offering, all of which are in effect:

- (a) Trust Declaration dated March 31, 2021, as amended on October 28, 2022 and on April 29, 2024, among the Trustees and Canada Admin. The Trust Declaration is described in Item 2.7.1 “Trust Declaration”;
- (b) Partnership Agreement dated March 31, 2021 among the Trust, the General Partner and each person who from time to time becomes a Limited Partner. The Partnership Agreement is described in Item 2.7.2 “Partnership Agreement”;
- (c) Canada Administration Services Agreement dated March 31, 2021 between the Trust, the Partnership and Canada Admin. The Canada Administration Services Agreement is described in Item 2.7.3 “Canada Administration Services Agreement”;
- (d) The charter of the US REIT (which consists of Articles of Incorporation and Articles Supplementary, accepted for record by the State Department of Assessments and Taxation of Maryland on, respectively, March 29, 2021 and December 7, 2021) and Bylaws of the US REIT dated March 29, 2021;
- (e) US Holding LP Partnership Agreement dated March 31, 2021 between the US REIT and Revesco Investor Group LP (the “**US Holdings LP Partnership Agreement**”). The US Holdings LP Partnership Agreement is described in Item 2.7.5 “US Holdings LP Partnership Agreement”; and
- (f) US Administration Services Agreement dated March 31, 2021 between the US LP and US Admin (the “**US Administration Services Agreement**”). The US Administration Services Agreement is described in Item 2.7.6 “US Administration Services Agreement”.



Copies of all contracts referred to above may be inspected during normal business hours at the head office of the Trust, located at 1310-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7. Electronic copies may be requested directly from the Trust.

### **2.7.1 Trust Declaration**

*The following is a summary only of certain of the material provisions of the Trust Declaration. For a complete understanding of all of the provisions of the Trust Declaration, reference should be made to the Trust Declaration itself, a copy of which may be requested from the Trust.*

#### ***Trustees***

The Trustees act as the trustees of the Trust and hold the assets of the Trust in trust for, and administer the Trust assets for, the use and benefit of Unitholders, their successors, permitted assigns and personal representatives. The Trustees shall consist of not less than one and no more than 11 Trustees, with the number of Trustees from time to time within such range being fixed by Canada Admin. A majority of the Trustees must be resident in Canada (within the meaning of the Tax Act) at all times. The Trustees are to be appointed and removed by Canada Admin from time to time. The Trustees of the Trust are appointed to an initial term of office which will continue until such time as the Trustees resign or are replaced by Canada Admin.

#### ***Powers and Responsibilities of the Trustees***

Subject to the terms and conditions of the Trust Declaration, the Trustees may exercise from time to time in respect of the assets 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.

Subject to the specific limitations contained in the Trust Declaration, the Trustees have, without further or other action or consent, and free from any power of control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the assets of the Trust and over, and management of, the affairs of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owner of the assets 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 under the Trust Declaration. To the maximum extent permitted by applicable law the Trustees are not, in carrying out investment activities, in any way restricted by the provisions of the applicable law of any jurisdiction limiting or purporting to limit investments which may be made by Trustees.

Except as provided in the Trust Declaration, the Trustees, without any action or consent by the Unitholders, have and may, in their discretion, exercise at any time and from time to time the specific powers and authorities as enumerated in the Trust Declaration in such manner and upon such terms and conditions as they 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 “unit trust” or a “mutual fund trust” for purposes of the Tax Act.

The Trustees, except as may be prohibited by applicable law, have the right to delegate their specific powers and authorities as set out in the Trust Declaration to an administrative services manager if the Trustees determine that such delegation is desirable to effect the administration of the duties of the Trustees. The Trustees may also delegate to officers of the Trust or any Affiliates thereof, any one or more of, the Trustees, and their respective Affiliates certain powers for management or administration of the day-to-day affairs of the Trust, provided such delegation is not inconsistent with the Trust Declaration. Canada Admin is the current administrative services manager of the Trust.

#### ***Standard of Care and Duties of the Trustees***

The Trustees, in exercising the powers and authority conferred upon them under the Trust Declaration, will act honestly and in good faith with a view to the best interests of the Trust and in connection therewith will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A Trustee is not liable in carrying out his or her duties under the Trust Declaration except in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the Trust or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The duties and standard of care of the Trustees provided as aforesaid are intended to be similar to, and not to be any greater than, those imposed on a director of a corporation governed by the BCBCA. Unless otherwise required by law, the Trustees are not required to give surety bond or security in any jurisdiction for the performance of any duties or obligations



under the Trust Declaration. The Trustees are not required to devote their entire time to the investments or business or affairs of the Trust.

### ***Purpose of the Trust***

The Trust is an investment trust and its undertakings and activities are to be restricted to:

- (a) acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities of whatever nature or kind (other than a general partnership interest) of, or issued by, any other corporation, partnership, trust or other person involved, directly or indirectly, in the business of acquiring, holding, maintaining, developing, improving, leasing, managing or investing in real estate property, including the Partnership and such other investments as the Trustees may determine, from time to time, directly or indirectly, for that purpose and enter into hedging arrangements in relation to its own indebtedness;
- (b) temporarily holding cash and other short term investments in connection with and for the purposes of the Trust's undertaking, paying administration and trust expenses, paying any amounts required in connection with the redemption of Units or other securities of the Trust and making distributions to Unitholders of the Trust and borrowing funds;
- (c) issuing Units and other securities of the Trust (including warrants, options, special warrants, subscription receipts or other rights to acquire Units or other securities of the Trust), for the purposes of:
  - (i) obtaining funds to conduct the undertakings and activities described above, including raising funds for further investments, acquisitions or development;
  - (ii) repaying any indebtedness or borrowings of the Trust and its subsidiaries;
  - (iii) establishing and implementing rights plans, distribution reinvestment plans, Unit purchase plans, incentive option plans or other compensation plans, if any, established by the Trust or an affiliate of the Trust;
  - (iv) making non-cash distributions to unitholders of the Trust as contemplated by, including *in specie* redemptions and distributions pursuant to distribution reinvestment plans, if any, established by the Trust;
  - (v) giving effect to any arrangement, reorganization, routine acquisition or routine disposition; or
  - (vi) satisfying obligations (if any) to pay the applicable Redemption Price for the redemption, purchase or other acquisition of Units, in certain circumstances contemplated herein;
- (d) guaranteeing the obligations of its Affiliates pursuant to any good faith debt for borrowed money or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledging securities and other property owned by the Trust as security for any obligations of the Trust, including obligations under any such guarantee. The Trust may only provide a guarantee in respect of the indebtedness of another person if the Trust does not, directly or indirectly, receive any fees or other consideration for providing the guarantee and the Trustees have determined that such guarantee forms part of the core investment undertakings of the Trust; provided that the Trust will not, in any event, provide a guarantee which would result in the Trust not being considered a "unit trust" or a "mutual fund trust" for purposes of the Tax Act;
- (e) granting security in any form, over any or all of the assets of the Trust to secure any or all of the obligations of the Trust or its affiliates;
- (f) purchasing or redeeming securities of the Trust, including Units, subject to the provisions of the Trust Declaration and applicable law;

- (g) carrying out any of the transactions, and entering into and performing any of the obligations of the Trust under any agreements contemplated by the Trust Declaration;
- (h) engaging in all activities ancillary or incidental to any of those activities set forth in paragraphs (a) through (g) above; and
- (i) undertaking such other activities or taking such actions, including investing in securities, as is to be approved by the Trustees from time to time,

provided that the Trust will not, in any event, undertake any activity, take any action, or make any investment which: (i) would result in the Trust not being considered a “unit trust” or a “mutual fund trust” for purposes of the Tax Act; or (ii) would result in the Trust becoming a “SIFT Trust” for the purposes of the Tax Act.

### ***Calculation of the Net Asset Value of the Trust***

The net asset value of the Trust shall be calculated as at the close of business on the last Business Day of each year and such other days as the Trust may designate by or under the authority of the Trustees (a “**Valuation Date**”). The Trustees may engage Canada Admin or another party to calculate the net asset value of the Trust. The net asset value of the Trust on a particular Valuation Date shall be calculated within 120 days of such date. The net asset value of the Trust calculated in respect of a Valuation Date shall remain in effect until the determination of the next net asset value of the Trust. Canada Admin or officers of the Trust will provide quarterly updates to the Trustees regarding whether there has been a material change to the net asset value of the Trust. If a material change has occurred, a new net asset value of the Trust will be calculated.

Upon the designation of a new series of units by the Trustees, the series net asset value per unit shall initially be as determined by the Trustees and the series net asset value shall initially be the series net asset value per unit multiplied by the number of units of such series initially issued.

After the initial issue of units of a series, the series net asset value for a series of units as at any particular time on a Valuation Date is determined in accordance with the following calculation:

- (a) the series net asset value last calculated for that series;
- (b) plus the increase in the assets attributable to that series as a result of the issue of units of that series or the redesignation of units into that series since the last calculation;
- (c) minus the decrease in the assets attributable to that series as a result of the redemption of units of that series or the redesignation of units out of that series since the last calculation;
- (d) plus or minus the increase or decrease in the net asset value of the Trust (calculated before deduction of any Series Expenses) attributable to that series since the last calculation; and
- (e) minus any Series Expenses allocated to that series since the last calculation.

The series net asset value per unit of a series of units as at any particular time is the quotient obtained by dividing the applicable series net asset value as at such time by the total number of units of that series outstanding at such time. This calculation shall be made without taking into account any issuance, redesignation or redemption of units of that series to be processed by the Trust immediately after the time of such calculation on that Valuation Date. The series net asset value per unit for each series of units shall be calculated on each Valuation Date by or under the authority of the Trustees as at such time on every Valuation Date as shall be fixed from time to time by the Trustees and the series net asset value per unit so determined for each series shall remain in effect until the time as of which the series net asset value per unit for that series is next determined.

If there is only one series (or no series designated) for a class of units in the Trust, then class net asset value shall be calculated in a similar manner (with necessary adjustments) as series net asset value is calculated, and class net asset value per unit shall be calculated in a similar manner (with necessary adjustments) as series net asset value per unit is calculated. If there is more than one series in a class, then the class net asset value for such class shall be the aggregate

of the series net asset values of all series in such class and the series net asset value per unit shall be calculated in respect of each series only, and not for the class.

If there is more than one class of units in the Trust, and the Trustees have designated that all or part of certain Trust Assets (as defined below) or Trust Liabilities (as defined below) shall be allocated to a single class of units, the net asset value attributed to that class and to series of units within that class shall reflect such allocations of Trust Assets and Trust Liabilities.

For the purposes of calculating the net asset value of the Trust, the trust assets (“**Trust Assets**”) shall be deemed to include:

- (a) all cash or its equivalent on hand, on deposit or on call, including any interest accrued thereon;
- (b) all bills, demand notes and accounts receivable;
- (c) all shares, units, debt obligations, subscription rights and other securities owned or contracted for by the Trust;
- (d) all stock and cash dividends and cash distributions to be received by the Trust and not yet received by it but declared to securityholders of record on a date on or before that time;
- (e) all interest accrued on any fixed interest-bearing securities owned by the Trust that is included in the quoted price;
- (f) all contractual rights to the receipt of money or property; and
- (g) all other property of every kind and nature, including prepaid expenses and derivatives.

For the purposes of calculating the net asset value of the Trust, the trust liabilities (“**Trust Liabilities**”) shall be deemed to include:

- (a) all bills, notes and accounts payable;
- (b) all fees and expenses incurred or payable by the Trust;
- (c) all contractual obligations for the payment of money or property, including the amount of any unpaid distribution declared upon Units and payable to Unitholders of record of the Trust prior to the time as of which the net asset value of the Trust is being determined;
- (d) all allowances authorized or approved by the Trustees for taxes (if any) or contingencies; and
- (e) all other liabilities of the Trust of whatsoever kind and nature, except liabilities represented by outstanding Units and the balance of any undistributed income or capital gains.

In order to provide subscribers with an estimate of the current value of the Units of the Trust, the Trust amortizes certain expenses, acquisition fees and commission expenses in order to allow for better matching of the costs and benefits of these expenses. For more information, see Item 5.1.1 – “Differences between IFRS Net Asset Value and Transaction Price”.

### ***Conflicts of Interest***

The Trustees or officers of the Trust who directly or indirectly have a material interest in a material contract or transaction or proposed material contract or transaction with the Trust, other than the Canada Administration Services Agreement, must disclose in writing to the Trust the nature and extent of such interest forthwith after becoming aware of the material contract or transaction or proposed material contract or transaction. Such Trustee or officer must not vote on any resolution to approve the material contract or transaction, unless the material contract or transaction is the Canada Administration Services Agreement or one relating primarily to his or her remuneration as a Trustee or officer, one for indemnity or insurance, or one with any Affiliate of the Trust.

Where a material contract is made or a material transaction is entered into between the Trust (or a subsidiary or other Affiliate of the Trust) and any one or more of its Trustees or officers, or between the Trust and another person of which a Trustee or officer of the Trust is a director or officer or in which he or she has a material interest: (1) the Trustee or officer, as applicable, is not accountable to the Trust or to the Unitholders for any profit or gain realized from the contract or transaction; and (2) the contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that the Trustee is present at or is counted to determine the presence of a quorum at the meeting of Trustees or committee of Trustees that authorized the contract or transaction, if the Trustee disclosed his or her interest and the contract or transaction was reasonable and fair to the Trust at the time it was so approved.

Where any Trustee or officer of the Trust (or a subsidiary or other Affiliate of the Trust) fails to disclose his or her interest in a material contract or transaction in accordance with the Trust Declaration, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that the Trustee or officer account to the Trust for any profit or gain realized.

### ***Rights of Unitholders***

A Unitholder has certain of the same protections, rights and remedies as a shareholder would have under the BCBCA. Many of the provisions of the BCBCA respecting the governance and management of a corporation have been incorporated in the Trust Declaration. For example, Unitholders are entitled to exercise voting rights in respect of their Units in a manner comparable to shareholders of a BCBCA company, and provisions relating to the calling and holding of meetings of Unitholders included in the Trust Declaration are comparable to those of the BCBCA. Unlike shareholders of a BCBCA company, 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 the Unitholder's approval is required under the Trust Declaration are generally less extensive than the rights conferred on the shareholders of a BCBCA company. The appointment of auditors is reserved to the Trustees rather than the Unitholders. Holders of Units also do not have recourse to the statutory oppression remedy that is available to shareholders of a BCBCA company where the company undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties.

Shareholders of a BCBCA company may apply to a court to order the liquidation and dissolution of the company in certain circumstances, whereas Unitholders may rely only on the general provisions of the Trust Declaration. Shareholders of a BCBCA company may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the company and its Affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The BCBCA 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 Trust Declaration does not include comparable rights.

### ***Liability of Unitholders***

Subject to the Trust Declaration, no Unitholder, in its capacity as such, will incur or will 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 is to be had to, nor shall recourse or satisfaction be sought from the private property of any Unitholder for any liability whatsoever. No Unitholder, in its capacity as such, is liable to indemnify the Trustees or any other person with respect to any liabilities of the Trust.

To the extent that any Unitholder, in its capacity as such, may be determined by a judgment of a court of competent jurisdiction to be subject to or liable in respect of any liabilities of the Trust, such judgment and any writ of execution or similar process in respect thereof, is to be enforceable only against, and is to be satisfied only out of, the holder's Units, representing his share of the assets of the Trust.

To the extent that any Unitholder is held personally liable as such to any other person in respect of any liabilities of the Trust, such Unitholder is entitled to indemnity and reimbursement out of the assets of the Trust to the full extent of such liability and for all costs of any litigation or other proceedings in which such liability has been determined, including all fees and disbursements of counsel. These rights do not exclude any other rights to which such Unitholder may be lawfully entitled, nor does anything in the Trust Declaration restrict the right of the Trustees to indemnify or reimburse a Unitholder out of the assets of the Trust in any appropriate situation not specially provided for in the Trust Declaration.

The Trustees have no liability to reimburse a Unitholder for taxes assessed against them by reason of or arising out of such holder's ownership of Units.

If any assets of the Trust are distributed or declared to be distributable to Unitholders contrary to the provisions of any subordination agreement between the Trust and the persons entitled to enforce any of the indebtedness, then the persons entitled to enforce such subordination agreements or subordination provisions are entitled to pursue whatever remedies may be available to them, and the limitations in Trust Declaration do not apply to any judgment in respect of (and to the extent only based on) such contrary distribution, and no Unitholder has the right to enforce any distribution contrary to such subordination agreements or provisions.

### ***Termination of the Trust***

The Trustees may at any time terminate and dissolve the Trust by giving written notice to each of the then Unitholders of their intention to terminate the Trust at least 90 days before the date on which the Trust is to be terminated. Upon termination, the net assets of the Trust will be distributed to the Unitholders on a *pro rata* basis. Prior to the termination date, the Trustee will convert the assets of the Trust to cash. After payment of the liabilities of the Trust, each Unitholder registered as such at the close of business on the date fixed as the termination date will be entitled to receive from the Trustees its proportionate share of the value of the Trust in accordance with the number of Units which they then hold.

### ***Amendments to the Trust Declaration***

Provided that Canada Admin has provided written consent, the provisions of the Trust Declaration may be amended, altered, supplemented or restated by the Trustees with the approval of Unitholders by ordinary resolution, except where specifically provided otherwise in the Trust Declaration.

The Trustees may add to, delete, amend, modify, vary or change the provisions of the Trust Declaration without the consent, approval or ratification of the Unitholders or any other person at any time for the purpose of:

- (a) adding or deleting units of the Trust and classes or series of units of the Trust, and to provide such other information the Trustees determine, in such manner and for any purpose permitted by the Trust Declaration;
- (b) ensuring continuing compliance with applicable law, regulations or policies of any governmental authority having jurisdiction over the Trustees, the Trust or Unitholders;
- (c) providing additional protection or added benefits for the Unitholders (including a change in the governing law of the Trust);
- (d) providing for the creation and issue of additional classes or series of units of the Trust;
- (e) removing any conflicts or inconsistencies in the Trust Declaration or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to Unitholders;
- (f) changing the situs of, or the laws governing, the Trust which, in the opinion of the Trustees, is desirable in order to provide Unitholders (if any) with the benefit of any legislation limiting their liability provided that such change does not introduce a material disadvantage to such unitholders (if any) that did not exist prior to such change;
- (g) making additions, deletions, amendments, modifications, variations or changes that, in the Trustees' opinion, are necessary or desirable as a result of changes in taxation laws or policies of any governmental authority having jurisdiction over the Trustees, the Trust or the Unitholders; or
- (h) ensuring that the Trust qualifies or continues to qualify as a "mutual fund trust" under the Tax Act.

### ***Units***

See Item 5.1 “Terms of the Units of the Trust” for a description of the material terms of the Units under the Trust Declaration.

## **2.7.2 Partnership Agreement**

*The following is a summary only of certain of the material provisions of the Partnership Agreement. For a complete understanding of all of the provisions of the Partnership Agreement, reference should be made to the Partnership Agreement itself, a copy of which may be requested from the Trust.*

The rights and obligations of the General Partner and the Limited Partners in relation to the Partnership are governed by the Partnership Agreement.

### ***General***

Under the terms of the Partnership Agreement, the General Partner is given full power and authority to manage, control, administer and operate the business of the Partnership, except for certain matters being subject to votes of limited partners. No limited partner is permitted to take part in the management of the business of the Partnership. The General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership to the extent required by the Partnership Act and other applicable legislation. A Limited Partner will not be liable for any debts, liabilities or obligations of the Partnership in excess of such Limited Partner’s paid capital contributions and any unpaid capital contributions agreed to be paid in respect of such Limited Partner’s units of the Partnership, provided such Limited Partner does not take part in the control or management of the business of the Partnership.

### ***Business of the Partnership***

The business of the Partnership is to:

- (a) acquire, finance, invest, hold, transfer, dispose and otherwise deal with securities of whatever nature or kind, or issued by, any other corporation, partnership, trust or other person involved, directly or indirectly, in the business of acquiring, holding, maintaining, developing, improving, leasing, managing or investing in real estate property, and such other investments as the General Partner may determine, from time to time, and to borrow funds, directly or indirectly, for that purpose and enter into hedging arrangements in relation to its own indebtedness;
- (b) temporarily hold cash and other short term investments in connection with and for the purposes of the Partnership, pay administration and Partnership expenses, pay any amounts required in connection with making distributions to Limited Partners and borrow funds for those purposes, directly or indirectly;
- (c) issue units of the Partnership for the purposes of:
  - (i) obtaining funds to conduct the undertakings and activities described above, including raising funds for further investments, acquisitions or development;
  - (ii) repaying any indebtedness or borrowings of the Partnership and its subsidiaries; or
  - (iii) giving effect to any arrangement, reorganization, routine acquisition or routine disposition;
- (d) guarantee the obligations of its Affiliates pursuant to any good faith debt for borrowed money or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledge securities and other property owned by the Partnership as security for any obligations of the Partnership, including obligations under any such guarantee;
- (e) grant security in any form, over any or all of the Partnership assets to secure any or all of the obligations of the Partnership or its Affiliates;
- (f) carry out any of the transactions, and enter into and perform any of the obligations of the Partnership under any agreements contemplated by the Partnership Agreement;

- (g) engage in all activities ancillary or incidental to any of those activities set forth in paragraphs (a) through (f) above; and
- (h) undertake such other activities or take such actions as is to be approved by the General Partner from time to time.

### ***Management of the Partnership***

The General Partner shall, subject to the provisions of the Partnership Agreement and in a reasonable and prudent manner, acting in the best interests of the Partnership, manage, control and operate the business and affairs of the Partnership, represent the Partnership and make all decisions regarding the business of the Partnership. No person dealing with the Partnership shall be required to inquire into the authority of the General Partner to take any action or to make any decision in the name of the Partnership.

### ***Powers of the General Partner***

In addition to the powers and authorities possessed by the General Partner pursuant to the Partnership Act or conferred by law or elsewhere in the Partnership Agreement, the General Partner shall have the power and authority to manage, control and operate the business and affairs of the Partnership and to do, or cause to be done, on behalf of the Partnership any and all acts, necessary or convenient, in furtherance of or incidental to the business of the Partnership, including, without limitation to:

- (a) negotiate, execute and perform all agreements, instruments, deeds, indentures or documents which require execution by or on behalf of the Partnership involving matters or transactions with respect to the Partnership's business or which the General Partner may, in its reasonable discretion, determine appropriate, necessary or advisable in pursuing the business of the Partnership (and such agreements, instruments, deeds, indentures or documents may limit the liability of the Partnership to the assets of the Partnership, with the other party to have no recourse to the assets of the General Partner, even if the same results in the terms of the agreement, instrument, deed, indenture or document being less favourable to the Partnership), and do any act, take any proceeding, make any decision which the General Partner may, in its reasonable discretion, determine appropriate, necessary or advisable in pursuing the business of the Partnership;
- (b) sell or otherwise dispose of any interests of the Partnership in the ordinary course of the Partnership business, including a sale or disposition of a portion of or all of the Partnership's interest in the assets of the Partnership;
- (c) maintain, repair, improve, upgrade, renovate, expand or otherwise better the assets of the Partnership;
- (d) purchase or otherwise acquire assets on behalf of and for the sole benefit of the Partnership in the ordinary course of the Partnership business;
- (e) see to the management of the Partnership, and to manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;
- (f) acquire securities of entities engaged primarily in businesses which are related to the business of the Partnership;
- (g) obtain and maintain insurance in such amounts and with such coverage as in the judgment of the General Partner may be necessary or advisable with respect to the business of the Partnership;
- (h) open, manage and operate bank accounts for and in the name of the Partnership and designate from time to time the signatories for such accounts and spend the capital of the Partnership in the exercise of any right or power exercisable by the General Partner under the Partnership Agreement;

- (i) borrow money in the name of the Partnership, from time to time, in such amount or amounts, from the General Partner or its Affiliates and associates or from financial institutions or other lenders as the General Partner may determine without limitation with regard to amount, terms, cost or conditions of reimbursement, and to draw, make and execute and issue promissory notes, evidences of indebtedness and other negotiable and non-negotiable instruments;
- (j) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in, by way of a debenture or otherwise, all or any property of the Partnership now owned or hereafter acquired, to secure any present and future borrowings and related expenses of the Partnership and to sell all or any of such property pursuant to a foreclosure or other realization upon the foregoing encumbrances and cause the Partnership to guarantee the obligations of the General Partner or any other person as they may relate to the business of the Partnership;
- (k) invest funds of the Partnership that are not immediately required for the business of the Partnership in investments which the General Partner considers appropriate;
- (l) submit to binding arbitration any disputes pertaining to the assets, undertaking or business of the Partnership;
- (m) oversee the distribution of the assets of the Partnership after payment or satisfaction of the liabilities of the Partnership upon the Partnership's dissolution;
- (n) commence or defend, or engage counsel to commence or defend, any action or proceeding in connection with the Partnership;
- (o) incur all costs and expenses in connection with the Partnership, including costs and expenses incurred in delegating any of its duties;
- (p) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants with the powers and duties upon the terms and for the compensation as in the discretion of General Partner may be necessary or advisable in the carrying on of the business of the Partnership;
- (q) retain such legal counsel, experts, advisors or consultants as the General Partner considers appropriate;
- (r) engage agents or subcontract administrative functions, to assist the General Partner to carry out its management obligations to the Partnership;
- (s) act as attorney in fact or agent of the Partnership in disbursing and collecting moneys for the Partnership, paying debts and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership;
- (t) act for the Partnership in all matters relating to compliance by the Partnership with the Tax Act and any other applicable tax legislation;
- (u) make and file any and all elections, returns, determinations, designations or other documents on behalf of the Partnership, the General Partner and/or the Limited Partners in respect of the Partnership pursuant to the Tax Act or any laws of Canada or any province, state or other jurisdiction or as the General Partner considers necessary or appropriate;
- (v) admit new Limited Partners in accordance with the Partnership Agreement;
- (w) do anything that is in furtherance of or incidental to the business of the Partnership or that is provided for in the Partnership Agreement; and
- (x) do and perform all other acts to carry out the objects, purposes and business of the Partnership.



### ***Removal and Resignation of the General Partner***

The General Partner may only be removed as general partner of the Partnership with the prior written approval of not less than two-thirds of the Limited Partners in the event that (i) there is a change of control of the General Partner, meaning where less than 50% of the shares of the General Partner cease to be owned by Revesco Holdings Ltd. and Revesco Properties Canada ULC or (ii) the General Partner is in default of a substantial and material obligation of the General Partner contained in the Partnership Agreement and such default has continued for at least 30 days following receipt of notice sent to all Limited Partners from any Limited Partner requiring the General Partner to remedy such default. However, the General Partner may only be removed pursuant to the Partnership Agreement if at the time, the aforementioned Limited Partners also appoint a new general partner as successor.

### ***Resignation***

The General Partner may resign as the general partner of the Partnership at any time on not less than 60 days' written notice thereof to the Limited Partners provided that the General Partner shall not withdraw if the effect thereof would be to dissolve the Partnership or constitute the Partnership a general partnership.

### ***Voting***

Pursuant to the Partnership Agreement, only Limited Partners holding Voting LP Units have the right to vote at meetings of the Limited Partners.

### ***Conflicts of Interest***

Under the Partnership Agreement, each Limited Partner acknowledges that the General Partner and the other Limited Partners and their Affiliates, associates and respective directors and officers may be and are permitted to be engaged in and continue in other businesses, ventures and activities in which the Partnership will not have an interest and which may be competitive with the activities of the Partnership and, without limitation, the General Partner, each Limited Partner and their respective Affiliates, associates and respective directors and officers may be and are permitted to act as a principal, investor, partner, shareholder, director, officer, joint venturer, advisor or in any other capacity or role whatsoever of, with or to other entities, including limited partnerships, which may be engaged in all or some of the aspects of the business of the Partnership and may be in competition with the Partnership. The General Partner, any Affiliate or associate of a General Partner or any of their respective officers or directors is not required to offer or make available to the Partnership any property or other business or investment opportunity which a General Partner, such Affiliate, associate, officer or director may determine to acquire or engage in for its accounts and the pursuit of such other businesses, ventures, investments and activities, even if competitive with the Partnership's business, shall not be wrongful.

Under the Partnership Agreement, each Limited Partner also acknowledges that the General Partner may be engaged in other real estate businesses, which businesses may be considered to be in competition with the Partnership and that each of the General Partner and its Affiliates, associates and their respective directors and officers may be and are permitted to act as a principal, investor, partner, shareholder, director, officer, joint venturer, advisor or in any other capacity or role whatsoever of, with or to other entities, including limited partnerships, which may be engaged in all or some of the aspects of the business of the Partnership and which may be in competition with the Partnership.

### ***Conduct of Business***

The General Partner agrees to conduct the business of the Partnership in the following manner:

- (a) funds of the Partnership will not be commingled with any other funds of the General Partner or any other person;
- (b) title to the assets of the Partnership may be held in the name of the General Partner, in the name of the Partnership, or in the name of any other person or entity under a declaration of trust or nominee agreement, as determined appropriate by the General Partner;

- (c) the General Partner shall not take any action with respect to the property of the Partnership, which is not for the benefit of the Partnership, provided that any loans obtained by the Partnership and all documentation in support thereof shall be deemed to be for the benefit of the Partnership;
- (d) where services are supplied to the Partnership by the General Partner or any Affiliate or associate of the General Partner or any of their respective directors or officers, the cost of such services to the Partnership shall not exceed the fair market value thereof; and
- (e) the General Partner will give ultimate consideration to the best interests of the Partnership and avoid any commingling of any of the General Partner's external corporate or creditor liabilities,

giving ultimate consideration to the best interests of the Partnership and avoiding any commingling of any of the General Partner's external corporate or creditor liabilities.

### ***Liability of the General Partner***

The General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership.

Except for gross negligence or wilful misconduct, the General Partner shall not be liable to the Limited Partners or the Partnership for:

- (a) any mistakes or errors in judgment; or
- (b) any act or omission believed in good faith to be within the scope of authority conferred by the Partnership Agreement or under the certificate of limited partnership.

Subject to applicable laws, the liability of each Limited Partner for the debts, liabilities and obligations of the Partnership is limited to the aggregate of the amount of such Limited Partner's capital contribution to the Partnership, any additional amount a Limited Partner has agreed to contribute to the capital of the Partnership and such Limited Partner's share of the undistributed assets of the Partnership. Except as provided for in the Partnership Agreement and the applicable Subscription Agreement, a Limited Partner will have no further liability for such debts, liabilities or obligations and will not be liable for any further calls, assessments or contributions to the Partnership.

In the event that a Limited Partner defaults in the payment, when due, of all or any portion of such Limited Partner's indebtedness to the Partnership, the General Partner may commence legal proceedings to recover the amount due, together with interest from the due date to the date of payment at a rate per annum of 10% over the prime commercial lending rate of the Partnership's primary banking institution.

### ***Prohibition from Participation in Management***

No Limited Partner, as such, will be able to take part in the management or control of the business of the Partnership or transact any business for the Partnership nor may any Limited Partner, as such, have the power to sign for or bind the Partnership.

### ***Indemnities***

The General Partner will indemnify and hold harmless each Limited Partner (including former Limited Partners) from and against all costs incurred (which in the case of legal costs, shall be calculated as between a solicitor and his or her own client) and damages suffered by such Limited Partner as a result of a loss of limited liability, other than a loss of limited liability caused by any act or omission of such Limited Partner, provided that the foregoing indemnification shall be restricted, in respect of each Limited Partner, to the amount in excess of the aggregate of the amounts of such Limited Partner's capital contribution. The General Partner will indemnify and hold harmless the Partnership from and against all costs incurred (which in the case of legal costs, shall be calculated as between a solicitor and his or her own client) and damages suffered by the Partnership as a result of the gross negligence or wilful misconduct by the General Partner or as a result of any act or omission by the General Partner not believed in good faith to be within the scope of authority conferred by the Partnership Agreement.

The Partnership will indemnify and hold harmless the General Partner and its directors from and against all costs incurred and damages suffered by the General Partner as a result of its unlimited liability for the debts, liabilities and obligations of the Partnership, to the extent of the Partnership's assets, except where the Partnership suffers losses as a result of the gross negligence or willful misconduct of the General Partner.

### ***Amendments to the Partnership Agreement***

The provisions of the Partnership Agreement may be amended on the initiative of any Limited Partner and agreed to in writing by the General Partner and the majority of the holders of Voting LP Units carrying not less than 50% + 1 of the votes attached to all outstanding Voting LP Units held by such holders (excluding any votes associated with the Voting LP Units held by the General Partner) provided that: the Partnership Agreement shall not be amended so as to provide for additional capital contributions from any Limited Partner without the written approval of such Limited Partner; and the Partnership Agreement shall not be amended so as to adversely affect the rights of the General Partner without the consent of the General Partner.

The General Partner may, without prior notice to or consent from any Limited Partner, add to, amend or delete any provision of the Partnership Agreement from time to time:

- (a) where, in the opinion of the General Partner, such addition, amendment or deletion is for the protection of or otherwise for the benefit of the Limited Partners;
- (b) to cure an ambiguity or to correct or supplement any provision contained in the Partnership Agreement which, in the opinion of the General Partner, may be defective or inconsistent with any other provision contained in the Partnership Agreement, provided such addition, amendment or deletion does not and will not, as determined by the General Partner, materially adversely affect the interests of the Limited Partners;
- (c) regarding matters or questions arising under the Partnership Agreement which, in the opinion of counsel to the General Partner, does not and will not materially adversely affect the interests of the Limited Partners; or
- (d) to take into account the effect of any amendment or repeal of any applicable legislation which, in the opinion of the General Partner, does not and will not materially adversely affect the interests of the Limited Partners.

The Limited Partners shall be notified of the full details of any amendments to the Partnership Agreement within 60 days of the effective date of the amendment.

### ***Term and Termination of the Partnership***

The Partnership shall continue until the date on which it is dissolved in accordance with the terms of the Partnership Agreement. The Partnership will not be terminated or dissolved by: (i) the admission of a new General Partner or Limited Partner; (ii) by the withdrawal, removal, death, insolvency, bankruptcy, liquidation, winding up, dissolution or other disability of any Limited Partner of the Partnership; (iii) upon the cancellation or transfer of any or all the units of the Partnership; or (iv) upon the amendment or the replacement of the certificate of limited partnership.

### ***Events of Dissolution***

The Partnership shall dissolve upon the occurrence of any of the following events:

- (a) 120 days following the deemed resignation of the General Partner, unless the Limited Partners have appointed a new General Partner prior thereto;
- (b) the General Partner becomes bankrupt, is dissolved or wound up (except as a consequence of a corporate reorganization), unless another General Partner has been admitted to the Partnership prior to the bankruptcy, dissolution or winding up of any such General Partner;

- (c) the General Partner declares the Partnership to be dissolved following at least two consecutive years during which the Partnership is insolvent;
- (d) any event which makes it unlawful for the Partnership business to be continued;
- (e) the Limited Partners pass a special resolution specifying that the Partnership be dissolved;
- (f) the General Partner or Limited Partners obtain a court order for the dissolution and winding up of the Partnership; or
- (g) upon the occurrence of any event which, under the laws of the Province of British Columbia, causes the dissolution of a limited partnership, but the Partnership will not terminate until its assets have been distributed in accordance with the Partnership Agreement.

### ***Partnership Units***

The Partnership is authorized to issue an unlimited number of Partnership Units. As at March 31, 2025, there are 2,256,860 Preferred LP Units issued and outstanding. As at March 31, 2025, there are 2,919,156 Voting LP Units outstanding, which are owned and controlled by the Trust. The subscription proceeds from the Offering will be primarily used by the Trust to subscribe for Voting LP Units.

Available Cash shall be distributed by the General Partner on each Distribution Date as follows:

- (a) first, 100% to the General Partner until the General Partner has received \$250; and
- (b) second, 100% to the Limited Partners such that each Limited Partner will receive (i) the Voting LP Unit Distribution Entitlement on such Distribution Date for each Voting LP Unit held by the Limited Partner, and (ii) the Preferred LP Unit Distribution Entitlement on such Distribution Date for each Preferred LP Unit held by the Limited Partner.

$$\text{Voting LP Unit Distribution Entitlement} = \frac{A}{B + (\frac{7}{6} \times C)}$$

where:

- A = the amount of Available Cash available for distribution to Limited Partners on the Distribution Date;
- B = the number of Voting LP Units outstanding on the Distribution Date; and
- C = the number of Preferred LP Units outstanding on the Distribution Date.

$$\text{Preferred LP Unit Distribution Entitlement} = \frac{A}{(\frac{6}{7} \times B) + C}$$

where:

- A = the amount of Available Cash available for distribution to Limited Partners on the Distribution Date;
- B = the number of Voting LP Units outstanding on the Distribution Date; and
- C = the number of Preferred LP Units outstanding on the Distribution Date;

This means that holders of Preferred LP Units will be entitled to a greater proportion of the Available Cash of the Partnership as compared to holders of Voting LP Units. Specifically, the amount of the Partnership's Available Cash attributable to Preferred LP Units will be equal to 7/6 of the amount of the Partnership's Available Cash attributable to Voting LP Units of the Partnership. Accordingly, the holders of Preferred LP Units will receive, on a per unit basis, approximately 15% more Available Cash than the Trust, as a holder of Voting LP Units.

The Partnership may, from time to time at the discretion of the General Partner, issue additional Preferred LP Units.

All distributions of Available Cash shall be subject to adjustment to conform to the returns and financial statements for the Partnership for any given financial year end. If any additional amount is distributed by reason of such financial statements, the additional amount shall be deemed a distribution, and if the financial statements show that any excess amount was distributed for a particular year, subsequent distributions shall be reduced to take into account such excess amount.

All distributions made to the Limited Partners (other than distributions of Available Cash) will be made to Limited Partners *pro rata* based on the number of units of the Partnership held. Distributions made to Limited Partners may be made at any time, and from time to time, as determined by the General Partner in its discretion.

No distributions shall be made unless, after making the distribution, sufficient property of the Partnership remains to satisfy all liabilities of the Partnership.

Upon the dissolution of the Partnership, a liquidating trustee shall settle the Partnership accounts as expeditiously as possible and, in the following order, shall:

- (a) sell and liquidate the assets of the Partnership and pay or compromise the liabilities of the Partnership;
- (b) place in escrow a cash reserve fund for contingent liabilities, in an amount determined by the liquidating trustee to be appropriate for such reserve fund, to be held for such period as the liquidating trustee regards as reasonable and then to be distributed pursuant to subsections (c) and (d) below;
- (c) pay the General Partner the amount of any costs, expenses or other amounts which the General Partner is entitled to receive from the Partnership; and
- (d) distribute the remaining assets, including proceeds of sale, to the Limited Partners *pro rata* based on the number units of the Partnership held.

No Limited Partner shall be entitled to a return, or to demand a return, of any portion of such Limited Partner's capital contribution or entitled to any distribution or allocation in respect of Preferred LP Units except as otherwise provided in the Partnership Agreement. No Limited Partner will have the right to demand or receive a return of any capital contributions in respect of Preferred LP Units in a form other than cash, but nothing in the Partnership Agreement prohibits a return of any capital contributions in respect of Preferred LP Units in a form other than cash if pursuant to a unanimous written request of the Limited Partners.

A Limited Partner shall be entitled to a return of any portion of such Limited Partner's capital contribution in respect of Voting LP Units at the discretion of the General Partner or if such demand is made pursuant to a unanimous written request of the Limited Partners holding Voting LP Units, provided that, after making the return, sufficient property of the Partnership remains to satisfy all liabilities of the Partnership. No Limited Partner shall be entitled to any other distribution or allocation in respect of Voting LP Units.

### **2.7.3 Canada Administration Services Agreement**

*The following is a summary only of certain of the material provisions of the Canada Administration Services Agreement. For a complete understanding of all of the provisions of the Canada Administration Services Agreement, reference should be made to the Canada Administration Services Agreement itself, a copy of which may be requested from the Trust.*

#### ***Duties of Canada Admin***

Under the Canada Administration Services Agreement, Canada Admin will provide certain administrative services to the Trust and the Partnership subject to the overriding supervision and direction of the Trustees and the General Partner, respectively. These services include: managing the day to day affairs of the Trust and the Partnership, the preparation and filing of offering documents, the preparation of all written and printed material for distribution to investors, performing all general managerial, and supervisory and administrative functions or any other tasks on behalf of the Trust and the Partnership.

The Trust and the Partnership may from time to time agree in writing on additional services that are to be provided by Canada Admin for which Canada Admin shall be compensated on terms to be agreed upon between Canada Admin and the Trust or General Partner prior to the provision of such services. The Partnership or the Trust, as applicable, will reimburse Canada Admin for the reasonable and actual out-of-pocket costs and expenses incurred by it in providing any such additional services.

In the event of a change in control of the Trust or the Partnership, Canada Admin shall, if requested, perform additional work that is necessary in connection with the implementation of the change in control of the Trust or the Partnership, provided that Canada Admin shall be paid additional compensation commensurate with such work and be reimbursed for any related costs and expenses, as agreed to by Canada Admin, acting reasonably.

#### ***Fees Payable to Canada Admin***

In consideration of the services provided by Canada Admin to the Trust and the Partnership under the Canada Administration Services Agreement, the Trust shall pay to Canada Admin an administration services fee (the “**Administration Services Fee**”) of \$2,500 payable quarterly. If the Canada Administration Services Agreement does not start on the first day of a quarter or end on the last day of a quarter, the Trust shall pay to Canada Admin a prorated share of the Administration Services Fee for such part quarter.

#### **2.7.4 US REIT Charter and Bylaws**

*The following is a summary only of certain of the material provisions of the US REIT’s Charter and Bylaws. For a complete understanding of all of the provisions of the US REIT’s Charter and Bylaws, reference should be made to the Charter and Bylaws themselves, copies of which may be requested from the Trust.*

##### ***General***

The US REIT is authorized to issue 1,000,000 shares of US REIT Common Stock, no par value per share and 10,000 shares of preferred stock, no par value per share (the “**US REIT Preferred Stock**”), 125 shares of such US REIT Preferred Stock were classified and designated as shares of 12.0% Series A Cumulative Non-Voting Preferred Stock (the “**US REIT Series A Preferred Stock**” and, together with the US REIT Common Stock and US REIT Preferred Stock, the “**US REIT Stock**”). The Partnership currently owns outstanding shares of US REIT Common Stock. Subject to the rights of holders of US REIT Preferred Stock, the board of directors of the US REIT has the power, without approval of the US REIT’s stockholders, to classify and reclassify any of US REIT’s unissued shares of stock into other classes or series of stock. The board of directors of the US REIT may set the rights, preferences, terms and conditions for each new class or series of stock. The US REIT has 125 shares of US REIT Series A Preferred Stock outstanding to comply with certain requirements to qualify as a REIT under the Code but no other US REIT Preferred Stock is outstanding and the US REIT has no current plans to classify, reclassify or issue any US REIT Preferred Stock.

##### ***US REIT Common Stock***

Subject to the provisions of applicable law and the rights of the holders of any outstanding shares of any other class or series of stock, including the US REIT Preferred Stock, the holders of shares of US REIT Common Stock are entitled to receive rateably such dividends as may be authorized by the board of directors of the US REIT, in its discretion, from funds legally available therefor, and declared by the US REIT. In the event of the dissolution of the US REIT, holders of shares of US REIT Common Stock are entitled to receive the net assets of the US REIT after any preferential amounts required to be paid or distributed to holders of outstanding shares of any other class or series of stock, including the US REIT Preferred Stock. There are generally no redemption, sinking fund, conversion, preemptive or appraisal rights with respect to the US REIT’s Common Stock. Except for voting rights of holders of shares of US REIT Preferred Stock and subject to the restrictions on transfer and ownership of shares contained in the charter, holders of US REIT Common Stock have the exclusive power to vote on all matters submitted to a vote of the stockholders of the US REIT, including the election and removal of directors, amendments to the charter, mergers or consolidations of the US REIT and any other matter properly presented to the US REIT’s stockholders for approval or ratification. The Bylaws of the US REIT provide that it shall be a qualification of the directors that each director has been designated by Revesco Investor Group LP.

### ***US REIT Series A Preferred Stock***

The US REIT is authorized to issue and has issued 125 shares of US REIT Series A Preferred Stock to assist in qualifying as a REIT. The US REIT Series A Preferred Stock ranks senior to all other existing classes and series of US REIT Stock, including shares of US REIT Common Stock, with respect to the payment of dividends and redemption rights, and the distribution of assets upon liquidation, dissolution or winding up. Dividends on outstanding shares of US REIT Series A Preferred Stock accrue on a daily basis at the rate of 12.0% per annum of the sum of \$1,000 plus all accumulated and unpaid dividends thereon, and will be cumulative from and including the date of issuance.

The holders of US REIT Series A Preferred Stock do not vote in the election of a director or on any other matters submitted to the stockholders of the US REIT, except that the approval of the holders of a majority of outstanding shares of US REIT Series A Preferred Stock, voting as a separate class, is required for the US REIT to (a) authorize or issue any equity security senior to or on a parity with the US REIT Series A Preferred Stock, (b) reclassify the outstanding shares of US REIT Series A Preferred Stock or (c) subject to certain exceptions, amend the US REIT's charter or terms of the US REIT Series A Preferred Stock, whether by merger, consolidation, transfer or conveyance of all or substantially all of the US REIT's assets or otherwise, in a manner that materially and adversely affects any right, preference, privilege or voting power of the US REIT's shares of US REIT Series A Preferred Stock or which increases the number of authorized shares of US REIT Series A Preferred Stock to a number greater than 125.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the US REIT, the holders of outstanding shares of US REIT Series A Preferred Stock will be entitled to be paid, out of the assets of the US REIT legally available for distribution, a liquidation preference per share of US REIT Series A Preferred Stock equal to \$1,000 plus the amount of any accrued and unpaid dividends thereon (whether or not declared) to and including the date the liquidation preference is paid. The shares of US REIT Series A Preferred Stock are not convertible or exchangeable for any other property or securities of the US REIT.

### ***Restrictions on Ownership and Transfer of the US REIT Stock***

In order for the US REIT to qualify as a REIT under the Code, the US REIT Stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to be a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of the US REIT Stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities such as qualified pension plans) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). To qualify as a REIT, the US REIT must satisfy other requirements as well. See Item 9 "Certain Material U.S. Federal Income Tax Considerations".

The US REIT's charter contains restrictions on the ownership and transfer of stock. The charter of the US REIT prohibits:

- (a) any person from beneficially or constructively owning shares of the US REIT Stock that would result in the US REIT being "closely held" under Section 856(h) of the Code (without regard to whether the stockholder's interest is held during the last half of a taxable year) or otherwise cause the US REIT to fail to qualify as a REIT; and
- (b) after the earlier to occur of (A) January 30, 2022 and (B) the first date on which shares of Common Stock of the US REIT are beneficially owned by at least 100 persons (determined under the principles of Section 856(a)(5) of the Code) any person from transferring shares of the US REIT Stock if the transfer would result in shares of the US REIT Stock being beneficially owned by fewer than 100 persons.

Any person who acquires or attempts to acquire beneficial or constructive ownership of shares of the US REIT Stock that will or may violate the restrictions on transfer and ownership of the US REIT Stock discussed above, or who would have owned shares of the US REIT Stock that are transferred to the trust as described below, must give notice immediately to the US REIT or, in the case of a proposed transaction, give at least 15 days prior written notice to the US REIT and provide the US REIT with any other information requested by the US REIT in order to determine the effect of such transfer on the US REIT's status as a REIT.

Any attempted transfer of shares of the US REIT Stock that, if effective, would result in the US REIT Stock being beneficially owned by fewer than 100 persons will be null and void and the intended transferee will acquire no rights in the shares. Any attempted transfer of the US REIT Stock that, if effective, would result in a violation of the ownership limit, the US REIT being “closely held” under Section 856(h) of the Code (without regard to whether the stockholder’s interest is held during the last half of a taxable year) or the US REIT otherwise failing to qualify as a REIT, will cause the number of shares causing the violation (rounded up to the nearest whole share) to be transferred automatically to one or more trusts for the exclusive benefit of one or more charitable beneficiaries, and the proposed transferee will not acquire any rights in the shares. The automatic transfer will be effective as of the close of business on the business day before the date of the attempted transfer or other event that resulted in the transfer to the trust. If the transfer to the trust as described above does not occur or is not automatically effective, for any reason, to prevent a violation of the applicable restrictions on ownership and transfer of the US REIT’s stock, then the attempted transfer which, if effective, would have resulted in a violation of the restrictions on ownership and transfer of the US REIT Stock will be null and void.

Shares of the US REIT Stock held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares of the US REIT Stock held in the trust and will have no rights to dividends and no rights to vote or other rights attributable to the shares of the US REIT Stock held in the trust. The trustee of the trust will exercise all voting rights and receive all dividends and other distributions with respect to shares held in the trust for the exclusive benefit of the charitable beneficiary of the trust. Any dividend or other distribution paid before the US REIT discovers that the shares have been transferred to a trust as described above must be repaid by the recipient to the trustee upon demand by the US REIT. Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee will have the authority to rescind as void any vote cast by a proposed transferee before the US REIT’s discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee. However, if the US REIT has already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

Within 20 days of receiving notice from the US REIT of a transfer of shares to the trust, the trustee must sell the shares to a person that could own the shares without violating the ownership limit or the other restrictions on ownership and transfer of the US REIT Stock contained in its charter. After the sale of the shares, the interest of the charitable beneficiary in the shares transferred to the trust will terminate and the trustee must distribute to the proposed transferee an amount equal to the lesser of:

- (a) the price paid by the proposed transferee for the shares or, if the event that resulted in the shares being transferred to the trust did not involve a purchase of such shares at market price (as defined in the US REIT’s charter), the market price of the shares on the day of the event causing the shares to be held by the trust; and
- (b) the price received by the trustee from the sale or other disposition of the shares.

The trustee may reduce the amount payable to the proposed transferee by the amount of any dividends or other distributions that the US REIT paid to the proposed transferee before the US REIT discovered that the shares had been transferred to the trust and that is owed by the proposed transferee to the trustee as described above. The trustee must distribute any remaining funds held by the trust with respect to the shares to the charitable beneficiary. If the shares are sold by the proposed transferee before the US REIT discovers that they have been transferred to the trust, the shares will be deemed to have been sold on behalf of the trust and the proposed transferee must pay to the trustee, upon demand the amount, if any, that the proposed transferee received in excess of the amount that the proposed transferee would have received had the shares been sold by the trustee.

- (a) Shares of the US REIT Stock held in the trust will be deemed to be offered for sale to the US REIT, or the US REIT’s designee, at a price per share equal to the lesser of:
- (b) the price per share in the transaction that resulted in the transfer to the trust (or, if the event that resulted in the shares being transferred to the trust did not involve a purchase of such shares at market price, the market price of the shares on the day of the event causing the shares to be held in the trust); and
- (c) the market price on the date the US REIT, or the US REIT’s designee, accepts the offer.



The US REIT may reduce the amount so payable by the amount of any dividends or other distributions that the US REIT paid to the proposed transferee before the US REIT discovered that the shares had been transferred to the trust and that is owed by the proposed transferee to the trustee as described above, and the US REIT may pay such amount to the trustee for distribution to the beneficiary of the trust. The US REIT has the right to accept the offer until the trustee has otherwise sold the shares of the US REIT Stock held in the trust. Upon a sale to the US REIT, the interest of the charitable beneficiary in the shares sold will terminate and the trustee must distribute the net proceeds of the sale to the proposed transferee and distribute any dividends or other distributions held by the trustee with respect to the shares to the charitable beneficiary.

Each owner of the outstanding shares of the US REIT Stock must provide the US REIT with such information that the US REIT requests in order to determine the effect, if any, of the person's beneficial ownership on the US REIT's status as a REIT and to ensure compliance with the ownership limit. In addition, any person or entity that is a beneficial owner or constructive owner of shares of the US REIT Stock and any person or entity (including the stockholder of record) who is holding shares of the US REIT Stock for a beneficial owner or constructive owner must, on request, disclose to the US REIT in writing such information as the US REIT may request in order to determine the US REIT's status as a REIT or to comply, or determine the US REIT's compliance, with the requirements of any governmental or taxing authority.

Any certificates representing shares of the US REIT Stock will bear a legend referring to the restrictions described above.

These restrictions on ownership and transfer of the US REIT's stock will not apply if the board of directors of the US REIT determines that it is no longer in the US REIT's best interests to attempt to qualify, or to continue to qualify, as a REIT or that compliance with any or all of these restrictions is no longer required in order for the US REIT to qualify as a REIT.

These restrictions on ownership and transfer of the US REIT's stock could delay, defer or prevent a transaction or a change of control of the US REIT that might be in the best interests of the US REIT's stockholders.

#### ***Limitation of Liability; Indemnification***

Maryland law permits a Maryland corporation, such as the US REIT, to eliminate the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from:

- (a) actual receipt of an improper benefit or profit in money, property or services; or
- (b) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action.

The charter contains a provision that eliminates the liability of the US REIT's directors and officers to the maximum extent permitted by Maryland law.

As permitted by Maryland law, the charter also requires the US REIT, to the maximum extent permitted by Maryland law, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to any individual who is a present or former director or officer and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity or any individual who, while a director or officer and at the US REIT's request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, REIT, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity. With the approval of the board of directors of the US REIT, the US REIT may provide such indemnification and advance for expenses to any individual who served a predecessor of the US REIT in any of the capacities described above and any employee or agent of the US REIT or a predecessor of the US REIT, including its affiliates.

The charter also requires the US REIT, without requiring a preliminary determination of the ultimate entitlement to indemnification, to pay or reimburse the reasonable expenses of each director or officer of the US REIT in advance of final disposition of a proceeding upon receipt of:

- (a) a written affirmation by the trustee or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification; and
- (b) a written undertaking by the director or officer or on his or her behalf to repay the amount paid or reimbursed if it is ultimately determined that the standard of conduct was not met.

These provisions of the charter may limit the remedies available to a stockholder if a director or officer of the US REIT breaches his or her duties to the US REIT.

## **2.7.5 US Holding LP Partnership Agreement**

*The following is a summary only of certain of the material provisions of the US Holdings LP Partnership Agreement. For a complete understanding of all of the provisions of the US Holdings LP Partnership Agreement, reference should be made to the US Holdings LP Partnership Agreement itself, a copy of which may be requested from the Trust.*

### ***Management and Control of the US LP***

Under the terms of the US Holdings LP Partnership Agreement, the General Partner is given full power and authority to manage, control, administer and operate the business of the US LP, except for certain limited matters being subject to votes of US Limited Partners. No limited partner is permitted to take part in the management of the business of the US LP. The US REIT, as general partner of the US LP, has unlimited liability for the debts, liabilities and obligations of the US LP to the extent required by Colorado law. A limited partner will not be liable for any debts, liabilities or obligations of the US LP in excess of such limited partner's paid capital contributions provided such limited partner does not take part in the control or management of the business of the Partnership.

### ***Powers of the US REIT as general partner of the US LP***

The US REIT, as general partner of the US LP, shall have the power and authority to manage, control and operate the business and affairs of the US LP and to do, or cause to be done, on behalf of the US LP any and all acts, necessary or convenient, in furtherance of or incidental to the business of the US LP, including, without limitation to:

- (a) to acquire or sell property from or to any person as the US REIT, as general partner, may determine. The fact that a partner of the US LP is directly or indirectly affiliated or connected with any such person shall not prohibit the US REIT, as general partner, from dealing with that person;
- (b) to acquire or sell debt instruments relating to real property;
- (c) to acquire equity interest in entities owning commercial real property;
- (d) to lend money to third parties;
- (e) to borrow money for the US LP from banks, joint venture partners in the form of mezzanine debt or otherwise, lending institutions, the partners of the US LP, or affiliates of the partners of the US LP on such terms as they deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the US LP to secure repayment of the borrowed sums;
- (f) to purchase liability, errors and omissions, and other insurance to protect the US LP's property and business;
- (g) to hold and own any partnership real and/or personal properties in the name of the US LP;
- (h) to invest any partnership funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper or other investments, provided such US LP funds are prudently invested;
- (i) to execute on behalf of the US LP all instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition

of the US LP's property, assignments, bills of sale, leases, partnership agreements, and any other instruments or documents necessary, in the opinion of the US REIT, as general partner, to the business of the US LP, provided that any required approval of the US Limited Partners has been granted;

- (j) to employ accountants, legal counsel, managing agents or other experts to perform services for the partnership and to compensate them from US LP funds;
- (k) to enter into any and all other agreements on behalf of the US LP, with any other person for any purpose, in such forms as the US REIT, as general partner, may approve, provided that any required approval of the US Limited Partners of the US LP has been obtained;
- (l) to enforce all leases and other contracts to which the partnership is a party;
- (m) to admit new partners to the US LP;
- (n) compromise or settle any claim or dispute with a creditor, creditors, or class or classes of creditors;
- (o) to sell or otherwise dispose of partnership property, including all or substantially all of the assets of the US LP as part of a single transaction or plan or merge with or be converted into another entity or effect an exchange of interests; and
- (p) to do and perform all other acts as may be necessary or appropriate to the conduct of the US LP's business.

#### ***Removal and Resignation of the General Partner***

The US REIT, as general partner, may only be removed as general partner of the US LP for "Cause". For these purposes, "Cause" shall mean (i) any act by the US REIT constituting gross negligence, willful misconduct, fraud, misappropriation, malfeasance, embezzlement, or theft causing material harm, financial or otherwise, to the US LP; (ii) the filing of any civil or criminal charges against the US REIT by any governmental agency; or (iii) the discovery after the effective date of past conduct constituting "Cause" as so defined. Whether "Cause" exists under the foregoing definition shall be determined by supermajority vote of the US Limited Partners of the US LP, including the Revesco Investor Group LP. The US REIT, however, shall have 60 days to cure a Cause violation, to the extent curable. The US REIT may also challenge the US Limited Partners determination by commencing a claim for declaratory judgment. The US Holdings LP Partnership Agreement also contains provisions relating to the resignation of the US REIT.

#### ***Voting***

All US Limited Partners of the US LP are entitled to vote but US Limited Partners are only entitled to vote on limited matters, such as removal of the US REIT and amendment of the US Holdings LP Partnership Agreement.

#### ***Conflicts of Interest***

Under the US Holdings LP Partnership Agreement, each limited partner acknowledges that the US REIT and the other US Limited Partners and their Affiliates, associates and respective directors and officers may be and are permitted to be engaged in and continue in other real estate businesses, which businesses may be considered to be in competition with the US LP.

#### ***Distributions of Available Cash***

Under the US Holdings LP Partnership Agreement, available cash derived from regular operations shall be distributed as follows:

- (a) First, 0.01% to the US REIT, as general partner of the US LP, to a maximum of \$1,000 per fiscal year.

- (b) Second, to all US Limited Partners pro rata in proportion to the aggregate amount of all capital contributions then unreturned until such time as all US Limited Partners achieve an annual preferred return equal to 7% of their capital contributions, which shall be calculated on a simple interest, non-compounding basis. Distributions will be treated as a preferred return and will not affect or reduce a US Limited Partner's capital accounts.
- (c) Third, to the Revesco Investor Group LP in an amount, if any, equal to 25% of the Annual Adjusted Increase in Net Asset Value, calculated as of December 31 of each year, based on a high water mark.

Distributions are not guaranteed in any given period. Distributions to the Revesco Investor Group LP pursuant to subsection (c) above shall accrue until paid. The US REIT, as general partner of the US LP, shall use its reasonable efforts to cause the US LP to make distributions sufficient to enable the US REIT to pay stockholder dividends that will allow the US REIT to (i) meet its distribution requirement for qualification as a REIT as set forth in the REIT provisions of the Code and (ii) other than to the extent the US REIT elects to retain and pay income tax on its net capital gain, avoid or reduce any U.S. federal income or exercise tax liability imposed by the Code.

To the extent the US LP has available cash to distribute, it shall be distributed no less often than quarterly.

Liquidation proceeds will be distributed as follows: (i) first, until all US Limited Partners receive their preferred return; (ii) second, any outstanding amounts owed to Revesco Investor Group LP, unless deferred; (iii), third, in accordance with the positive balances in the US Limited Partner's capital accounts at that time, as determined after taking into account all adjustments to capital accounts for the US LP's taxable year in which the liquidation occurs; and (iv) fourth, *pro rata* in proportion to the US Limited Partner's US LP Units.

### ***Fees***

Under the US Holdings LP Partnership Agreement, fees will be paid to US Admin pursuant to the terms set forth below.

### ***Term and Termination of the Partnership***

The US LP shall continue until the date on which it is dissolved upon the supermajority vote of the US Limited Partners and consent of the US REIT, as general partner of the US LP, or the sale of all or substantially all of the assets of the US LP.

### **2.7.6 US Administration Services Agreement**

*The following is a summary only of certain of the material provisions of the US Administration Services Agreement. For a complete understanding of all of the provisions of the US Administration Services Agreement, reference should be made to the US Administration Services Agreement itself, a copy of which may be requested from the Trust.*

### ***Services***

US Admin shall be perform the usual and customary services of a property manager relative to the US LP's operations and the Properties including, without limitation, identifying and coordinating acquisition of the Properties, managing all construction, including development and tenant improvements, interacting with tenants, negotiating leases and lease renewals, implementing procedures relative tenant relations and Property improvements, preparing budgets and providing financial reporting to the US LP.

### ***Fees***

Pursuant to the US Administration Services Agreement, the following fees shall be payable to US Admin:

- (a) an acquisition fee equal to 1% of the gross purchase price of any real property acquired by the US LP or its subsidiaries payable upon closing of any such Property and 1% of the purchase price or principal amount for any debt instrument acquired or originated by the US LP or its subsidiaries payable upon closing;

- (b) an asset management fee equal to the sum of 0.5% of the gross purchase price of all real property owned by the US LP or its subsidiaries, calculated and paid annually;
- (c) a property management fee equal to 4% of all gross revenue of the US LP, calculated and paid annually;
- (d) a leasing fee of up to 6% of all lease revenue on new leases or lease renewals less leasing commissions paid to third parties;
- (e) a construction management fee equal to 5% of all Construction Costs incurred by the US LP or its subsidiaries, calculated and paid annually;
- (f) a loan origination fee equal to 1% of any loan obtained in the name of the US LP or its subsidiaries; and
- (g) a disposition fee equal to 1% of the gross proceeds from the sale of any real property owned by the US LP or its subsidiaries.

## **2.8 Distribution Reinvestment Plan**

The Trust has established a DRIP, which is a distribution reinvestment plan for the purposes of offering investors a convenient method to reinvest distributions on Units declared and payable to them, subject to the discretion of the Trustees.

### ***Features***

Under the DRIP and subject to the discretion of the Trustees, a Participant may purchase additional Units of a particular series with the cash distributions paid on the eligible Units of such series which are registered in the name of the Registered Participant or held in a Non-Registered Participant's account maintained pursuant to the DRIP. The price at which Units of a particular series will be issued from treasury under the DRIP will be equal to the DRIP Unit Price of such series. No commissions, service charges or brokerage fees are payable by Participants in connection with the DRIP.

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

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

### ***Participation and Enrollment in the DRIP***

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

A Unitholder who is a registered holder of Units of record may enroll in the DRIP at any time by duly completing and returning a DRIP Enrollment Form to the Trust by Close of Business on the fifth Business Day prior to a Distribution Date for it to be effective on such Distribution Date. Any DRIP Enrollment Form received after such time will be applied to the next applicable Distribution Date.

Unitholders who are Non-Registered Participants may request enrollment in the DRIP through such broker or investment dealer. Once a Participant has enrolled in the DRIP, participation continues automatically unless terminated in accordance with the terms of the DRIP.

The enrollment of a Participant shall be subject to the discretion of the Trustees. Once a Participant is enrolled, on each Distribution Date, the Trust shall promptly pay to the account of the Participants, all cash distributions paid on their Units of a particular series (as applicable), which shall be immediately applied to purchase additional Units of

the same series from treasury (with no action upon the part of the holder) at the then applicable DRIP Unit Price as determined by the Trust. The Trust shall retain such portion of the cash concurrently with the issuance of additional Units from treasury to the Participants.

The DRIP will not be offered to non-residents of Canada or partnerships other than “Canadian partnerships” (as defined in the Tax Act). Upon becoming a non-resident of Canada or a partnership other than a Canadian partnership, a Participant shall immediately notify the Trust of same and terminate its participation in accordance with the procedure set out in “Termination of Participation” below.

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

No interest will be paid to Participants on any funds held for investment under the DRIP.

### ***Transfer of Participation Rights***

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

### ***Termination of Participation***

Participation in the DRIP may be terminated by a Registered Participant once per calendar year, or as terminated by the Trust in its sole discretion from time to time, effective as of, (i) in the event of termination due to the Participant becoming a non-resident of Canada or a partnership other than a Canadian partnership, immediately by notice in writing to the Trust and, (ii) in any other case, the next Distribution Date of the following year by notice in writing to the Trust or on a date as determined by the Trust from time to time. Non-Registered Participants can terminate their participation in the DRIP by notifying the broker or other investment dealer with whom they hold their Units.

Following such termination, a cheque for the value of any remaining fraction of a Unit held for the account of such Participant will be delivered to the Participant. The amount of the payment for any such fraction will be determined by the prevailing DRIP Unit Price on the day of termination.

If the notice of termination (other than a notice of termination in respect of a Participant becoming a non-resident of Canada or a partnership other than a Canadian partnership) is received by close of business at least five Business Days prior to a Distribution Date, termination of the Participant’s participation in the DRIP will be effective in respect of such Distribution Date. A notice of termination received in respect of a Participant becoming a non-resident of Canada or a partnership other than a Canadian partnership will result in the immediate termination of the Participant’s participation in the DRIP.

For greater certainty, termination by a Participant will not prevent such Participant from participating in the DRIP at a later date, provided the Participant is not a non-resident of Canada or a partnership other than a Canadian partnership at that time. No termination requests (other than a request in respect of a Participant becoming a non-resident of Canada or a partnership other than a Canadian partnership) will be processed between a Distribution Date and the related Distribution Date. Normally, a certificate will be sent to a Participant within three weeks of receipt by the Trust of a Participant’s termination request.

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

### ***Amendment, Suspension or Termination of the DRIP***

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

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

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

### ***Rules and Regulations***

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

### ***Proration in Certain Events***

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

If on any Distribution Date the Trust determines not to issue any equity through the DRIP, or the availability of new Units is prorated in accordance with the terms of the DRIP, or for any other reason a distribution cannot be reinvested under the DRIP, in whole or in part, then Participants will be entitled to receive from the Trust the full amount of the regular distribution for each Unit in respect of which the distribution is payable but cannot be reinvested under the DRIP in accordance with the applicable election.

### ***Price of Units***

On each Distribution Date, the Trust shall promptly pay to the account of the Participants, all cash distributions paid on their Units of a particular series, less any applicable withholding tax, which shall be immediately applied to purchase additional Units of the same series from treasury (with no action upon the part of the Unitholder) at the then applicable DRIP Unit Price as determined by the Trust. The Trust shall retain such portion of the cash concurrently with the issuance of additional Units from treasury to the Participants.

### ***Costs***

There shall not be any commissions, service charges or brokerage fees payable in connection with the issuance of Units under the DRIP. All administrative costs of the DRIP shall be borne by the Trust.

### ***Reports***

#### **Registered Participants**

An account will be maintained by the Trust for each Participant with respect to purchases of Units under the DRIP for the account of such Participant. An unaudited statement of account regarding purchases under the DRIP will be sent on an annual basis to each Participant who is a registered holder of Units. These statements of account are a Participant's continuing record of purchases of Units made on behalf of such Participant pursuant to the DRIP and should be retained for income tax purposes. Unitholders are responsible for calculating and monitoring their own adjusted cost base in Units for income tax purposes, as certain averaging rules may apply and such calculations may depend on the cost of other Units held by such holder. Notwithstanding, and in addition to, the delivery of the unaudited statements of account under the DRIP, the Trust will also send to each Participant who is a registered holder of Units with quarterly unaudited statements of account.

#### **Non-Registered Participants**

Non-Registered Participants who have enrolled in the DRIP may receive statements of account from their intermediary in accordance with the intermediary's administrative practices. Such statements will constitute such Non-Registered Unitholder's continuing record of the date and valuation of the acquisition of Units issued pursuant to the DRIP and should be retained for income tax purposes. Non-Registered Participants should contact their intermediary to determine the procedures for requesting current statements.

### ***No Certificates***

Units issued pursuant to the DRIP will be evidenced on the registry of the Units. No certificates representing Units issued pursuant to the DRIP will be provided to Participants. The Units are issued pursuant to the DRIP through the Trustees or the Transfer Agent's register.

### ***Responsibilities of the Trust***

The Trust shall not be liable for any act, or any omission to act, in connection with the operation of the DRIP including, without limitation, any claims for liability:

- (a) relating to the prices at which Units are purchased for the Participant's account and the times such purchases are made; and
- (b) arising in connection with income taxes (together with any applicable interest and/or penalties) payable by Participants in connection with their participation in the DRIP.

Participants should recognize that the Trust cannot assure a profit or protection against a loss on the Units purchased or sold under the DRIP.

### ***Administration***

The Canada Admin will act as administrator of the DRIP. The Canada Admin may appoint another entity to administer the DRIP in accordance with the terms of the DRIP.

The Canada Admin reserves the right to interpret and regulate the DRIP as it deems necessary or desirable.

### ***Liability of the Trust and the Canada Admin***

The Trust and the Canada Admin, in administering the DRIP, are not liable for any act undertaken or omitted in good faith in connection with the DRIP, including, without limitation, any claims of liability: (a) with respect to receipt or non-receipt of any payment, form or other writing purported to have been sent to the Trust or the Canada Admin; (b) in respect of actions taken as a result of inaccurate and incomplete information or instructions; (c) in respect of any decision to amend, suspend, terminate or replace the DRIP in accordance with the terms hereof; (d) in respect of the involuntary termination of a Participant's participation in the DRIP in the circumstances described herein; (e) with respect to the prices at which Units of a particular series are purchased for a Participant's account and the times such purchases are made; or (f) in respect of income taxes or other liabilities payable by any Participant or beneficial owner in connection with their participation in the DRIP.

Participants should recognize that neither the Trustees nor the Canada Admin can assure profit or protect against a loss on Units purchased under the DRIP and each Participant assumes all such risk.

The Canada Admin shall have the right to reject any request regarding enrolment in, withdrawal from or termination of, the DRIP if such request is not received in proper form or if such request would be contrary to applicable laws. Any such request that is not in proper form will be deemed to be invalid until any irregularities have been resolved to the Canada Admin's satisfaction. Neither the Trustees nor the Canada Admin are under any obligation to notify any participant of an invalid request.

### ***Compliance with Laws***

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



### *Notices*

All notices required to be given under the DRIP shall be sent to a Participant at the address shown on the records of the Trust or at a more recent address as furnished by the Participant or the Participant's investment dealer, as the case may be. Notices to the Trust shall be sent to: 1310-1090 W. Georgia Street, Vancouver, British Columbia, V6E 3V7, Tel: 604.628.4326, or e-mail: [RPTinfo@revescoproperties.com](mailto:RPTinfo@revescoproperties.com).

## ITEM 3 COMPENSATION, AND SECURITY HOLDINGS OF CERTAIN PARTIES

### 3.1 Compensation and Securities Held

The following table sets out information about (i) each Trustee, (ii) each promoter of the Trust, and (iii) each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Trust (a “**Principal Holder**”). Except as otherwise disclosed in this Offering Memorandum, the Trustees and each promoter do not presently receive compensation in their capacity as such.

Full legal name and place of residence	Positions held (e.g. Trustee, officer, promoter and/or principal holder) / relationship to Trust / date of obtaining position	Compensation paid in the most recently completed financial year and the compensation expected to be paid in the current financial year	Number, percentage and type of securities of the Trust held prior to completion of minimum offering	Number, percentage and type of securities of the Trust held after completion of maximum offering <sup>(1)</sup>
Christopher Anthony Wood, Vancouver, BC, Canada <sup>(2)(3)</sup>	Trustee	Nil	Nil (0%)	Nil (0%)
Scott Roger Lee, North Vancouver, BC, Canada <sup>(2)(3)</sup>	Trustee	Nil	Nil (0%)	Nil (0%)

**Notes:**

- (1) Christopher Wood, Scott Roger Lee, T. Rhys Duggan, Mark Myles and the employees of Revesco (USA) Properties, LP will be investing up to \$5,000,000 into units of the US LP through the Revesco Investor Group LP and will receive an annual preferred return equal to 7% of their capital contributions. At March 31, 2025, Revesco Investor Group, LP owned 5,143 Class B units of the US LP with a net asset value of \$6,461,358. See section 2.7.5 “US Holding LP Partnership Agreement”. Revesco Investor Group LP will also be entitled to up to 25% of the Annual Adjusted Increase in Net Asset Value, after all US Limited Partners have received a cumulative annual preferred return equal to 7% of their capital contributions.
- (2) Christopher Wood, Scott Roger Lee, and T. Rhys Duggan indirectly control 100% of the issued and outstanding common shares of Canada Admin. Mr. Wood and Mr. Lee own and control 66.7% of the common shares of Canada Admin indirectly through Revesco Holdings Ltd., and Mr. Duggan owns and controls 33.33% of the common shares of Canada Admin indirectly through Revesco Properties (Canada) ULC. Canada Admin will be entitled to a fee in connection with its administrative services to the Trust and the Partnership as outlined below under “Fees Paid to Canada Admin and US Admin”. Also see Item 2.7.3 “Canada Administration Services Agreement”.
- (3) Christopher Wood, Scott Roger Lee, T. Rhys Duggan and Mark Myles indirectly control 100% of the issued and outstanding common shares of US Admin. Mr. Wood and Mr. Lee own and control 58.33% of the common shares of US Admin indirectly through Revesco Holdings (USA) Ltd., Mr. Duggan owns and controls 29.17% of the common shares of US Admin indirectly through Altamont Investments LLC and Mr. Myles owns and controls 12.5% of the common shares of US Admin indirectly through Shmaqume LLC. US Admin will be entitled to various fees in connection with its services to the US LP and US REIT as outlined below under “Fees Paid to Canada Admin and US Admin”. Also see Item 2.7.6 “US Administration Services Agreement”.

#### ***Trust Administrative Fees Paid to Canada Admin and US Admin***

The Trust, the Partnership, the US REIT, the US LP and the Property LPs may employ or retain Canada Admin and US Admin to provide services, provided that the cost of such services are competitive with the cost of similar goods or services provided by an independent third party.

The fees outlined in the table below may be paid directly to Canada Admin and/or US Admin, or to Affiliates of Canada Admin and/or US Admin, from time to time. The Trust believes these fees are reasonable and competitive with the cost of similar goods or services provided by independent third parties. All fees are subject to tax under the applicable laws of Canada and the United States.

Fee	Details	Paid To
Administration Fee	An administration services fee equal to approximately \$10,000 per fiscal year, payable quarterly by the Trust.	Canada Admin
Asset Management Fee	An asset management fee equal to the sum of 0.5% per annum of the gross purchase price of all real property owned or debt instrument held by the US LP or its subsidiaries.	US Admin
Acquisition Fee	An acquisition fee equal to 1% of the purchase price of any real property acquired by or debt instrument entered into by the US LP.	US Admin
Disposition Fee	A disposition fee equal to 1% of the gross proceeds of any real property disposed of or debt instrument sold by or repaid to the US LP or its subsidiaries.	US Admin
Property Management Fee	A property management fee equal to 4% of the gross revenues of any real properties owned by the US LP or its subsidiaries.	US Admin
Construction Management Fee	A constructions management fee of 5% of all Construction Costs incurred by the US LP or its subsidiaries.	US Admin
Leasing Fee	A leasing fee of up to 6% of all lease revenue generated on new leases or lease renewals less any third party commissions paid.	US Admin
Loan Origination Fee	A loan origination/guarantee fee equal to 1% of the total loan amount of loans secured.	US Admin

### 3.2 Management Experience

The following table discloses the experience and principal occupations of the Trustees and key personnel of the Trust over the past five years:

Full Legal Name and Positions	Principal occupations and description of experience, associated with the occupation
<b>Christopher Anthony Wood</b> Trustee of the Trust Director of the General Partner Director of the US REIT Director of Canada Admin Director of the general partner of US Admin	Mr. Wood is a Trustee and a director of the General Partner and is also a Managing Partner of Revesco (USA) Properties, LP. He is responsible for Trust's capital markets operations and oversees the acquisition process. Mr. Wood has been actively involved in real estate since 1990. Co-founding an advisory firm that specialized in the sales and leasing of retail properties in Western Canada, he has worked with many of the premier retailers in Canada including Target, Apple, Restoration Hardware, Cineplex Entertainment and Indigo. Mr. Wood graduated from the University of British Columbia with his Bachelor of Commerce degree.
<b>Scott Roger Lee</b> Trustee of the Trust Director of the US REIT Director of Canada Admin Director of the general partner of US Admin	Mr. Lee is a Trustee and is also a Managing Partner of Revesco (USA) Properties, LP. He is responsible for the asset and property management business and aides in the property acquisition process. Co-founding the same advisory firm as Mr. Wood, Mr. Lee has also worked with many of the premier retailers of Canada over the last 30 years, including Walmart Canada, Lowes Home Improvement and TJX Group of Companies (Winners, Home Sense). Mr. Lee graduated from the University of British Columbia with his Bachelor of Commerce degree.
<b>T. Rhys Duggan</b> Director of the US REIT Director of Canada Admin	Mr. Duggan is President, CEO and a Managing Partner of Revesco (USA) Properties, LP. He is responsible for the development business and aides in the property acquisition process. Mr. Duggan began working in commercial real estate in 1996 in Vancouver, British Columbia before moving to Denver, Colorado and Nassau, Bahamas, where he led teams specializing in the development of master planned communities, grocery

Full Legal Name and Positions	Principal occupations and description of experience, associated with the occupation
Director of the general partner of US Admin	anchored retail centers, and residential developments. Mr. Duggan graduated from Simon Fraser University with his Bachelor of Arts in Political Science.
<b>Mark Myles</b> Director of the General Partner Director of the general partner of US Admin	Mr. Myles, the Chief Financial Officer, Partner and Director of the General Partner of Revesco (USA) Properties, LP, is responsible for the operations and oversees the property accounting for the Trust and the Partnership. Prior to joining the Revesco group, Mr. Myles was the Chief Operating Officer and Chief Compliance Officer of Deans Knight Capital Management and a Senior Manager with PricewaterhouseCoopers LLC. Mr. Myles is a current CPA (Illinois) and earned his Bachelor of Commerce from Dalhousie University.

### 3.3 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

There are no penalties or other sanctions imposed by a court or regulatory body relating to a contravention of securities legislation, or any order restricting that trading in securities, not including an order that was in effect for less than 30 consecutive days, that occurred during the 10 years preceding the date of this offering memorandum against any:

- (a) Trustees, executive officers or control persons of the Trust;
- (b) executive officers or control persons of the Partnership;
- (c) directors, executive officers or control persons of the General Partner; or
- (d) an issuer of which a person referred to in (a), (b), (c), (d) or € above was a Trustee, director, executive officer or control person at the time,

(each a “**Significant Person**”).

There are no declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors or appointments of a receiver, receiver manager or trustee to hold assets, that occurred during the 10 years this offering memorandum with regard to any Significant Person.

None of the Significant Persons have pled guilty to or been found guilty of: (i) a summary conviction or indictable offence under the Criminal Code (Canada); (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction; (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America; or (iv) an offence under the criminal legislation of any other foreign jurisdiction.

### 3.4 Certain Loans

There are no debentures, bonds or loans due to or from the: (i) Trustees, executive officers, management, promoters or Principal holders of the Trust, (ii) executive officers, management, promoters or Principal holders of the Partnership, or (iii) directors, executive officers, management, promoters or Principal holders of the General Partner as at the date of this Offering Memorandum.

### 3.5 Independent Advisory Committee

The Trust established an independent advisory committee (the “**Independent Advisory Committee**”) for the purpose of assessing and providing input on various aspects of the Trust, including providing non-binding advice and recommendations to the Trustees and the Canadian Admin. The Independent Advisory Committee has the following duties and responsibilities:

- (a) Monitor and evaluate conflicts of interest and propose mitigation strategies to ensure that the best interests of the investors are upheld.

- (b) Provide advice to the Trust as to whether any transaction where Trust, or any of its affiliates are involved, constitutes a conflict of interest.
- (c) Assess compliance with relevant laws, regulations, and industry best practices, providing recommendations for necessary improvements.
- (d) Conduct quarterly meetings to discuss the fund's conflict of interest matters, progress, challenges, and potential opportunities, with the freedom to request additional meetings if required.
- (e) Regularly review the risk management and portfolio management practices of the Trust.
- (f) Review and evaluate the independence of the Trust's service providers, including the auditor, legal counsel, custodian, and recommend changes when necessary.
- (g) Provide input and recommendations on fundraising strategy.

The Trustees may appoint a minimum of 2 and a maximum of 5 independent members to the Independent Advisory Committee. Currently, the Independent Advisory Committee is comprised of 2 members, consisting of Stephen Evans and Peter Tolensky, each of whom is independent of the Trustees, the Partnership, the General Partner, the US REIT, the US LP, the Revesco Investor Group LP, the Canada Admin and the US Admin.

Members of the Independent Advisory Committee are entitled to receive reasonable compensation for their service and reimbursement for reasonable expenses incurred in fulfilling their duties.

The Independent Advisory Committee prepares and provides a quarterly report to the Trustees, and an annual report to unitholders, of its activities, including its assessments, recommendations, findings and any observations or concerns identified. A copy of the annual report to unitholders is available at your request and at no cost by emailing us at [investorrelations@revescoproperties.com](mailto:investorrelations@revescoproperties.com).

## ITEM 4 CAPITAL STRUCTURE

### 4.1 Authorized Capital

The Trust is currently authorized to issue one class of units, issuable in the following four Series of units: (i) an unlimited number of Series A Units; (ii) an unlimited number of Series B Units; (iii) an unlimited number of Series C Units; and (iv) an unlimited number of Series F Units. The following table summarizes information about outstanding securities of the Trust as at March 31, 2025:

Description of security	Number authorized to be issued	Price per Unit	Number outstanding as at March 31, 2025	Number outstanding after minimum Offering <sup>(2)</sup>	Number outstanding after maximum Offering <sup>(3)</sup>
<b>Series A Units<sup>(1)</sup></b>	Unlimited	\$10.07	279,895	279,895	Unlimited
<b>Series B Units<sup>(1)</sup></b>	Unlimited	\$9.42	223,251	223,251	Unlimited
<b>Series C Units<sup>(1)</sup></b>	Unlimited	\$9.36	212,841	212,841	Unlimited
<b>Series F Units<sup>(1)</sup></b>	Unlimited	\$10.13	2,209,318	2,209,318	Unlimited

(1) See Item 5.1 “Terms of the Units of the Trust” for a description of the material terms of the Units.

(2) There is no minimum offering. You may be the only purchaser.

(3) There is no maximum offering.

For a description of the compensation payable in connection with the purchase of such Units, see Item 10 “Compensation Paid to Sellers and Finders”.

### 4.2 Long Term Debt

As of the date hereof, the Trust does not have any outstanding long-term debt.

### 4.3 Prior Sales

The table below discloses information regarding the Units of the Trust issued within the 12 months before the date of this Offering Memorandum.

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
April 30, 2024	Series A Units	-	-	-
	Series B Units	6,517	\$9.26	\$60,350
	Series C Units	-	-	-
	Series F Units	-	-	-
May 31, 2024	Series A Units	-	-	-
	Series B Units	2,880	\$9.26	\$26,670
	Series C Units	23,783	\$9.25	\$219,990
	Series F Units	-	-	-

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
June 25, 2024	Series A Units	-	-	-
	Series B Units	5,605	\$9.26	\$51,900
	Series C Units	7,915	\$9.25	\$73,210
	Series F Units	-	-	-
June 28, 2024	Series A Units	-	-	-
	Series B Units	-	-	-
	Series C Units	-	-	-
	Series F Units	105,860	\$9.85	\$1,042,347
July 31, 2024	Series A Units	-	-	-
	Series B Units	8,723	\$9.23	\$80,500
	Series C Units	18,725	\$9.20	\$172,193
	Series F Units	-	-	-
August 30, 2024	Series A Units	-	-	-
	Series B Units	-	-	-
	Series C Units	1,209	\$9.20	\$11,118
	Series F Units	-	-	-
September 27, 2024	Series A Units	-	-	-
	Series B Units	3,964	\$9.23	\$36,577
	Series C Units	28,155	\$9.20	\$258,910
	Series F Units	-	-	-
September 30, 2024	Series A Units	-	-	-
	Series B Units	-	-	-
	Series C Units	-	-	-
	Series F Units	11,547	\$9.87	\$114,000
October 29, 2024	Series A Units	59,565	\$9.84	\$585,912
	Series B Units	4,124	\$9.21	\$38,000
	Series C Units	21,210	\$9.18	\$194,704
	Series F Units	70,905	\$9.87	\$700,000
November 29, 2024	Series A Units	-	-	-
	Series B Units	-	-	-
	Series C Units	17,417	\$9.18	\$159,893
	Series F Units	-	-	-
December 19, 2024	Series A Units	25,416	\$9.84	\$250,000
	Series B Units	-	-	-
	Series C Units	-	-	-
	Series F Units	26,437	\$9.87	\$261,000
December 27, 2024	Series A Units	-	-	-
	Series B Units	7,273	\$9.21	\$67,007
	Series C Units	32,471	\$9.18	\$298,083
	Series F Units	-	-	-

<b>Date of issuance</b>	<b>Type of security issued</b>	<b>Number of securities issued</b>	<b>Price per security</b>	<b>Total funds received</b>
December 31, 2024	Series A Units	-	-	-
	Series B Units	-	-	-
	Series C Units	-	-	-
	Series F Units	1,481	\$10.13	\$15,000
January 31, 2025	Series A Units	-	-	-
	Series B Units	-	-	-
	Series C Units	5,309	\$9.36	\$49,709
	Series F Units	-	-	-
February 29, 2025	Series A Units	-	-	-
	Series B Units	-	-	-
	Series C Units	13,433	\$9.36	\$125,776
	Series F Units	-	-	-
March 31, 2025	Series A Units	4,964	\$10.07	\$50,000
	Series B Units	1,063	\$9.42	\$10,006
	Series C Units	37,612	\$9.36	\$352,172
	Series F Units	25,673	\$10.13	\$260,000



## **ITEM 5 SECURITIES OFFERED**

### **5.1 Terms of the Units of the Trust**

*The following is a summary only of certain of the material provisions of the Trust Declaration relating to the Units. For a complete understanding of all of the provisions of the Trust Declaration in relation to the Units, reference should be made to the Trust Declaration itself, a copy of which may be requested from the Trust.*

#### ***Attributes of the Units***

The beneficial interests in the Trust are divided into and represented by units. The Trust is authorized to issue an unlimited number of units and is authorized to issue such units in classes or series. Units of the Trust of different classes or series may have different rights, benefits and other attributes from units of other classes or series of the Trust. However, all of the units in any class or series of units will have the same rights, benefits and other attributes, and will rank equally, with every other unit in such class or series of units and no unit in a class or series of units will have any preference or priority over any other unit of such class or series of units.

A holder of any class or series of units is entitled to one vote for each whole unit on matters for which separate approval of the class or series is sought at any meeting of the unitholders and one vote for each whole unit held on matters for which approval is sought from all unitholders, voting together as a group, at any meeting of the unitholders.

Units are non-transferable except with the prior written consent of the Trust or as otherwise expressly provided in the Trust Declaration. If the Trust is terminated, a holder of units of any class or series on the termination date will be entitled to a proportionate share of the net assets of the Trust attributable to that class or series of units.

#### ***Series of Units***

The Trust is authorized to issue an unlimited number of Units, issuable in classes and series. There is currently one class of Units, issuable in four series of Units – Series A Units, Series B Units, Series C Units and Series F Units are being offered under this Offering Memorandum.

As noted elsewhere in this Offering Memorandum, the Units are available to investors as follows:

- (a) Series A Units are available to investors through an authorized investment dealer (i.e. a CIRO dealer). The Trust may pay a Sales Fee to such authorized dealer in an amount not to exceed 3% of the gross proceeds raised from the sale of Series A Units by such authorized dealer, as determined by the Trust in its sole discretion.
- (b) Series B Units are available to investors through an exempt market dealer. The Trust may pay a Sales Fee to such authorized dealer in an amount not to exceed 5% of the gross proceeds raised from the sale of Series B Units by such authorized dealer, as determined by the Trust in its sole discretion.
- (c) Series C Units are available to investors through an exempt market dealer. The Trust may pay a Sales Fee to such authorized dealer in an amount not to exceed 5% of the gross proceeds raised from the sale of Series C Units by such authorized dealer, as determined by the Trust in its sole discretion.
- (d) Series F Units are available to investors that have a fee-based account with an authorized investment dealer (i.e. a CIRO dealer). No Sales Fee are paid in respect of the Series F Units.

The Trust may also pay trailing commissions on Series A Units, Series B Units and Series C Units for as long as the Unitholder holds such Series A Units, Series B Units and Series C Units with that authorized dealer. No trailing commissions are paid in respect of the Series F Units.

For more information, see Item 10 “Compensation Paid to Sellers and Finders”.

### ***No Unit Certificates***

Unless and until otherwise determined by the Trustees, no certificates in respect of the Units shall be issued, however the Trustees or the Transfer Agent shall keep a register of Unitholders on which is recorded every subscription, redemption and re-designation, as well as the number, class and series, of Units. In the event that the Trustees should authorize the issue of certificates as aforesaid, the Trustees shall be entitled to determine all procedures relating to the issue or surrender of certificates, including, without limitation, the form thereof, the persons authorized to sign the same, any fees charged in connection therewith and the procedures to be followed in the event of the loss or destruction of a certificate.

### ***Redesignation of Units***

Units of the Trust of any series may, at any time, be redesignated by the Trustees as units of a different series based on the applicable net asset value per Unit on the date of the redesignation, provided that no such redesignation shall be made which in the opinion of the Trustees adversely affects the pecuniary interest of the holder of such units. With the consent of the Trustees, units of any series may, at the option of the holder, be redesignated as units of a different series based on the applicable net asset value per Unit for the two series of units on the date of the redesignation.

#### **5.1.1 Differences between IFRS Net Asset Value and the Transaction Price**

For the purposes of determining the net asset value per Unit of the Trust for purchases and redemptions, adjustments may be made to the net assets of the Trust in accordance with for the following items:

- (a) the amortization of certain expenses including but not limited to legal and accounting expenses, acquisitions fees and commissions expenses, which are required to be written off immediately under IFRS but instead may be amortized over a period of time, the duration which will be determined by the Trust based on the nature of the relevant expenses, in order to allow for better matching of the costs and benefits of these expenses among existing, remaining and incoming Unitholders;
- (b) any other adjustments as determined at the discretion of the Trust.

As a result, the net asset value of the Trust calculated for purposes of the Transaction Price may or may not be equal to the net asset value of the Trust as calculated for financial reporting purposes per the Audited Financial Statements of the Trust.

### ***Reconciliation of IFRS Net Asset Value and Transaction Price***

The net assets of the Trust in the Audited Financial Statements have been prepared in accordance with IFRS. For the purposes of subscriptions for Units of the Trust and Redemptions, Units are valued in accordance with the Trust's valuation policy.

IFRS net assets per Unit is computed by dividing the net assets of the Trust attributable to each series of Units determined in accordance with IFRS, by the total number of Units of the series outstanding. Net asset value per Unit is computed by dividing the net asset value attributable to a series of Units, determined in accordance with the Trust Declaration (see Item 2.7.1 “Trust Declaration - *Calculation of the Net Asset Value of the Trust*”), by the total number of Units of the applicable series outstanding. This amount may be different from the net assets per Unit presented on the statement of financial position in the Audited Financial Statements. The difference is due to the amortization of certain expenses and fees, specifically the Sales Fees. Based on the nature of the relevant expense and in order to allow for a better matching of the costs and benefits of these expenses among existing, remaining and incoming Unitholders, these expenses are being amortized for net asset value calculation purposes over a period of 4 years, instead of being expensed when the sale of Units occurs and the Sales Fees are earned.

For more information on how the Sales Fees are payable in relation to the Units is calculated, see Item 10 “Compensation Paid to Sellers and Finders”.

The difference between the net asset value per Unit and the net assets value per Unit reflected in the Audited Financial Statements as at December 31, 2024 was as follows:

	Series A	Series B	Series C	Series F
Transaction Price	\$10.07	\$9.42	\$9.36	\$10.13
Sales Fee (Adjustment)	\$(0.04)	\$(0.12)	\$(0.38)	-
IFRS net asset value	\$10.03	\$9.30	\$8.98	\$10.13

### 5.1.2 Distributions to Unitholders

The Trust will distribute to Unitholders in each taxation year of the Trust sufficient net income and net realized capital gains so that it will not have any liability for income tax under Part I of the Tax Act.

The Trust intends to make quarterly cash distributions of net income and/or net realized capital gains to holders of Units in the range of 4.75% to 6% per annum depending on the series (defined above as the “**Quarterly Cash Distributions**”). Unless otherwise determined by the Trustees, such Quarterly Cash Distributions will be made effective on the last business day of March, June, September and December each year. The Trust intends to pay out the Quarterly Cash Distributions within 30 days of the Distribution Date.

Any net income or net realized capital gains attributable to the Units that has not been previously distributed through the Quarterly Cash Distributions will be distributed on December 31 of each year. Any such distributions payable to Unitholders may be reinvested in additional Units at the applicable series net asset value per unit of the Units on the date of the distribution.

#### *Recovery of Distributions Improperly Made*

Where the Trustees, or any third party appointed by the Trustees, has been unable, because of default on the part of any third party to make payment of any distributions or interest accrued or any other amounts owing in respect of the securities of the Trust, to collect any amount which has been included in determining any amount paid or payable to any Unitholder (including payments made on a redemption of Units), the Trustees, or any third party appointed by the Trustees, has the right, where such amount has been paid to such Unitholder, to recover such amount from such Unitholder (or former Unitholder in the case of a redemption of all of a holder’s Units). Notwithstanding the foregoing, the Trustees, or any third party appointed by the Trustees, is not required to exercise such right with respect to any particular amount or series of Units of amounts where, in the judgment of the Trustees, or any third party appointed by the Trustees, the anticipated costs and likelihood of recovery outweigh the anticipated benefit of such recovery.

#### *Payments to Unitholders*

Any cash payment required pursuant to the Trust Declaration to be made to a Unitholder will be paid in United States dollars as the Trustees determine by cheque or bank draft to the order of the registered Unitholder and may be mailed by ordinary mail to the last address appearing on the books of the Trust but may also be paid in such other manner as the Unitholder has designated to the Trustees and the Trustees have accepted. A Unitholder may designate and the Trustees may accept that any payment required to be made pursuant to the Trust Declaration is to be made by deposit to an account of such Unitholder or to a joint account of such Unitholder and any other person or, in the case of jointly registered Unitholder, to an account of jointly registered Unitholder or to an account of any one of the joint registered Unitholder.

#### *Distribution Reinvestment Plan*

The Trust has established the DRIP, which is a distribution reinvestment plan for the purposes of offering Unitholders a convenient method to reinvest distributions on Units declared and payable to them. See Item 2.8 – “Distribution Reinvestment Plan”.

### 5.1.3 Redemptions of Units of the Trust

#### *Right of Redemption*

Each Unitholder will be entitled to require the Trust to redeem on a Redemption Date all or any part of the Units registered in the name of the Unitholder at the fair market value per Unit for the applicable series of Unit, as determined in the sole discretion of the Trustees acting reasonably, less an amount that reflects the costs incurred by the Trust in

connection with the redemption of Units, including the costs of liquidation of any assets and all fees payable by the Trust to its service providers as a result of the redemption, any withholding tax and any applicable early redemption deduction amounts as set out in “Deductions on Redemptions” below (the “**Redemption Price**”).

To be redeem any of Units on a particular Redemption Date, a Unitholder must submit a redemption request in writing to the Trust, in a form approved by the Trust, at least 30 days prior to that Redemption Date.

Redemptions will not be permitted if the Trust is insolvent or if such redemptions would render the Trust insolvent.

Upon payment to the redeeming Unitholder of the Redemption Price of the Units so redeemed, the Trust shall be discharged from all liability to the Unitholder in respect of the Units redeemed.

### ***Deductions on Redemption***

The Trust may deduct from redemption proceeds otherwise payable to a Unitholder an amount that reflects the costs incurred by the Trust in connection with the redemption of Units, including the costs of liquidation of any assets and all fees payable by the Trust to its service providers as a result of the redemption. The Trust will deduct from redemption proceeds otherwise payable to a Unitholder of the Trust an early redemption deduction for Units that are redeemed within a specified period of time. Such early redemption deduction shall be equal to the following percentages of the total redemption amount:

	Series A Units	Series B Units	Series C Units	Series F Units
Within the first 12 months of subscribing	4%	8%	8%	4%
After month 12 but before the end of month 24 of subscribing	3%	6%	6%	3%
After month 24 but before the end of month 36 of subscribing	2%	4%	4%	2%
After month 36 but before the end of month 48 of subscribing	1%	2%	2%	1%
After month 48 of subscribing	Nil	Nil	Nil	Nil

The Trust may, at its sole discretion, waive any early redemption deduction in respect of redemption of any Units.

For example, in the event that a Unitholder requests a redemption of 10 Units at the net asset value per Unit of \$10 at the specified time period, then the total redemption amount payable would be as set out in the following table:

	Series A Units	Series B Units	Series C Units	Series F Units
Within the first 12 months of subscribing	\$96	\$92	\$92	\$96
After month 12 but before the end of month 24 of subscribing	\$97	\$94	\$94	\$97

After month 24 but before the end of month 36 of subscribing	\$98	\$96	\$96	\$98
After month 36 but before the end of month 48 of subscribing	\$99	\$98	\$98	\$99
After month 48 of subscribing	\$100	\$100	\$100	\$100

### ***Payment for Redeemed Units***

Provided the redemptions requested do not exceed the Redemption Limit (as defined below), the amount payable on redemption will be paid by wire transfer, in cash, or by cheque, or by such other means as the Trustees may determine. Payment for redeemed Units will be made within 30 days, or such other period as specified by the Trustees, following the later of the redemption date specified for such redemption and the receipt by the Trust of properly completed redemption documents or the waiver by the Trust of all such properly completed documents.

The payment of redemptions will take priority over the payment of cash distributions; accordingly, the payment by the Trust of the Redemption Price will reduce the amount of cash available to the Trust for the payment of distributions to the Unitholders. See Item 11 “Risk Factors”.

### ***No Cash Redemption in Certain Circumstances***

Holders of Units are not entitled to redeem their Units for cash if:

- (a) the total amount payable by the Trust in respect of such Units and all other Units validly tendered for redemption in the same calendar quarter exceeds \$250,000 or 0.5% of the net asset value of the Trust, whichever is greater, (the “**Redemption Limit**”) provided that the Trustees may, in their absolute discretion, waive such limitation in respect of all Units tendered for redemption in any period; or
- (b) the redemption of the Units validly tendered for redemption would result in a return of capital or a distribution otherwise out of the assets of the Trust to the Unitholder, unless all liabilities of the Trust have been paid or sufficient assets remain to pay them, or the Trust has insufficient liquid assets to fund such redemptions or, if after paying such redemptions the Trust would have insufficient assets to pay its liabilities as they become due (the “**Redemption Restrictions**”);

If the Redemption Restrictions apply to the Units tendered for redemption during any calendar quarter or if the total amount payable by the Trust in respect of the redemption exceeds the Redemption Limit, subject to any waiver of the Redemption Limit and subject to receipt of all necessary approvals from governmental authorities, then the amount payable on redemption to each holder of Units tendered for redemption is to be paid and satisfied by the delivery to the holder, in the discretion of the Trust:

- (a) by wire transfer, in cash or by cheque (the “**Cash Portion**”);
- (b) an *in specie* distribution of Securities;
- (c) an *in specie* distribution of a Redemption Note with a principal amount equal to the amount payable on the redemption less the value of the Cash Portion and Securities (if any) to be delivered by the Trust as partial payment of such amount, or
- (d) some combination thereof.

No fractional Redemption Notes in an amount less than the principal amount of \$1,000 will be distributed to holders of Units tendered for redemption. Where the number of Redemption Notes to be received by a holder of Units tendered for redemption includes a fraction or principal amount less than a multiple of \$1,000, such number shall be rounded to the next lowest number or multiple of \$1,000, and the fractional amount receivable by such holder will be distributed in cash.

The Redemption Price payable in respect of Units tendered for redemption during any calendar quarter is, subject to receipt of all necessary regulatory approvals from governmental authorities, to be paid to the order of the Unitholder who exercised the right of redemption within 30 days following the later of the Redemption Date specified for such redemption and the receipt by the Trust of properly completed redemption documents or the waiver by the Trust of all such properly completed documents.

Payments by the Trust of all or a portion of the Redemption Price by the distribution of Redemption Notes are conclusively deemed to have been made upon the mailing of the Redemption Notes by registered mail in a postage prepaid envelope addressed to the former Unitholder or any party having a security interest. Upon the payment of the Redemption Price by delivery of any Cash Portion, Securities, Redemption Notes or a combination thereof, the Trust is discharged from all liability to the former Unitholder and any party having a security interest in respect of the Units so redeemed (other than in respect of any declared but unpaid distributions with a record date prior to the Redemption Date).

#### ***Redemption to Pay Elected Fees***

Units held by a Unitholder may be redeemed by or under the authority of the Trust to satisfy the payment of fees or charges to which such Unitholder has agreed to be subject, such agreement by the Unitholder to be conclusively evidenced by the purchase of any Unit that gives rise to such fee or charge being levied, provided the nature and amount of such fee or charge was disclosed to the Unitholder.

#### ***Order of Redemptions***

The Trust will redeem Units according to the order in which redemption notices are received by the Trust. If the Redemption Restrictions or the Redemption Limit, unless waived, apply, Units tendered for redemption in any calendar quarter in which the total amount payable by the Trust exceeds the Redemption Limit shall be redeemed for a combination of cash and an issuance of Redemption Notes on a *pro rata* basis.

#### ***Purchase for Cancellation***

The Trust may from time to time purchase for cancellation some or all of the Units in the market (if any), by private agreement or upon any recognized stock exchange on which such Units are traded or pursuant to tenders received by the Trust upon request for tenders addressed to all holders of record of Units, provided in each case that the Trustees have determined that such purchases are in the best interests of the Trust and are completed in accordance with applicable law (including applicable securities laws).

#### **5.1.4 Limitation on Non-Resident Ownership**

At no time are Non-Residents entitled to beneficially own collectively, in the aggregate, more than 45% of the Units. The Trust (or its Transfer Agent, if any, at the Trust's request) may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 45% or more of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent or foreseeable, the Trust (or its Transfer Agent) may make a public announcement thereof and shall not accept a subscription for Units from, or issue or register a transfer of Units to, a person, unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Trust (or its Transfer Agent) determines that more than 45% of the Units are held by Non-Residents, the Trust (or its Transfer Agent) may send a notice to Non-Resident Unitholders, chosen in inverse order to the order of acquisition or registration of the Units so held by them or in such other manner as the Trust may consider equitable and practicable. In such notice, the Trust (or its Transfer Agent) may:

- (a) require any such Non-Resident holder(s) of Units to sell or otherwise dispose of their Units, or a portion thereof, within a specified period of not less than 30 days. If any Unitholder receiving such notice has not sold the specified number of Units or provided the Trust with satisfactory evidence

that he is not a Non-Resident within such period, the Trust (or its Transfer Agent) may, on behalf of such Unitholder, sell such Units and, in the interim, will suspend the voting rights and rights to distributions attached to such Units. Forthwith, upon such sale or other disposition, the affected person ceases to be a Unitholder in respect of the disposed Units and their rights are limited to receiving the net proceeds of sale; or

- (b) advise any such Non-Resident holder(s) that their Units (or a specified portion thereof) are being redeemed in accordance with the Trust Declaration as if such holder(s) of Units had tendered their Units (or such specified portion) for redemption as at the date of the notice in accordance with the Trust Declaration.

## 5.2 Subscription Procedure

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

Units will be sold through authorized dealers (i.e., exempt market dealers or investment dealers, as applicable) in reliance on exemptions from the prospectus requirements of applicable securities laws. You will only be permitted to purchase Units if your purchase qualifies for one of these exemptions. The Trust relies on the representations you make in your Subscription Agreement to ensure that your purchase qualifies for one of these exemptions and to ensure that you are otherwise eligible to purchase Units. Reference is made to the Subscription Agreement accompanying this Offering Memorandum for the terms of these representations, warranties and covenants.

For Series A Units, Series B Units and Series F Units, the minimum initial subscription amount is \$10,000 per subscriber, provided that the Trust may, in its sole discretion, accept subscriptions in lesser amounts at the discretion of the Trustees.

For Series C Units, the minimum initial subscription amount is an amount denominated in United States dollars equal to CA\$15,000, calculated based on the Bank of Canada daily rate on the date that is the last business day of the month that the Manager accepts the subscription, provide that the Trust may, in its sole discretion, accept subscriptions in lesser amounts at the discretion of the Trustees. If a subscriber elects to subscribe for Series C Unit, the following will apply:

- (a) The aggregate purchase price for Series C Units will be denominated in Canadian dollars, but the underlying investment of the Trust will be denominated in United States (U.S.) dollars.
- (b) The subscriber will subscribe for the Series C Units based on the aggregate purchase price for Series C Units denominated in Canadian dollars which is determined using the U.S. dollar equivalent, calculated using the Bank of Canada daily rate on the date that is the last business day of the month that the Manager accepts the subscription (the “**Exchange Rate Date**”).
- (c) Subscribers that purchase Series C Units in Canadian dollars will receive cash distributions and payments on redemption of units, if and when applicable, in Canadian dollars.
- (d) Purchasing Series C Units in Canadian dollars do not eliminate the foreign currency risk between the U.S. dollar and the Canadian dollar. Accordingly, a subscription in Series C Units in Canadian dollars is subject to currency exchange risk. For more information, see Item 11 “Risk Factors – 11.1 Investment Risk – *Currency Exchange Rate Risk*”.

There is no minimum subscription amount for subsequent subscriptions by existing Unitholders.

The purchase of Series A Units, Series B Units, Series C Units and Series F Units will take place at the applicable Subscription Price, being the applicable series net asset value per Unit determined in accordance with the Trust

Declaration. For Series A Units and Series F Units, the series net asset value per Unit will be calculated on a quarterly basis on the last day of each quarter, and all such Units will be issued at the price per Unit equal to the series net asset value per Unit calculated on such last day of each quarter. For the Series B Units and the Series C Units, the series net asset value per Unit will be calculated on a quarterly basis on the last day of each quarter, and all such Units will be issued at the price per Unit equal to the series net asset value per Unit calculated for the preceding quarter. The number of Units acquired by the subscriber will be confirmed by or on behalf of Canada Admin in a statement delivered to the subscriber after the purchase date.

In order to subscribe for Units, a purchaser must complete, execute and deliver the following documentation to Canada Admin, at RPT Canada Admin Inc., 1310-1090 W. Georgia Street, Vancouver, BC, V6E 3V7:

- (a) one signed copy of the Subscription Agreement (including all applicable schedules thereto) accompanying this Offering Memorandum;
- (b) a cheque, wire, electronic transfer or bank draft, or payment by other means acceptable to Canada Admin, at the time the subscription is delivered to Canada Admin, in an amount equal to the aggregate Subscription Price, payable to: “Revesco Properties Trust” or as otherwise directed by the Trust; and
- (c) any other documents deemed necessary by the Trust or Canada Admin to comply with applicable Canadian securities laws.

Subject to applicable securities laws and the subscriber’s two-day cancellation right, a subscription for Units, evidenced by a duly completed Subscription Agreement delivered to the Trust shall be irrevocable by the subscriber. The consideration tendered by each subscriber will be held in trust for a period of two Business Days during which period the subscriber may request a return of the tendered consideration by delivering a notice to the Trust not later than midnight on the second Business Day after the subscriber signs the Subscription Agreement. See Item 14 “Purchaser’s Rights”.

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

**You should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of you and the Trust. Execution and delivery of the Subscription Agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors. See Item 11 “Risk Factors”.**

Subscriptions for Units are received, subject to rejection and allotment, in whole or in part, and subject to the right of the Trust and Canada Admin to close the subscription books at any time, without notice. The Trust has the right, in its sole discretion, to refuse to accept a subscription. If a subscription for Units is not accepted, all subscription proceeds will be promptly returned to the subscriber without interest.

Closings of the Offering may take place periodically, as agreed upon by the Trust and Canada Admin.



## ITEM 6 REDEMPTION REQUESTS

The tables below disclose information regarding the Units of the Trust redeemed for each of the two most recently completed financial years ended December 31, 2023 and 2024, and for the subsequent period ending March 31, 2025.

### 6.1 Redemptions in Two Most Recently Completed Financial Years

Description of security	Date of end of financial year	Number of securities with outstanding redemption requests on the first day of the year	Number of securities for which investors made redemption requests during the year	Number of securities redeemed during the year	Average price paid for the securities repurchased	Source of funds used to complete the redemptions	Number of securities with outstanding redemption requests on the last day of the year
Series A Units	December 31, 2023	-	20,125	20,125	\$10.10	Portfolio assets	-
Series B Units		-	-	-	-	-	-
Series C Units		-	-	-	-	-	-
Series F Units		-	26,924	26,924	\$9.92	Portfolio assets	-
Series A Units	December 31, 2024	-	-	-	-	-	-
Series B Units		-	-	-	-	-	-
Series C Units		-	-	-	-	-	-
Series F Units		-	42,527	42,527	\$9.85	Portfolio assets	-

### 6.2 Redemptions in Interim Period since Financial Year End

Description of security	Beginning and end of dates of period	Number of securities with outstanding redemption requests on the first day of the period	Number of securities for which investors made redemption requests during the period	Number of securities redeemed during the period	Average price paid for the securities repurchased	Source of funds used to complete the redemptions	Number of securities with outstanding redemption requests on the last day of the period
Series A Units	January 1- March 31, 2025	-	-	-	-	-	-
Series B Units		-	10,062	10,062	\$10.07	Portfolio assets	-
Series C Units		-	-	-	-	-	-
Series F Units		-	68,064	68,604	\$10.13	Portfolio assets	-

During the two most recently completed financial years ended December 31, 2023 and 2024 and the subsequent period ending March 31, 2025, the Trust honoured all redemption requests received. See Item 5.1.3 “Terms of the Units of the Trust – Redemptions of Units of the Trust”.

## **ITEM 7 CERTAIN DIVIDENDS OR DISTRIBUTIONS**

During the two most recently completed financial years ended December 31, 2023 and 2024, and the subsequent interim period ended March 31, 2025, the Trust has not paid distributions that exceeded the Trust's cash flow from operations. See Item 5.1 "Terms of the Units of the Trust" under the subheading "Distributions to Unitholders".

**ITEM 8**  
**CANADIAN INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY**

**PROSPECTIVE PURCHASERS SHOULD OBTAIN INDEPENDENT ADVICE FROM THEIR OWN TAX AND LEGAL ADVISORS REGARDING THE INCOME TAX CONSEQUENCES APPLICABLE TO THEIR OWN PARTICULAR CIRCUMSTANCES.**

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires such Units pursuant to this Offering.

This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Trust or Canada Admin, and holds the Units as capital property. The Units generally will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have their Units and all other "Canadian securities" (as defined in the Tax Act) owned or subsequently acquired by them treated as capital property. Unitholders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder that that has entered, or will enter into, a "derivative forward agreement" (as defined in the Tax Act) in respect of the Units. Such Unitholders should consult their own tax advisors. In addition, this summary does not address the deductibility of interest by a Unitholder who has borrowed money to acquire Units under the Offering.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and the current administrative policies and assessing practices of the CRA published in writing by it prior to the date hereof. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations which may differ significantly from the Canadian federal income tax considerations discussed herein. There can be no assurance that the Proposed Amendments will be enacted in the form publicly announced or at all.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on a prospective investor's particular circumstances including the province or territory in which the prospective 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 prospective investor. Prospective 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.**

***Currency Conversion***

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units and other property must generally be expressed in Canadian dollars. An amount denominated in any other currency, including the U.S. dollar-denominated issue price of Units, and U.S. dollar distributions or payments of redemption proceeds, must be converted into Canadian dollars generally based on the exchange rate quoted by the Bank of Canada on the date such amount arises or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada). As a result, Unitholders and the Trust may realize gains and losses for tax purposes by virtue of the fluctuation of the value of the U.S. dollar relative to the Canadian dollar.

## **8.1 Taxation of the Trust**

### ***Status of the Trust***

This summary assumes that the Trust will qualify as a “mutual fund trust” within the meaning of the Tax Act at all material times. To qualify as a mutual fund trust: (a) the Trust must be a Canadian resident “unit trust” for purposes of the Tax Act; (b) the only undertaking of the Trust must be (i) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Trust, or (iii) any combination of activities described in (i) and (ii); and (c) the Trust must comply with certain minimum requirements respecting the ownership and dispersal of a particular class of its units.

This summary assumes that the Trust will at no time be a “SIFT trust” (as defined in the Tax Act). In general terms, the Trust will not be a SIFT trust unless the Trust holds “non-portfolio property” (as defined in the Tax Act) during a year in which Units are listed or traded on a stock exchange or other public market. Units will not be listed or traded on any stock exchange or public market. Therefore the Trust should not be a SIFT trust.

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.

### ***Taxation of the Trust***

The taxation year of the Trust is the calendar year. The Tax Act requires the Trust to compute its income or loss for a taxation year as though it were an individual resident in Canada. The Trust is subject to tax in each taxation year on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of amounts paid or made payable to Unitholders in the year as described below.

If the Trust has any income for a taxation year, taking into account, among other things, the inclusions and deductions outlined below, the Tax Act generally permits the Trust to deduct such amounts of the income as are paid or become payable by it to Unitholders in such year. An amount will be considered to be payable in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in the year to enforce payment of the amount. Pursuant to the Trust Declaration, the Trust will (unless the Trustees otherwise determine) be required to make sufficient income, including net realized taxable capital gains of the Trust, payable to Unitholders for each taxation year so that the Trust is not liable to pay tax under Part I of the Tax Act for the taxation year, other than tax on net realized taxable capital gains that would be refunded to it with respect to such taxation year. Where the Trust does not have sufficient cash to distribute all of its income in a particular taxation year, the Trust will make one or more distributions in the form of additional Units. Income of the Trust payable to Unitholders in the form of additional Units generally will be deductible by the Trust in computing its income.

The Trust, as a holder of Voting LP Units, is generally required to include (or entitled to deduct) in computing its income for a particular taxation year, its share of the income (or loss) of the Partnership (subject, in the case of a loss, to the application of the detailed “at risk rules” in the Tax Act) for the fiscal period of the Partnership ending in, or coincidentally with, such taxation year, whether or not the Trust has received any distributions from the Partnership in the year. The Trust’s share of income from the Partnership will include foreign accrual property income included in computing the income of the Partnership.

The Trust will generally not be subject to tax on any amounts received as distributions from the Partnership. Generally, distributions from the Partnership in excess of the Trust’s allocated share of the income of the Partnership for a fiscal year will result in a reduction of the Trust’s adjusted cost base of its Voting LP Units by the amount of such excess. If, as a result, the Trust’s adjusted cost base of its Voting LP Units at the end of a fiscal year of the Partnership would otherwise be a negative amount, the Trust would be deemed to realize a capital gain equal to the negative amount for its taxation year in which such fiscal year of the Partnership ends and the Trust’s adjusted cost base of such Voting LP Units would then be nil.

Upon the actual or deemed disposition of any capital property (including Voting LP Units or loans owing by US LP), the Trust will generally realize a capital gain (or capital loss) to the extent the proceeds of disposition, net of any amounts included in income as interest or dividends, as applicable, exceed (or are less than) the aggregate of the Trust’s adjusted cost base of such property and any reasonable costs of disposition. The Trust intends to take the

position that all of the Voting LP Units and loans owing by US LP will be held by the Trust as capital property. Subject to certain Proposed Amendments regarding the taxation of capital gains (the “**Capital Gains Amendments**”), one-half of any capital gain (a “**taxable capital gain**”) realized by the Trust on the disposition of any capital property (including any Voting LP Units or loans owing by US LP) must be included in computing the Trust’s income. Subject to the Capital Gains Amendments, one-half of any capital loss (an “**allowable capital loss**”) realized by the Trust in a taxation year must be deducted against any taxable capital gains realized by the Trust in the year, and any excess of allowable capital losses over taxable capital gains may be carried back to the three preceding taxation years or forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act. The Capital Gains Amendments would generally increase the proportion of a capital gain that would be included in the Trust’s income as a taxable capital gain, or the proportion of a capital loss that would constitute an allowable capital loss, from one-half to two-thirds. On January 31, 2025, the Department of Finance announced that it was deferring the date on which the capital gains inclusion rate would increase from one-half to two-thirds from June 25, 2024, to January 1, 2026.

The Trust is also required to include in its income for each taxation year all interest on any loans that accrue to the Trust to the end of the year, or that becomes receivable or is received by it before the end of the year, including any portion thereof that is withheld on account of U.S. withholding taxes, as discussed under Item 9 “Certain Material U.S. Federal Income Tax Considerations”, except to the extent that such interest was included in computing its income for a preceding taxation year.

A distribution by the Trust of any Redemption Notes or other property of the Trust upon a redemption of Units will be treated as a disposition by the Trust of such property for proceeds of disposition equal to the fair market value thereof.

Unreimbursed costs incurred in the issuance of Units generally may be deducted by the Trust on a five-year, straight-line basis. The Trust also will be entitled to deduct reasonable current administrative and other expenses that are incurred to earn income.

In the event the Trust would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it will be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of Units of the Trust during the year (the “**capital gains refund**”). The capital gains refund in a particular taxation year may not completely offset the Trust’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units. The Trust Declaration provides that all or a portion of any capital gain realized by the Trust in connection with such redemptions may, at the discretion of the Trustees, be treated as capital gains paid to, and designated as capital gains of, the redeeming Unitholder, provided that the amount of capital gains allocated to a particular redeeming Unitholder shall generally not exceed the amount of the gain that would otherwise be realized by the redeeming Unitholder from the redemption of the Units.

Any losses, including net allowable capital losses, incurred by the Trust may not be allocated to Unitholders, but may generally be carried forward and deducted in computing the taxable income of the Trust in future years in accordance with the detailed rules and limitations in the Tax Act.

In certain circumstances, the Trust may experience a “loss restriction event” for tax purposes, which generally will occur when a person becomes a “majority-interest beneficiary” of the Trust, or a group of persons becomes a “majority-interest group of beneficiaries” of the Trust, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. In general terms, a majority-interest beneficiary of the Trust will be a person who, together with the beneficial interests of persons and partnerships with whom the person is affiliated, holds an interest in the Trust that has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Trust. Each time the Trust experiences a loss restriction event, the taxation year of the Trust will be deemed to end and the Trust will be deemed to realize its capital losses. The Trust may elect to realize its capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted losses will expire and may not be deducted by the Trust in future years. If the Trust experiences a “loss restriction event”, the Trust may make distributions of net income and net realized capital gains to Unitholders, and the Trust Declaration provides that any such distribution will be automatically reinvested in Units of the Trust and that the Units of the Trust will be immediately consolidated such that the net asset value per Unit after reinvestment is the same as it was immediately before the distribution.

As income and capital gains of the Trust will be derived from investments in countries other than Canada, the Trust may be liable to pay, or be regarded as having paid, income or profits tax to such countries. To the extent that such foreign tax paid by a Trust exceeds 15% of the foreign income (excluding capital gains), such excess may generally be deducted by the Trust in computing its income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% and has not been deducted in computing the income of the Trust, the Trust may designate a portion of its foreign source income in respect of a Unitholder's Units, so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

The Trust is organized as a mutual fund trust and, subject to the requirements of the Tax Act, is generally exempt from tax on its investment income provided that it distributes all taxable income to unitholders. However, commencing with effect on January 1, 2024, the Excessive Interest and Financing Expenses Limitation ("EIFEL") rules may apply to the Trust. Under EIFEL, if the Trust's net interest and financing expenses exceed a prescribed percentage of its adjusted taxable income (generally 30%), the excess amounts will be disallowed as a deduction for the Trust. These disallowed amounts are treated as restricted interest and financing expenses and will be carried forward indefinitely to offset future taxable income when sufficient excess capacity exists.

For purposes of these rules, the Trust's adjusted taxable income is determined in accordance with the applicable provisions of the Income Tax Act, incorporating adjustments for non-deductible financing expenses. In addition to any directly incurred financing expenses, as the Trust is a member of a partnership, interest and financing expenses incurred at the partnership level will be allocated to the Trust in proportion to its partnership interest. The Trust will aggregate these allocated partnership expenses with its direct financing expenses when calculating the net amount subject to the EIFEL limitation. If this combined amount exceeds the allowable threshold, the excess – including any portion attributable to allocated partnership financing expenses – will be disallowed and carried forward as restricted interest and financing expenses.

## **8.2 Taxation of Unitholders**

### ***Distributions***

A Unitholder generally will be required to include in computing their income for a particular taxation year, the portion of the net income of the Trust, including net realized taxable capital gains, that is paid or payable to the Unitholder in the taxation year of the Trust that ends in the particular taxation year of the Unitholder, whether or not those amounts are payable or received in cash or additional Units. As a result, a Unitholder's income from the Trust may exceed the amount of cash distributions received by the Unitholder in a taxation year. Provided that the appropriate designations are made by the Trust, such portion of its net taxable capital gains and foreign source income, as the case may be, as are paid or made payable to a Unitholder shall be treated as such in the hands of the Unitholder for purposes of the Tax Act.

The non-taxable portion of net realized capital gains of the Trust that are paid or payable to a Unitholder in a taxation year generally 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 (other than proceeds of disposition in respect of the redemption of a Unit) 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 would otherwise be 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, and immediately thereafter the amount of such capital gain will be added to the adjusted cost base of the Unit such that the Unitholder's adjusted cost base of the Unit will be nil.

The price paid per Unit at the time a Unitholder acquires Units may include income and/or capital gains that the Trust has accrued, earned or realized, but not yet distributed. Unitholders will be taxable on distributions of the Trust's income and capital gains even if such income and capital gains are attributable to a time before their Units were acquired. This could be particularly significant if Units are purchased late in the year, or on or before a date on which a distribution will be paid.

## ***Disposition of Units***

Upon the disposition or deemed disposition by a Unitholder of a Unit, whether on a sale, redemption, repurchase or otherwise, a capital gain (or a capital loss) will be realized by the Unitholder to the extent that the proceeds of disposition, exceed (or are less than) the aggregate of the adjusted cost base of the Unit to the Unitholder immediately before the disposition and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder's income. The taxation of capital gains and capital losses is described below.

The adjusted cost base to a Unitholder of a Unit acquired pursuant to this Offering generally will include all amounts paid by the Unitholder for the Unit, subject to certain adjustments. The cost of additional Units received in lieu of a cash distribution will be the amount of the income of the Trust distributed by the issuance of such additional Units. The adjusted cost base to a Unitholder of Units will be determined on a series by series basis. For purposes of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units of the same series owned by the Unitholder as capital property immediately before the acquisition of the Unit. It is the administrative position of the CRA that if, pursuant to a distribution reinvestment plan (for example, the DRIP), a Unitholder acquires a Unit from the Trust at a price that is less than the then fair market value of the Unit, the Unitholder must include the difference in income and the cost of the Unit will be correspondingly increased.

When a Unitholder redeems Units of the Trust, the Trust may distribute capital gains to the Unitholder as partial payment of the redemption price, provided that the amount of capital gains allocated to a particular redeeming Unitholder shall not exceed the amount of the gain that would otherwise be realized by the redeeming Unitholder from the redemption of the Units. Any capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above.

If, at any time, the Trust delivers property other than cash to any Unitholder upon a redemption of a Unitholder's Units or the termination of the Trust, the Unitholder's proceeds of disposition of such Units will be equal to the fair market value of the distributed property less any capital gains realized by the Trust on the disposition of such property which have been designated and made payable by the Trust to the Unitholder. The cost to a Unitholder of any property distributed by the Trust in specie will generally be equal to the fair market value of such property at the time of the distribution. Such distributed property will generally not be a qualified investment for Registered Plans and this may give rise to adverse consequences – refer Item 8.2 “Eligibility for Investment”.

A redesignation of Units into units of another series of the Trust should generally not, in itself, result in a disposition for tax purposes. The adjusted cost base of the Units that were redesignated will be transferred to the Units of the other series acquired on the redesignation.

## ***Capital Gains and Losses***

Subject to the Capital Gains Amendments, one-half of any capital gain realized by a Unitholder from a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of the Unitholder must generally be included in the Unitholder's income as a taxable capital gain in the year in which the disposition occurs or in respect of which a net taxable capital gains designation is made by the Trust.

Subject to the Capital Gains Amendments, one-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units generally must be deducted by the Unitholder against taxable capital gains of the Unitholder in the year of disposition, and to the extent one-half of any such losses exceed taxable capital gains in that year, such excess may be deducted, only from taxable capital gains, in the three preceding taxation years or in any subsequent taxation year in accordance with and subject to the detailed rules contained in the Tax Act.

If enacted as proposed, the Capital Gains Amendments would generally increase the proportion of a capital gain that would be included in a Unitholder's income as a taxable capital gain, or the proportion of a capital loss that would constitute an allowable capital loss, from one-half to two-thirds for any capital gains or losses realized, including capital gains or losses realized indirectly through a trust (including the Trust). The Capital Gains Amendments also include provisions that would, generally, offset the increase in the capital gains inclusion rate for up to \$250,000 of net capital gains realized in a year by a Unitholder which are not offset by net capital losses from other years. However, on January 31, 2025, the Department of Finance announced that it was deferring the date on which the capital gains inclusion rate would increase from one-half to two-thirds from June 25, 2024, to January 1, 2026. There can be no

assurance that the Proposed Amendments will be enacted in the form currently proposed or at all. Prospective Unitholders are advised to consult their personal tax advisors with regard to the impact of the Capital Gains Amendments and the Department of Finance's announcement on January 31, 2025, having regard to their own particular circumstances.

### ***Foreign Tax Credits***

Provided that appropriate distributions and designations are made by the Trust, (a) such portion of the U.S. source income of the Trust as is paid or payable to a Unitholder will effectively retain its character and be treated as foreign source income in the hands of the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act, (b) the appropriate portion of U.S. "business income tax" and "non-business income tax" (each as defined in the Tax Act) considered to have been paid by the Trust in respect of such foreign source income will be considered to have been paid by such Unitholder for the purposes of the foreign tax credit provisions of the Tax Act, and (c) to the extent a Unitholder is subject to U.S. withholding tax in respect of distributions from the US REIT to the Partnership but which are considered to be paid by the US REIT to the Unitholder for U.S. tax purposes, the amount of such tax generally will be eligible for a foreign tax credit, provided that such U.S. taxes are imposed in accordance with the provisions of the Canada/U.S. Tax Treaty. As a result, a Unitholder may be eligible to claim a foreign tax credit against the Unitholder's Canadian federal income liability for a taxation year in respect of such U.S. taxes, to the extent permitted by the detailed rules contained in the Tax Act. A Unitholder's ability to claim a foreign tax credit may be affected by the Unitholder's specific circumstances such as where the Unitholder does not have sufficient taxes otherwise payable under Part I of the Tax Act. **Unitholders should consult their own tax advisors with respect to the availability of a foreign tax credit having regard to their own circumstances.**

### ***Alternative Minimum Tax***

In general terms, net income of the Trust paid or payable to a Unitholder that is designated as net taxable capital gains, and capital gains realized on the disposition of Units by a Unitholder, may increase the Unitholder's liability for alternative minimum tax under the Tax Act.

## **8.3 Eligibility for Investment**

In the opinion of Borden Ladner Gervais LLP, counsel to the Trust, provided that the Trust is a "mutual fund trust" within the meaning of the Tax Act at a particular time, the Units will be, at that time, "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), "first home savings account" ("FHSA") tax-free savings account ("TFSA"), or a deferred profit sharing plan (as those terms are used in the Tax Act, and each, a "Registered Plan").

Notwithstanding that Units may be qualified investments for a Registered Plan as discussed above, if Units are a "prohibited investment" (as defined in the Tax Act) for a Registered Plan that is an RRSP, RRIF, RESP, RDSP, FHSA or TFSA, the holder, annuitant or subscriber of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act. A Unit will generally not be a prohibited investment for a Registered Plan provided the holder, annuitant or subscriber of the Registered Plan, as the case may be, deals at arm's length with the Trust for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Trust. In addition, a Unit will not be a "prohibited investment" if the Unit is "excluded property" (as defined in the Tax Act) for a Registered Plan. Holders, annuitants, and subscribers of such plans should consult their own tax advisors to ensure that Units would not be a prohibited investment in their particular circumstances.

Redemption Notes or other property which may be received in connection with an *in specie* redemption of Units as described under the Item 5.1.3 "Redemptions of Units of the Trust" generally will not be qualified investments for Registered Plans. Accordingly, Unitholders should consult with their own tax advisors before deciding to exercise redemption rights in connection with Units held in a Registered Plan.

## **8.4 Exchange of Tax Information**

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. (the "IGA") and related Canadian legislation, the Trust, the Canada Admin and/or registered dealers, are required to report certain information (including certain financial information) with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens



who are residents or citizens of Canada), and certain other “U.S. persons” as defined under the IGA (excluding registered plans such as registered retirement savings plans), to the CRA. CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the “**CRS**”), the Trust, the Canada Admin and/or registered dealers, are required under Canadian legislation to identify and report to the CRA details and certain financial information relating to Unitholders of the Trust who are residents in a country outside of Canada and the U.S. which has adopted the CRS. The CRA is expected to provide that information to the tax authorities of the relevant jurisdiction that has adopted the CRS.

## ITEM 9

### CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax considerations relating to the qualification and taxation of the US REIT and to the taxation of the Non-U.S. Unitholders (as such term is defined below). This summary is based on current law, is for general information only, does not address all possible tax considerations that may be material or relevant to such a purchaser and is not tax or legal advice. This summary also does not consider state, local or non-U.S. tax consequences and does not address the taxation of any purchaser that is not a Non-U.S. Unitholder. Also, this summary does not deal with all tax aspects that might be relevant to any such purchaser in light of the purchaser's particular circumstances, nor does it deal with particular types of purchasers that may be subject to special treatment under the U.S. federal income tax laws, such as insurance companies, those acquiring securities through the exercise of stock options or otherwise as compensation, tax-exempt organizations (except as provided below), financial institutions or broker-dealers, persons purchasing our equity as part of a hedge, straddle or other risk reduction, or constructive sale or conversion transaction. Accordingly, this summary may not contain all of the information that may be pertinent to the Non-U.S. Unitholders.

We urge each Non-U.S. Unitholder, as a prospective investor, to consult such Non-U.S. Unitholder's own tax advisor regarding the specific tax consequences to you of a purchase of Units. These consequences include the federal, state, local, foreign and other tax consequences of such purchase, ownership, sale and election.

#### 9.1 U.S. Taxation of the US REIT

For any taxable year in which the US REIT qualifies as a "real estate investment trust" (a "**REIT**"), it generally will not be subject to U.S. federal income tax on that portion of its taxable income that is distributed to stockholders except certain income or gain with respect to "Foreclosure Property" (generally, property the US REIT acquires or re-enters as a result of a default by a borrower or tenant with respect to which it files an election with the Internal Revenue Service (the "**IRS**"), which will be taxed at the highest corporate rate – currently 21%). See "Certain Material U.S. Federal Income Tax Considerations—Requirements for Qualification as a REIT." If the US REIT were to fail to qualify as a REIT, it would be taxed at rates applicable to corporations on all of its income, whether or not distributed to its stockholders. Even if it qualifies as a REIT, the US REIT will be taxed at corporate rates on the portion of its taxable income that it does not distribute to the stockholders, such as taxable income retained as non-deductible reserves. See "Certain Material U.S. Federal Income Tax Considerations—Requirements for Qualification as a REIT—Income Tests" and "Certain Material U.S. Federal Income Tax Considerations — Requirements for Qualification as a REIT—Disposition of Properties."

In addition, regardless of distributions to stockholders, if the US REIT fails certain tests for qualification as a REIT or engages in "prohibited transactions" (generally, sales of certain property held by the US REIT for sale to customers in the ordinary course of its trade or business, other than Foreclosure Property) ("**Prohibited Transactions**"), it may retain its REIT status but be required to pay certain taxes. See "Certain Material U.S. Federal Income Tax Considerations—Requirements for Qualification as a REIT—Income Tests" and "Certain Material U.S. Federal Income Tax Considerations—Requirements for Qualification as a REIT—Disposition of Properties."

In addition to the tax on any undistributed income, the US REIT would generally also be subject to a 4% excise tax on the amount by which the sum of (1) 85% of its REIT ordinary income and (2) 95% of any net capital gain and (3) any undistributed taxable income from prior periods, exceeds the amount distributed by the US REIT to its stockholders during the calendar year or declared as a dividend during the calendar year and distributed during the following January. To satisfy this timing requirement, the US REIT may make its fourth quarter distribution within 31 days rather than 45 days after the close of the fourth calendar quarter and may declare such dividend before the end of the quarter in order to avoid imposition of the excise tax. Imposition of any tax on the US REIT (including excise taxes) would reduce the amount of cash available for distribution to stockholders.

#### 9.2 Requirements for Qualification as a REIT

To qualify as a REIT, the US REIT must elect to be taxed as a REIT and satisfy a variety of complex tests relating to its organization, structure, share ownership, assets, income and distributions, as well as record keeping requirements. Those tests are summarized below.

### *Organizational and Structural Requirements and Share Ownership Tests.*

To qualify for taxation as a REIT under the Code, the US REIT:

- (a) must be taxable as a U.S. domestic corporation (but for the special Code provisions applicable to REITs);
- (b) must be managed by one or more trustees or directors;
- (c) must have transferable shares;
- (d) cannot be a financial institution or an insurance company;
- (e) must have at least 100 stockholders for at least 335 days of each taxable year of 12 months (or proportionate part of any taxable year of less than 12 months);
- (f) must not be closely held; and
- (g) must meet certain other tests as described below, including with respect to the nature of its income and assets and the amount of its distributions.

### ***Asset Tests***

At the close of each calendar quarter of each taxable year, the US REIT must satisfy the asset tests set forth in the Code (the “**Asset Tests**”). At least 75% of the value of the US REIT’s total assets must consist of:

- (a) “real estate assets” including real property or interests in real property and interests in mortgages on real property, shares in other qualifying REITs, interests in real estate mortgage investment conduits (“**REMICs**”), certain options and “new capital investments,”
- (b) cash and cash items (including receivables arising in the ordinary course of the US REIT’s operations), and
- (c) government securities.

A new capital investment is a debt instrument or stock but only for the one-year period beginning on the date the US REIT receives such capital (a “**new capital investment**”).

Additionally, at the close of each calendar quarter, not more than 25% of the value of the US REIT’s total assets may consist of securities (other than those includible under the 75% test and other than those of a taxable REIT subsidiary (“**TRS**” - see discussion below)). Also, no more than 5% of the value of the US REIT’s assets may consist of the securities of any one issuer, other than those of a TRS, and the US REIT may not own more than 10% of the vote or value of the outstanding voting securities of any one issuer, other than a TRS. However, property owned through a “qualified REIT subsidiary” (i.e., a corporation that is wholly owned by the REIT) is treated as property owned directly by the REIT for federal income tax purposes. The US REIT’s ownership of the securities of one or more TRSs cannot exceed 20% of the value of the US REIT’s gross assets.

A TRS is a taxable C corporation that is owned, wholly or partially, by the REIT and jointly makes an election with the REIT to be treated as a TRS. As such, the TRS can engage in many activities that a REIT cannot and is not limited in the types of assets it may own or the type of income it can receive. The value of all TRSs owned by the REIT cannot exceed 20% of the value of its gross assets. Some of the US REIT’s activities may be conducted through TRS’s.

The US REIT must satisfy the Asset Tests at the end of each quarter. However, a mere change in the market value of the US REIT’s assets alone will not affect its status as a REIT. Additionally, if, as of the close of a calendar quarter, the US REIT fails to satisfy the Asset Tests, it will be treated as if it had satisfied the Asset Tests at the end of such quarter if it satisfies the Asset Tests within 30 days after the close of such quarter.

## *Income Tests*

To qualify and maintain its status as a REIT, the US REIT must satisfy two distinct income-based tests with respect to the sources of its income for each taxable year: the “75% Income Test” and the “95% Income Test.”

The 75% Income Test requires that at least 75% of the US REIT’s gross income (excluding gross income from (i) Prohibited Transactions, i.e., generally, sales of certain property held primarily for sale to customers in the ordinary course of business, (ii) discharge of indebtedness and (iii) certain hedging and foreign currency transactions) be derived from:

- (a) “rents from real property”;
- (b) interest on obligations secured by mortgages on real property or on interests in real property (other than interest based in whole or in part on income or profits unless such interest is based on gross sales or receipts), and income derived from the ownership of interests in a REMIC;
- (c) gain from the sale or other disposition of real property which is not held for sale in the ordinary course of business;
- (d) gain from the sale or other disposition of real property or REIT shares that satisfies the safe harbor for Prohibited Transactions;
- (e) dividends or other distributions on shares in other REITs and gain from the sale of shares of other REITs;
- (f) abatements and refunds of taxes on real property;
- (g) income and gain from the sale or other disposition of Foreclosure Property;
- (h) amounts (other than amounts the determination of which depend, in whole or in part, on the income or profits of any person or entity) received or accrued as consideration for entering into agreements to make loans secured by mortgages on real property (e.g., commitment fees) or to purchase or lease real property (including interests in mortgages on real property); and
- (i) qualified temporary investment income, e.g., income from “new capital investments” (as defined above).

Rents received by the US REIT for properties will qualify as “rents from real property” for purposes of the 75% Income Test if the following requirements are satisfied:

- (a) generally, the amount of rent received must not be based on the income or profits of a tenant but may be based on a fixed percentage of a tenant’s gross receipts or sales;
- (b) the US REIT may not own, directly or indirectly, a 10% or greater interest in a tenant;
- (c) the US REIT does not furnish or render non-customary or “personal” services to the tenants of such property, other than through an independent contractor from whom it does not derive income or through a TRS. The independent contractor performing services for tenants may not own more than 35% of the US REIT’s shares nor can more than 35% of the independent contractor be owned by any person owning 35% or more of the US REIT’s shares; and
- (d) if rent attributable to personal property leased in connection with a lease of real property exceeds 15% of the total rent received under the lease, the amount attributable to personal property is not treated as rents from real property. For this purpose, rent is attributable to real and personal property in proportion to the fair market values of such properties.

If the US REIT acquires ownership of property by reason of the default of a borrower on a loan or possession of property by reason of tenant default, the US REIT may elect to treat the property as Foreclosure Property and income

that otherwise would not qualify as rents from real property (e.g., income from the ownership and operation of a hotel) will be treated as such, for purposes of the 75% Income Test and the 95% Income Test for three years, or if extended for good cause, up to a total of six years. The US REIT will be subject to corporate tax on that portion of its net income from Foreclosure Property that does not otherwise qualify under the 75% Income Test.

In addition to deriving 75% of its gross income from the sources described above, the 95% Income Test requires that at least an additional 20% of the US REIT's gross income (excluding income from Prohibited Transactions) must be derived from those items described in the 75% Income Test, as well as dividends or interest from any source, and gains from the sale or other disposition of stock and securities.

If the US REIT fails to satisfy either the 75% Income Test or 95% Income Test during a taxable year, it will be subject to tax on the greater of the amount by which it fails either the 75% Income Test or the 95% Income Test multiplied by a fraction reflecting the average profitability of the REIT. However, it still may qualify as a REIT in such year if (1) it furnishes a description of each item of its gross income in a schedule filed with the IRS; and (2) the failure to meet such tests is due to reasonable cause and not to willful neglect.

For purposes of the foregoing income tests, if the US REIT invests as a partner in a partnership, it will take into account its proportionate share of the partnership's income items and such income items will retain the same character (e.g., rent, gain from "dealer property") they had at the partnership level. Except for amounts received with respect to certain investments of cash reserves, the US REIT anticipates that substantially all of its gross income will be derived from:

- (a) rents from its properties,
- (b) income from mortgage-backed securities,
- (c) income from "new capital investments" (as defined above), and
- (d) gains from the disposition of properties held for two years or more.

Although the US REIT expects to continue to satisfy the 75% Income Test and 95% Income Test, the US REIT cannot assure potential investors that it will in fact satisfy such tests in the future.

**Distribution Requirements.** To maintain its status as a REIT, the US REIT must satisfy the "90% Distribution Test." To be treated as a REIT, the US REIT is required to distribute dividends (other than capital gain dividends) to its stockholders in an amount at least equal to:

- (a) the sum of:
  - (i) 90% of the US REIT's "REIT taxable income" (computed without regard to the dividends paid deduction, the US REIT's net capital gain or net foreclosure income), and
  - (ii) 90% of the net income, if any, from Foreclosure Property in excess of the special tax on income from Foreclosure Property,
- (b) minus the sum of certain items of noncash income.

The 90% Distribution Test is based on the US REIT's taxable income rather than its available cash. As a result, while the US REIT expects to continue to meet this requirement, its ability to make the required distributions may be impaired if it has insufficient cash flow or otherwise has excessive non-deductible expenditures. Furthermore, if after the close of a taxable year, the IRS successfully adjusts the income of the US REIT (e.g., challenges a deduction taken by the US REIT), the 90% Distribution Test may be determined not to have been satisfied in such a year. In such event, the US REIT may be able to rectify a failure to meet the distribution requirement by paying a "deficiency dividend" to stockholders in a later year, which may be included in the US REIT's deduction for dividends paid for the earlier year. However, the US REIT will be required to pay interest based on the amount of any deductions taken for deficiency dividends.

For purposes of the 90% Distribution Test, dividends include not only dividends paid during the taxable year but, if a timely election is made, also dividends that are declared before the due date of the US REIT's tax return for the taxable year (including extensions) and are paid within 12 months of the end of such taxable year and no later than the US REIT's next regular dividend payment. However, see "Certain Material U.S. Federal Income Tax Considerations – U.S. Taxation of the US REIT" for a discussion of an excise tax provision that could require the US REIT to distribute its fourth quarter dividend in each year on or before January 31 of the following year.

#### ***Termination of REIT Status.***

If the US REIT fails to qualify for taxation as a REIT for any taxable year, and certain relief provisions do not apply, the US REIT will be subject to tax on its taxable income at regular corporate rates. Distributions to stockholders in any year in which the US REIT fails to qualify will not be deductible by the US REIT. In such event, to the extent of current and accumulated earnings and profits, all distributions to corporate stockholders may be eligible for the dividends received deduction. Unless entitled to relief under specific statutory provisions, the US REIT will not be eligible to re-elect REIT status until the fifth taxable year following the year of disqualification. It is not possible to determine whether in all circumstances the US REIT would be entitled to such statutory relief.

If the US REIT were to re-elect to qualify as a REIT after its election terminated for any reason, in the tax year immediately prior to its re-election it would be required to include in its income any "net built-in gain" and pay corporate level income tax on such amount. Net built-in gain is the excess of aggregate gains (including income items) over aggregate losses that would have been realized had the US REIT sold all of its assets just prior to the election of REIT status. Alternatively, the US REIT could elect a five-year recognition period, such that any net built-in gain recognized during this period would be subject to tax at the REIT level.

#### ***Disposition of Properties.***

Gain or loss realized by the US REIT upon the disposition of any property acquired by the US REIT will be treated as capital gain or loss except to the extent:

- (a) of depreciation recapture, if any, with respect to any personal property sold,
- (b) in the year of sale, the US REIT realized a net loss on the sale of depreciable property which is real estate used in its trade or business,
- (c) the US REIT has net un-recaptured Code Section 1231 losses, or
- (d) the property sold is dealer property (as defined below).

If the US REIT disposes of real property in a Prohibited Transaction any gains recognized by the US REIT upon the disposition of the real property will be subject to a 100% tax on resulting net income except insofar as the US REIT satisfies certain statutory safe harbors, described below.

Under existing law, whether a property is held primarily for sale to customers in the ordinary course of business must be determined from all the facts and circumstances then surrounding the particular property and sale in question. The US REIT intends to hold all property for investment purposes and to make such occasional dispositions thereof as in the opinion of its board of directors are consistent with the US REIT's investment objectives and are in compliance with all the rules discussed above governing the qualification of the US REIT for REIT status. Accordingly, the US REIT does not anticipate that it will be treated as a "dealer" with respect to any of its assets. The US REIT cannot assure potential investors, however, that the IRS will not take a contrary position.

Additionally, the Code provides that sales that meet the following requirements will not be Prohibited Transactions even if the property sold was held primarily for sale to customers in the ordinary course of the REIT's trade or business:

- (a) the US REIT held the property for two or more years;
- (b) expenditures made by the US REIT during the prior two-year period which are includible in the basis of the property do not exceed 30% of the net sales price of the property;

- (c) either (A) during the US REIT's taxable year, the US REIT does not make more than seven sales of properties (other than Foreclosure Property) (for this purpose, a sale of more than one property to one buyer as part of a single transaction is treated as one sale); or (B) (I) the aggregate adjusted tax basis of properties (other than Foreclosure Property) sold during the taxable year does not exceed 10% of the aggregate basis of all the US REIT's assets as of the beginning of its tax year, or (II) the fair market value of property sold during the taxable year does not exceed 10% of the fair market value of all of the assets of the US REIT as of the beginning of the taxable year;
- (d) if the property sold, which consists of land or improvements, is not Foreclosure Property, the US REIT held the property for two or more years for production of rental income; and
- (e) if (c)(A) is not satisfied, substantially all of the marketing and development expenditures made with respect of the property were made through an independent contractor from whom the US REIT does not derive or receive any income.

See "Certain Material U.S. Federal Income Tax Considerations—Requirements for Qualification as a REIT— Income Tests." It should be noted that a TRS is not subject to the 100% tax on gains from "dealer" sales and the US REIT may transfer properties to a TRS for eventual sale.

### **9.3 U.S. Federal Income Taxation of the Non-U.S. Unitholders**

#### ***Non-U.S. Unitholder Defined***

For purposes of this summary, a "**Non-U.S. Unitholder**" means any Unitholder that is not: (i) a U.S. citizen, U.S. permanent resident (green card holder) or individual tax resident in the U.S.; (ii) a corporation or other entity taxable as a corporation that is either created or organized under the laws of the U.S. or a political subdivision thereof or that is for other reasons treated as if it were taxable as a corporation created or organized under the laws of the U.S.; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if a court within the U.S. is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of its substantial decisions.

#### ***FDAP Income Allocable to Non-U.S. Unitholders***

Non-U.S. persons, such as a non-resident alien individual and a non-U.S. corporation, are generally subject to U.S. federal income tax on fixed or determinable, annual or periodic income ("**FDAP**") received from U.S. sources, including U.S. source dividends and interest to the extent not effectively connected with the conduct of a U.S. trade or business. U.S. source FDAP income is generally subject to a 30% U.S. federal income tax applied to the gross amount (with no allowance for deductions) of FDAP income unless a lower rate applies to the gross amount of FDAP income under an applicable U.S. income tax treaty. FDAP income that is effectively connected with the conduct of a U.S. trade or business is considered effectively connected income ("**ECI**") and, if an income tax treaty with the U.S. exists and such income is attributable to a permanent establishment maintained by the non-U.S. person in the U.S., would generally be subject to U.S. tax at graduated federal income tax rates applicable to U.S. persons.

The U.S. federal tax on the gross amount of U.S. source FDAP payments to a non-U.S. person, such as a non-resident alien individual or non-U.S. corporation, is generally collected through withholding at the source of payment by a withholding agent. Withholding is generally required at a 30% rate, unless a lower rate applies under an applicable U.S. income tax treaty and certain documentation requirements are met. In general, to satisfy such documentation requirements, the non-U.S. beneficial owner of the U.S. source FDAP payment must provide a Form W-8 to the withholding agent to establish such beneficial owner's entitlement to a lower treaty withholding rate. The documentation requirements are generally designed to provide withholding agents with sufficient information to enable them to identify the beneficial owners of the income and to establish such beneficial owners' residence and entitlement to a treaty-reduced rate of withholding for U.S. federal income tax purposes. A withholding agent which has deducted and withheld U.S. federal income tax on FDAP income is required to file information Form 1042-S for each non-U.S. beneficial owner to whom a withholdable payment was made (or deemed made).

Generally, U.S. source FDAP income payments that are paid to a non-U.S. partnership are treated as being paid to the partners of the non-U.S. partnership provided that the non-U.S. partnership is treated as fiscally transparent under the laws of its jurisdiction of formation (i.e. it is treated as a pass-through entity) and such non-U.S. partnership provides sufficient documentation to the withholding agent that the partners in such non-U.S. partnership are the beneficial

owners of such income (i.e. not fiscally transparent under the laws of their jurisdiction of formation). Such partners would be eligible for a treaty-reduced rate of withholding for U.S. source FDAP income payments if the partner provides sufficient documentation to the withholding agent indicating that such partner is entitled to a treaty-reduced rate of withholding.

In certain circumstances, a non-U.S. partnership may elect to be treated as a corporation for U.S. federal income tax purposes under the U.S. entity classification rules, but is nevertheless still treated as being a fiscally transparent entity under the laws of its jurisdiction of formation. In such cases, U.S. source FDAP income paid to the non-U.S. partnership (treated as a corporation for U.S. federal income tax purposes) would be similarly treated as being paid to the partners of the non-U.S. partnership. Such partners would be eligible for a treaty-reduced rate of withholding for U.S. source FDAP income payments if the partner is the beneficial owner of such income (i.e. not fiscally transparent under the laws of its jurisdiction of formation) and such partner provides the required documentation establishing the beneficial owner's entitlement to a lower treaty withholding rate.

In certain circumstances, a non-U.S. trust that is an eligible entity may elect to be treated as a partnership for U.S. federal income tax purposes under the U.S. entity classification rules. In such cases, U.S. source FDAP income paid to the non-U.S. trust (treated as a partnership for U.S. federal income tax purposes) would be treated as being paid to the beneficiaries of the non-U.S. trust if the non-U.S. trust is not treated as the beneficial owner with respect to the U.S. source FDAP income. Moreover, such beneficiaries would be eligible for a treaty-reduced rate of withholding for U.S. source FDAP income payments if the beneficiary is the beneficial owner of such income (i.e. not fiscally transparent under the laws of its jurisdiction of formation) and such beneficiary provides the required documentation establishing the beneficial owner's entitlement to a lower treaty withholding rate.

The Partnership will elect to be treated as a corporation for U.S. federal income tax purposes under the U.S. entity classification rules. However, as discussed above, the Partnership will, nevertheless, still be treated as fiscally transparent under the laws of Canada. In addition, the Trust will elect to be treated as a partnership for U.S. federal income tax purposes under the U.S. entity classification rules. Under this structure, U.S. source FDAP income paid to the Partnership will be treated as paid directly to the Non-U.S. Unitholders because the Partnership is treated as a fiscally transparent entity in Canada and the Trust should not be treated as the beneficial owner of such U.S. source FDAP income. As a result, the Non-U.S. Unitholders will likely be treated as the beneficial owners of such U.S. source FDAP income paid to the Partnership (e.g. ordinary REIT dividends) provided that such Non-U.S. Unitholders are not themselves treated as fiscally transparent under the laws of their respective jurisdictions of formation.

### ***Ordinary REIT Dividends***

Distributions out of the US REIT's current or accumulated earnings and profits that are not attributable to gain from the sale or exchange by the US REIT of its U.S. real property interests (i.e. "ordinary REIT dividends" and not "capital gains dividends") are generally treated as U.S. source FDAP income and are subject to a 30% withholding tax at source with no allowance for deductions. The 30% withholding tax rate may be reduced if the beneficial owner is eligible for a reduction under the Canada/US Tax Treaty.

Based on the analysis above, an ordinary REIT dividend paid by the US REIT to the Partnership will be treated as being paid directly to the Non-U.S. Unitholders because the Partnership is treated as fiscally transparent under the laws of Canada, its jurisdiction of formation (notwithstanding that the Partnership has elected to be treated as a corporation for U.S. federal income tax purposes), and the Trust should not be treated as the beneficial owner of such U.S. source FDAP income; as a result, such Non-U.S. Unitholders are likely to be treated as the beneficial owners of the ordinary REIT dividends (which are U.S. source FDAP income) for purposes of the Canada/US Tax Treaty (provided that they are not themselves treated as fiscally transparent under the laws of their respective jurisdictions of formation). Accordingly, such Non-U.S. Unitholders may be eligible under the Canada/US Tax Treaty for a reduction of the applicable U.S. withholding tax on the payment of ordinary REIT dividends.

Assuming that a Non-U.S. Unitholder is eligible for benefits under the Canada/US Tax Treaty, the withholding rates that should generally apply to ordinary REIT dividends for certain Non-U.S. Unitholders should be as follows: (i) 15% for (a) an individual Non-U.S. Unitholder or (b) a TFSA or an RESP that has, as its beneficiary, an individual Non-U.S. Unitholder, in each case owning less than 10% of the stock of the US REIT provided that such Non-U.S. Unitholder provides the appropriate withholding tax documentation to the withholding agent, (ii) 30% for a corporate Non-U.S. Unitholder provided that the US REIT is not "diversified" as defined under the Canada/US Tax Treaty, and (iii) 0% for a Non-U.S. Unitholder that is an RRSP provided that such Non-U.S. Unitholder provides the appropriate withholding tax documentation to the withholding agent.



### ***Interest Payments***

Interest paid by either of the US REIT or the US LP to either of the Partnership or the Trust is generally treated as U.S. source FDAP income and is subject to a 30% withholding tax at source with no allowance for deductions. The 30% withholding tax rate may be reduced if the beneficial owner is eligible for a reduction under the Canada/US Tax Treaty.

As described above, interest paid by the US REIT or the US LP to the Partnership or the Trust will be treated as being paid directly to the Non-U.S. Unitholders. Accordingly, such Non-U.S. Unitholders may be eligible under the Canada/US Tax Treaty for a reduction of the applicable U.S. withholding tax on the payment of interest.

Assuming that a Non-U.S. Unitholder is eligible for benefits under the Canada/US Tax Treaty, the withholding rate that should generally apply to interest income for Non-U.S. Unitholders should be 0% provided that (i) such Non-U.S. Unitholder provides the appropriate withholding tax documentation to the withholding agent, (ii) the underlying loan is treated as legitimate debt for U.S. federal income tax purposes (iii) the applicable interest rate is consistent with the rate that would have been agreed upon by unrelated parties and (iv) certain other interest requirements are satisfied under the Canada/US Tax Treaty.

### ***Disposition of Units by Non-U.S. Unitholders***

Generally, Non-U.S. Unitholders will not be subject to U.S. federal income tax upon a disposition of the Preferred LP Units unless: (i) the Non-U.S. Unitholder is an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition and certain other conditions are met, or (ii) the gain is effectively connected with the conduct by the Non-U.S. Unitholder of a trade or business within the U.S. and attributable to a permanent establishment of the Non-U.S. Unitholder within the meaning of the Canada/US Tax Treaty.

Non-U.S. Unitholders should consult their own tax advisors on the U.S. federal income tax consequences of the disposition of the Preferred LP Units.

### ***U.S. Federal Income Taxation of the Partnership***

The Partnership is an eligible entity that has elected to be classified as a corporation for U.S. federal income tax purposes, effective as of the date of its formation. Consequently, the Partnership is considered a “foreign corporation” for U.S. federal income tax purposes.

Subject to the discussion below on the disposition of shares of the US REIT, capital gains dividends and distributions made by the US REIT in excess of both its earnings and profits and the adjusted tax basis of the Partnership in its US REIT shares, the Partnership is not expected to be treated as engaged in a U.S. trade or business (as discussed below).

A non-U.S. person’s gain from the disposition of a United States Real Property Interest (“**USRPI**”) is generally subject to U.S. federal income tax, withholding and filing requirements and is not exempt under the Canada/US Tax Treaty. A USRPI generally includes shares in corporations organized in the U.S., such as the US REIT, the fair market value of whose interests in real property located in the U.S., at any time in a five year testing period, equals or exceeds 50% of the fair market value of the sum of its interests in real property located in the U.S., its interests in real property located outside the U.S. and its other assets used or held for use in a trade or business. Such gain on the disposition of a USRPI recognized by a non-U.S. person, such as a non-resident alien or non-U.S. corporation, is treated as ECI and the taxable amount is subject to U.S. federal income tax at graduated rates (“**FIRPTA Tax**”).

Distributions made by the US REIT to a non-U.S. person, such as a non-resident alien or non-U.S. corporation, that are attributable to the sale or exchange of USRPIs by the US REIT (i.e. capital gains dividends) and distributions made by the US REIT in excess of both its earnings and profits and the adjusted tax basis in the US REIT shares held by such non-U.S. person may also be subject to FIRPTA Tax.

Transactions that give rise to gains that may be subject to FIRPTA Tax may also be subject to US federal income tax withholding on the part of the US REIT or the purchaser, as the case may be (“**Section 1445 Withholdings**”). Section 1445 Withholdings are required at a rate of 21% on distributions made by the US REIT attributable to the gains from the sale or exchange of USRPIs by the US REIT (i.e. capital gains dividends) and the portion of a distribution in excess of the US REIT’s earnings and profits and the adjusted tax basis in the shares of the US REIT held by the

Partnership. Section 1445 Withholdings are also required at a rate of 15% of the amount of gain realized on the sale or exchange of the shares of the US REIT by the Partnership to the extent that such gain is allocable to a non-U.S. partner of the Partnership. Subject to the discussion below on withholding certificates, the Partnership will generally be subject to Section 1445 Withholdings on its allocable share of US REIT capital gains dividends, US REIT distributions in excess of US REIT's earnings and profits and the adjusted tax basis in the US REIT shares held by the Partnership, and its share of the gain realized on the sale or exchange of the shares of US REIT.

The Section 1445 Withholdings may be reduced or eliminated (in certain circumstances) if an application for a withholding certificate is timely filed with the IRS requesting a reduction in withholding and a withholding certificate is received from the IRS. A withholding certificate might be issued by the IRS if the Partnership establishes that the actual tax on a particular transaction giving rise to FIRPTA Tax is expected to be less than the required withholding because, for example, the Partnership suffers a loss on the sale. However, no assurance can be given that the IRS will approve a withholding certificate application. The Partnership will be subject to U.S. federal income taxation (i.e. FIRPTA Tax) on its allocable share of gain from the disposition of the shares of the US REIT, its allocable share of the US REIT capital gains dividends and/or its allocable share of distributions made by the US REIT in excess of both its earnings and profits and the adjusted tax basis in the US REIT shares held by the Partnership.

The Partnership will be required to file a U.S. federal income tax return (i.e. Form 1120-F for non-U.S. corporations) for the year in which it receives its allocable share of gain/loss from the disposition of shares of the US REIT, its allocable share of the US REIT capital gains dividends and/or its allocable share of distributions made by the US REIT in excess of both its earnings and profits and the adjusted tax basis in the shares of the US REIT held by the Partnership to which the FIRPTA Tax applies and may claim the Section 1445 Withholdings withheld, if any, as a credit against the Partnership's final U.S. federal income tax liability for the year by showing proof of withholding.

In addition, the Partnership may also be subject to U.S. branch profits tax (paid with its U.S. federal income tax return) on its allocable share of income subject to FIRPTA Tax (other than income attributable to the sale of shares of the US REIT and other than from a distribution by US REIT in excess of its earnings and profits and adjusted tax basis in the shares of the US REIT shares). U.S. branch profits tax is imposed in addition to regular U.S. federal income tax at the rate of 30% on a calculated profits amount. To the extent that the Non-U.S. Unitholders are eligible for Canada/US Tax Treaty benefits, should the U.S. branch profits tax be applicable, it may be possible to take the position that the branch profits tax rate should be reduced to 5% of the profits subject to the branch profits tax in excess of a C\$500,000 cumulative exemption. If applicable, the Partnership intends to take the position that the reduced branch profits tax rate of 5% applies to any profits subject to the branch profits tax. However, no assurances may be given that the IRS will not challenge this position and assert that a higher branch profits tax rate should apply.

The Partnership's allocable share of ordinary REIT dividends beneficially owned by Non-U.S. Unitholders will not be subject to U.S. federal income tax at the Partnership level. Instead, such income will be subject to U.S. withholding tax as it is deemed to be paid to the Non-U.S. Unitholders (see discussion above).

### ***U.S. Federal Income Taxation of the Trust***

The Trust should constitute an eligible entity that has elected to be classified as a partnership for U.S. federal income tax purposes, effective as of the date of its formation. Consequently, the Trust is considered a "foreign partnership" for U.S. federal income tax purposes.

The Trust's allocable share of ordinary REIT dividends beneficially owned by Non-U.S. Unitholders will not be subject to U.S. federal income tax at the Trust level. Instead, such income will be subject to U.S. withholding tax as it is deemed to be paid to the Non-U.S. Unitholders (see discussion above).

### ***Foreign Account Tax Compliance Act.***

The Foreign Account Tax Compliance Act ("FATCA") and Treasury Regulations generally require a "foreign financial institution" ("FFI"), the broad definition of which would include an investment fund established outside of the U.S., to undertake certain due diligence, reporting, withholding and certification obligations with respect to its direct investors. Failure to comply with FATCA could subject an FFI or its account holders to certain sanctions including a 30% U.S. withholding tax on certain payments.

## ITEM 10 COMPENSATION PAID TO SELLERS AND FINDERS

The Trust may engage selling agents including authorized investment dealers (i.e. CIRO dealers) or exempt market dealers. The Trust may pay a Sales Fee to such authorized dealers, which is a percentage of the gross proceeds raised from the sale of Units by such authorized dealers, as set out in the table below.

An authorized dealer that distributes Series A Units, Series B Units and Series C Units may also receive a trailing commission per annum of the net asset value of such Units as set out in the table below. This trailing commission will be paid to the authorized dealer for as long as the Unitholder holds such Series A Units, Series B Units and Series C Units with that authorized dealer. Payments are calculated based on the net asset value of such Units and paid quarterly. The trailing commissions payable in relation to such Units will be paid by the Trust and will reduce the distributions paid to investors holding such Units and/or the net asset value of such Units. The Trust may at any time, at its discretion, change the terms and conditions of, or discontinue the payment of, the trailing commission in relation to such Units.

The maximum Sales Fees and trailing commissions payable in relation to the Units are as follows:

	<b>Series A Unit (CIRO dealer)</b>	<b>Series B Unit (Exempt market dealer)</b>	<b>Series C Unit (Exempt market dealer)</b>	<b>Series F Unit (CIRO dealer)</b>
<b>Sales Fees</b>	3%	5%	5%	Nil <sup>(1)</sup>
<b>Trailing Commission</b>	1%	1%	1%	Nil <sup>(1)</sup>

(1) No Sales Fee or trailing commissions are paid in respect of the Series F Units.

Assuming an offering of Series B Units or Series C Units only, for aggregate proceeds of \$50,000,000 and that the maximum Sales Fee of 5% is paid in respect of all Series B Units or Series C Units, as applicable, subscribed for, the total amount of the Sales Fees would equal \$2,500,000. If the Units offered are Series F Units, the amount of Sales Fees will be lower.

The Sales Fee and trailing commissions shall be determined by the Trust in its sole discretion.

## **ITEM 11**

### **RISK FACTORS**

The purchase of Units hereunder involves a number of risk factors. The risks described below are not the only risks involved with an investment in Units. If any of the following risks occur, or if others occur, the Trust's business, operating results and financial condition could be seriously harmed and purchasers of Units may lose all of their investment. Risks affecting the Trust will affect its ability to make distributions on the Units. In addition to the risk factors set forth elsewhere in this Offering Memorandum, prospective purchasers should consider the following risks associated with a purchase of the Units:

#### **11.1 Investment Risk**

*No Guarantee of Successful Deployment of Net Proceeds* — Although the Trust expects that the available net proceeds of the Offering will be applied in the acquisition of the Properties, there is no guarantee that such acquisitions will be completed nor that the available net proceeds will be used for such purposes.

*No Market for Units* — There currently is no market whatsoever for the Units and it is expected that there will be no market for the Units. Consequently, holders of Units may not be able to sell them readily, and Units may not be readily accepted as collateral for a loan. Purchasers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

*Return not Guaranteed* — There is no guarantee that an investment in the Units will earn any positive return in the short- or long-term. The return on an investment in the Units is not comparable to the return on an investment in a fixed-income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and their recovery by an investor is at risk and the anticipated return on investment is based upon many performance assumptions.

*Reliance on Assumptions* — The Trust's business plan and investment strategy have been formulated based on the Trust's analysis and expectations regarding revenue-producing real estate properties predominantly located in the United States and Canada. Such analysis may be incorrect and such expectations may not be realized.

*No Maximum Time for Investment of Net Proceeds* — There is no maximum time period for the full investment of the net proceeds of the Offering in the Properties and the timing of such investment will depend upon a variety of factors. There is also risk that the Trust may not invest all proceeds of the Offering, directly or indirectly, in the Properties.

*Liability of Unitholders* — There is a risk that a Unitholder could be held personally liable for obligations in connection with the Trust (to the extent that claims are not satisfied by the Trust). The Trust Declaration provides that no Unitholder shall be held to have any personal liability as such for satisfaction of any obligation in respect of or claim arising out of or in connection with any contract or obligation of the Trust (to the extent that claims are not satisfied by the Trust). In any event, the Trust Declaration requires the Trust to ensure that any written contract or commitment of the Trust includes an express limitation of liability except where not reasonably possible.

*Series Risk* — Since the Trust has multiple series of Units, each series will be charged expenses that are specifically attributable to such series. The Trust will generally allocate all other expenses of the Trust among the series in such manner as is appropriate and equitable. However, if the Trust can not pay the expenses of one series using its proportionate share of the Trust's assets, the Trust may be required to pay those expenses out of the other series' proportionate share of the Trust's assets which could lower the investment returns of the other series.

*No Regulatory Review* — This Offering Memorandum constitutes an offering of the Units described herein only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale and is not, and under no circumstances is to be construed as a public offering, prospectus or an advertisement of securities. Subscribers will not have the benefit of a review of the Offering Memorandum or other material by any regulatory authority.

#### *Risks Associated with Redemptions*

- (a) *Use of 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 any cash distributions.

- (b) *Payment of Redemption Price in Kind* — The redemption of Units may be paid by way of a Redemption Note. Redemption Notes received as a result of redemptions of Units may not be liquid. Further, they generally will not be qualified investments for Registered Plans and may be prohibited investments for Registered Plans.

*Liquidity Risk* — The Units are not listed on an exchange. There is currently no secondary market through which the Units may be sold, there can be no assurance that any such market will develop and the Trust does not have current plans to develop such a market. Accordingly, the sole method of liquidation of an investment in Units is by way of redemption pursuant to the Trust Declaration, subject to the limitations discussed in Item 5.1.3 “Redemptions of Units of the Trust”.

*Taxation Risk* — There can be no assurance that the CRA will agree with the tax treatment adopted by the Trust in filing its tax return. The CRA could reassess the Trust on a basis that results in tax being payable by the Trust or in an increase in the taxable component of distributions considered to have been paid to Unitholders.

*Risk Factors Relating to the Trust’s Canadian Tax Status* — The Trust intends to qualify as a “mutual fund trust” under the Tax Act at all relevant times. If the Trust does not meet the requisite conditions or otherwise does not qualify or ceases to qualify as a “mutual fund trust” under the Tax Act, adverse consequences may arise including that the Trust: (i) would not be eligible for the capital gains refund under the Tax Act, (ii) may become liable for alternative minimum tax under the Tax Act, (iii) may be subject to a special tax under Part XII.2 of the Tax Act, and (iv) may be subject to the mark-to-market rules applicable to financial institutions under the Tax Act. In addition, if the Trust ceases to qualify as a mutual fund trust, the Units will not be qualified investments for Registered Plans (with the result that adverse tax consequences will generally arise to the Registered Plan and the annuitant, beneficiary or holder of the Registered Plan, including, depending on the circumstances, that the Registered Plan and the annuitant, beneficiary or holder may become subject to additional taxes and penalties, that the annuitant, beneficiary or holder of the Registered Plan may be deemed to have received income therefrom, and that the Registered Plan may have its tax status revoked).

*EIFEL Rules Risk* — Generally, under the EIFEL rules under the Tax Act, the deductible amount of “interest and financing expenses” (“IFE”) for certain corporations and trusts (and their controlled foreign affiliates for the purposes of computing foreign accrual property income) may be restricted. IFE include, among other things, certain amounts that are economically equivalent to interest or that can reasonably be considered part of the cost of funding and various expenses incurred in obtaining financing. If the EIFEL rules restrict the deductibility of the Trust’s IFE (or the US REIT’s IFE in computing its foreign accrual property income), the net income of the Trust for tax purposes and the taxable component of distributions to its unitholders could increase.

*Foreign Currency Risk* — For purposes of the Tax Act, Unitholders are generally required to compute their Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer’s Canadian tax results is expressed in a currency other than Canadian currency (including the issue price for a Unit), such amount must be converted to Canadian currency using the applicable rate of exchange quoted by the Bank of Canada on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, Unitholders may realize gains or losses for tax purposes by virtue of fluctuations in the value of a foreign currency (in particular the U.S. dollar) relative to the Canadian dollar.

*Other Canadian Tax and Foreign Tax Related Risk Factors* — The tax treatment of investment activities of the Trust have a material effect on the advisability of an investment in the Units. The rules governing the Canadian federal income taxation of Unitholders are complex. The summary in Item 8 “Canadian Income Tax Consequences and RRSP Eligibility” does not address or consider all aspects of Canadian income tax of an investment in the Trust. Prospective investors should consult their own professional advisors as to the tax consequences to them of making an investment in, and of holding, Units offered herein.

*Risk Factors Relating to Non-Residents* — The Tax Act may impose withholding or other taxes on distributions made by the Trust to Unitholders who are Non-Residents. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. In addition, this Offering Memorandum does not describe the tax consequences under the Tax Act to Non-Residents, which may be more adverse than the consequences to other Unitholders. Prospective purchasers who are Non-Residents should consult their own tax advisors.

*Currency Exchange Rate Risk* — The Canadian dollar is not maintained at a fixed exchange rate compared to foreign currencies but rather the value of the Canadian dollar has a floating exchange rate in relation to other currencies. In addition, the Series C Units offered in Canadian dollars do not eliminate foreign currency risk between U.S. dollar and Canadian dollar. The net asset value of the Trust and the series net asset value per Unit are calculated based on U.S. dollars. Any subscriptions, distributions and redemption proceeds in Canadian dollar are determined using the U.S. dollar equivalent, calculated using the Bank of Canada daily rate on the Exchange Rate Date. Consequently, any distribution proceeds or ultimate gain or loss on sale of Series C Units earned or incurred in Canadian dollars will be subject to fluctuations in the Canada/U.S. dollar exchange rate. The value of an investment in Series C Units and the return on the original investment, when expressed in Canadian dollars, may be greater or less than that determined only with reference to U.S. dollars. Accordingly, investors are subject to currency exchange rate risk.

*Calculation of Net Asset Value of the Trust* — The calculation of net asset value of the Trust is done in accordance with the Trust Declaration. The policy used to calculate net asset value of the Trust is based on generally accepted methodologies, best practice and advice from independent third-party appraiser, which the Trustees believe represents the fair market value of the Trust's investments at any particular time of determination. However, the methodologies used to calculate the net asset value of the Trust are impacted by a number of different factors, including IFRS and accounting principles, carrying value and assumptions that may turn out to be incorrect or inappropriate, all of which may result in discrepancies between the calculated fair market value of the Trust's investments and the actual value of such investments. Additionally, the methodology used to calculate net asset value of the Trust may differ from those used by other companies and may not be comparable to values reported by other companies. Furthermore, the net asset value of the Trust is not audited and may contain errors. To the extent that the value of the Trust's investments determined differs from the actual value, the net asset value of the Trust may be understated or overstated, as the case may be. Understatements and overstatements of the net asset value of the Trust may be in favor or to the detriment of old, existing, and new Unitholders depending on the circumstances and may result in discrepancies between the Transaction Price payable and the actual value of the Trust's investments at any given time as well as potential negative consequences as a result of tax issues. If there are any errors in the calculation of net asset value of the Trust, the Trustees may, in their discretion, take any actions that the Trustees determine are necessary to rectify the error, including with respect to any prior distributions or redemptions.

## **11.2 Issuer Risk**

*Short Operating History* — The Trust is in the early stages of its business and is therefore subject to the risks associated with early stage entities including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, and the evolving and unpredictable nature of its business. There can be no assurance that the Trust will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Trust's business activities will be successful. Total loss of an investment in Units is possible.

*Reliance on Key Personnel* — Prospective purchasers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the Trust and its principals in determining the composition of the portfolio of Properties, and in negotiating the pricing and other terms of the agreements leading to the acquisition of the Properties.

*Reliance on Management* — All decisions with respect to the Trust and its relationships with Affiliates are expected to be made exclusively by the Trustees. The Trustees have delegated certain aspects of that authority to Canada Admin pursuant to the Canada Administration Services Agreement. Unitholders will have no right to make any decisions with respect to the Trust's business and affairs. No prospective Unitholders should purchase Units unless such prospective Unitholder is willing to entrust management of the Trust to the Trustees and Canada Admin.

*Inability to Remove or Affect Management* — Although the Trustees and the Unitholders has a right to remove Canada Admin pursuant to the Trust Declaration, there is no guarantee that the Unitholders will be able to meet the voting thresholds necessary to do so. Furthermore, the Unitholders do not have a right to appoint new Trustees or to prevent a change of control of the Canada Admin. As a result, unlike shareholders of most corporations, the Unitholders do not possess a general mechanism to influence the direction of the Trust, or to cause a change in its management, even if Unitholders are unsatisfied with the performance of the Trust.

*Unitholders have Limited Rights* — The Unitholders are not shareholders and do not enjoy the same voting, dissent and other rights afforded to shareholders under corporate statutes. Instead, the right so Unitholders are generally limited to those specifically set forth in the Trust Declaration. For example, under the Trust Declaration, the Unitholders generally have rights to attend and vote at meetings of the Unitholders. However, the Trust is not required

to hold annual meetings of the Unitholders. Further, the Unitholders have no right to remove the Trustees or to terminate the Trust Declaration, or to appoint the Trust's accountant.

*Nature of the Units* — The Units do not represent a direct investment in the Partnership or any Property and should not be viewed by the Unitholders as a direct interest in the Partnership or any Property. The Units are not debt instruments and there is no principal amount owing to the Unitholders under the Units. The Trust is not generally regulated by established corporate law and the Unitholders' rights are governed primarily by the specific provisions of the Trust Declaration. As holders of Units, the Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to seek recourse under the oppression remedy or to bring a derivative action. Further, in the event of insolvency or restructuring under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), a Unitholder's position may be quite different than that of a shareholder of a corporation.

*Conflicts and Potential Conflicts of Interest* — The Trustees may also hold similar positions in other entities. Accordingly, there may be conflicts of interest if the interests of these persons or entities are inconsistent. The Trust Declaration contains various provisions that modify the fiduciary duties that might otherwise be owed to the Trust and the Unitholders, including when conflicts of interest arise. When resolving conflicts of interest, the Trust Declaration does not impose any limitations on the discretion of the Trustees or the factors which it may consider in resolving any such conflicts. The Trust Declaration also allows the Trustees, the Canada Admin, its affiliates, associates and respective directors and officers to engage in and continue in other business ventures, investments and activities in which the Trust will not have an interest and which may be competitive with the activities of the Trust. Modifications to the fiduciary duties of the Trustees in the Trust Declaration are detrimental to Unitholders because they restrict the remedies available for actions that might otherwise constitute a breach of fiduciary duty.

*Conflicts of Interest in Organizational Structure* — The Trust's organizational and ownership structure and strategy involve a number of relationships that may give rise to conflicts of interest between Unitholders, on the one hand, and the Partnership, on the other hand. The General Partner has not agreed to commit to the Partnership any minimum level of dedicated resources for the pursuit of investment opportunities. In certain instances, the interests of the Partnership may differ from the interests of the Unitholders, including with respect to the types of acquisition opportunities pursued, the timing and amount of distributions by the Partnership, the reinvestment of returns generated by the Partnership's investments, the use of leverage when making acquisitions and the appointment of outside advisors and service providers. The Trustees have sole authority to determine whether the Trust will make distributions to Unitholders and the amount and timing of such distributions. The Trust's arrangements with the Partnership may create an incentive for the Partnership to take actions which would have the effect of increasing or decreasing distributions, which may be to the detriment of the Trust and the Unitholders.

*Lack of Independent Experts Representing Unitholders* — The Unitholders have not been independently represented by legal counsel. Therefore, to the extent that the Trust, the Unitholders or this Offering could benefit by further independent review, such benefit will not be available. Each prospective Unitholder should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Units and the suitability of investing in the Trust.

*Past Performance not a Predictor of Future Results* — The track record of senior management does not imply or predict (directly or indirectly) any level of future performance of the Trust. Management's performance and the performance of the Trust 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.

*Availability of Cash for Distributions* — There can be no assurance that the Trust will be able to achieve its distribution targets or that the Trust will make any distributions in any particular quarter.

*Potential Inability to Fund Investments* — The Trust may commit to making future investments in anticipation of repayment of principal outstanding and/or the payment of interest under existing investments and/or reliance on its credit facilities. In the event that such repayments are not made, or where credit facilities are not available, the Trust may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may be required to obtain interim financing and to fund such commitments or face liability in connection with its failure to make such advances.

*Future Property Acquisitions* — While the Trust has identified certain target Properties for acquisition, there can be no assurance that such properties will be acquired. Moreover, there can be no assurance that the Trust will be able to acquire the Properties at the rates and under the terms that the Trust is targeting.

*Indemnification* — The Trustees, each former Trustee and each officer of the Trust and each former officer of the Trust is entitled to indemnification and reimbursement out of the assets of the Trust, except under certain circumstances. Such indemnification obligations could decrease the returns which would otherwise be available to Unitholders.

*Litigation Risk* — The Trust may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavourable resolution of any legal proceedings could have an adverse effect on the Trust and its financial position and results of operations that could be material.

*Leverage of the Trust* — The Trust may borrow or incur indebtedness for any purpose, including for the purposes of acquiring Properties. 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 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 Properties, the interest expense and banking fees incurred in respect of any such loans may exceed the incremental capital gains and tax benefits generated by such investments. There can be no assurance that any borrowing strategy employed by the Trust will enhance returns.

*Dilution* — The number of Units that the Trust is authorized to issue is unlimited and the Trustees have the discretion to issue additional Units. Any issuance of additional Units may have a dilutive effect on Unitholders. The Partnership may also issue additional Partnership Units, including Preferred LP Units, in the future. The authorized number of Partnership Units is unlimited. Such additional securities may be issued without the approval of Unitholders, and may be issued in such number and for such price as is determined in the sole discretion of the General Partner. The Unitholders have no pre-emptive rights in connection with such additional issuances. It is not possible to predict the effect, if any, that future issuances of securities will have on the fair market value of the Units. With any additional issuance of Partnership Units by the Partnership, the Unitholders may experience dilution.

### **11.3 Industry Risk**

*Risks of Real Estate Investment and Ownership* — Investment in real estate is subject to numerous risks, including the factors listed below and other events and factors which are beyond the control of the Trust:

- (a) *Acquisition Risk* — The Trust intends, indirectly, to acquire Properties selectively. The acquisition of Properties entails risks that investments will fail to perform in accordance with expectations. In undertaking such acquisitions, the Trust will incur certain risks, including the expenditure of funds on, and the devotion of management's time to, transactions that may not come to fruition. Additional risks inherent in acquisitions include risks that the Properties will not achieve anticipated returns and that estimates of the costs to acquire such Properties may prove inaccurate.
- (b) *General Real Estate Ownership Risks* — All real property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions, local real estate markets, demand for leased premises, competition from other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. Distributable cash flow will be adversely affected if a significant number of tenants of the Properties were to become unable to meet their obligations under their leases or if a significant amount of available space in the Properties is not able to be leased on economically favourable lease terms. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Trust's financial condition. Certain significant expenditures, including property taxes, maintenance costs, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a Property is producing any income. Real 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 Trust's ability to vary its portfolio promptly in response to changing economic or investment conditions. If for whatever reason, liquidation of assets is required, there is a risk that sales proceeds realized might be less than the current book value of the Trust's investments or that market conditions would prevent prompt disposition of assets.

- (c) *Financing Risks* — There is no assurance that the Trust will be able to obtain sufficient loans to finance the acquisition of Properties, or, if available, that the Trust will be able to obtain loans on commercially acceptable terms. Further, there is no assurance or guarantee that any loans, 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 financing, the number of Properties which the Trust, indirectly, is able to purchase will decrease and the possible return from the ownership of Properties will be reduced. Even if the Trust is successful in obtaining adequate loans, the Trust may not be able to generate sufficient funds through the operation of the Properties to service the loans. If a default occurs under any of the loans, one or more of the lenders could exercise its rights including, without limitation, foreclosure or sale of the Properties.
- (d) *Interest Rate Fluctuations* — The current economic environment, more specifically rising interest rates, continues to impact the real estate sector. It is anticipated that the value of the Units at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the value of the Units. Changes in the interest rates may also have effects on vacancy rates, rent levels, and other factors affecting the Trust's business and profitability. The loans arranged by the Property LPs may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Property LPs' cost of borrowing.
- (e) *Potential Liability under Environmental Protection Legislation* — Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the Property LPs could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the Properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect the Property LPs' ability to sell such Property or to borrow using the Property as collateral, and could potentially also result in claims against the Property LPs by private parties.
- (f) *Uninsured Losses* — In many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to any of the Properties, the Trust could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such Properties.
- (g) *Competition for Real Property Investments* — The Trust and its Affiliates will compete for suitable real property investments with individuals, corporations, real estate investment trusts and similar vehicles, and institutions (both U.S., Canadian and foreign) which are presently seeking or which may seek in the future real property investments similar to those sought by the Trust. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments.
- (h) *Leasing Risks and Revenue Shortfalls* — The Properties generate income through rental payments made by the tenants thereof. Upon the expiry of any lease, there can be no assurance that such lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favorable to the Trust than the existing lease. Further, revenues from the Properties may not increase sufficiently to meet increases in operating expenses or debt service payments under mortgages or to fund changes in the variable rates of interest charged in respect of such loans.
- (i) *Tenants* — The real estate business is competitive. Numerous other developers, managers and owners of other retail-shopping centers compete with the Trust in seeking tenants. The existence of competing developers, managers and owners for the Trust's tenants could have an adverse effect on the Trust's ability to lease space in its Properties and on the rents charged.

- (j) *Use and Dependence on Information Technology Systems* – The Trust’s business will depend on information technology systems and other technology, such as telecommunications networks and computer systems used for information storage, processing, administrative and commercial functions. The Trust will rely on this technology functioning as intended. There is a risk that information systems and technology may not continue to be able to accommodate the growth of the Trust, and the cost of maintaining such systems may increase from its predicted levels. A failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on the Trust.
- (k) *Data Security and Privacy Breaches* – The cybersecurity risks faced by businesses that use and depend on information technology system have increased in recent years due to the proliferation of cyber-threats that target computers, information systems, software, data and networks. Cyber-threats include, among other things, unauthorized attempts to access, disable, modify or degrade information systems and networks, telecommunication failures, shut-downs, the introduction of computer viruses / worms, and other malicious codes such as “ransomware”, and fraudulent “phishing” emails that seek to misappropriate data and information or install malware on users’ computers. The potential effects of cyber-threats or cyber-terrorism include the theft or loss of data, unauthorized access to, and disclosure of, confidential personal and business-related information, service disruption, remediation costs, increased cybersecurity costs, lost revenue, litigation and reputational harm, all of which could materially affect the Trust. The Canada Admin monitors security threats to its information technology systems and implements measures to manage these threats; however the risk cannot be fully mitigated due to the evolving nature of these threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats. Cyber incidents may also remain undetected for an extended period, which could exacerbate the consequences aforementioned.
- (l) *Development of Real Property* – The Trust may indirectly invest in real estate development projects. Any existing or future development investments of the Trust will entail certain risks, including the expenditure of funds on and devotion of management’s time to evaluating projects that may not come to fruition; the risk that development costs of a project may exceed original estimates, possibly making the project uneconomical; the risk of construction overrun or other unforeseeable delays, during which the interest rate and leasing risk may fluctuate; the risk that occupancy rates and rents at a completed project will be less than anticipated or that there will be vacant space at the project; the risk that expenses at a completed development will be higher than anticipated; and the risk that permits and other governmental approvals will not be obtained. The Trust may not have a right with respect to the management and control of the real property or the right to change the developer of the Property. Poor management, control or development of the Properties could also have an adverse effect on value of the Properties.
- (m) *Unpaid Obligations to Builders, Contractors and Tradespersons* — There may be unpaid obligations to builders, contractors and tradespersons associated with the Properties. These potential liabilities could have an adverse effect on the value of the Properties.
- (n) *Potential Liability with Litigation Relating to the Properties* – There may be potential liability from claims against the Property LPs by private parties in litigation relating to the Properties. Property LPs could become liable for damages associated with any potential litigation. This could potentially have an adverse effect on the Trust.
- (o) *Political Events* – Economic conditions in Canada and the United States may be affected, directly or indirectly, by political events throughout the world that cause disruptions in the financial markets, such as the imposition of trade tariffs and other barriers by the United States. Any such negative impacts could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Trust and the Properties.

**For all of the aforesaid reasons and others set forth and not set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of the Units should be aware of these and other factors set forth in this Offering Memorandum and should consult with their 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 total investment.**



## **ITEM 12**

### **REPORTING OBLIGATIONS**

Because the Trust is not a “reporting issuer” as defined in the applicable Canadian securities legislation, the continuous reporting requirements under such legislation do not generally apply to the Trust.

**The Trust is not required to send you any documents on an annual or ongoing basis.** The Trust will, however, provide to each Unitholder annual financial statements and all other information required to file Canadian income tax returns.

**ITEM 13**  
**RESALE RESTRICTIONS**

Unless permitted under securities legislation, Unitholders cannot trade their Units before the date that is four months and a day after the date the Trust became a reporting issuer in any province or territory of Canada. The Trust does not intend to become a reporting issuer at any time, with the result that the Unitholders may never be able to trade or re-sell their Units.

Unless permitted under securities legislation, you must not trade the Units without the prior written consent of the regulator in Manitoba unless: (a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the Units you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or (b) you have held the Units for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

A Unitholder is not entitled to transfer (whether by sale, assignment or otherwise) any of its Units except with the prior, written consent of the Trust. To validly transfer (whether by sale, assignment or otherwise) any Units, the Unitholder so transferring and the transferee will execute and deliver to the Trustees at the head office of the Trust or to the Transfer Agent a transfer form and acknowledgement confirming the transfer in which the transferee agrees, among other things, to be bound by the terms of the Trust Declaration, in the form acceptable to the Trustees. The Trustees are authorized to make such rules and regulations, in their discretion, may from time to time consider necessary or desirable in connection with the transfer (whether by sale, assignment or otherwise) of Units. If at any time a class of units of the Trust becomes listed or traded on any stock exchange or other public market, the Trustees may amend the Trust Declaration without the approval of Unitholders to cause such class of units to be freely trading.

## **ITEM 14**

### **PURCHASERS' RIGHTS**

#### **14.1 Statement Regarding Purchasers' Rights**

If you purchase securities, you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer. The following summaries of investors' legal rights are subject to the express provisions of the securities laws of the applicable province or territory in which they are resident and reference is made thereto for the complete text of such provisions. The rights of action described below are in addition to and without derogation from any right or remedy available at law to the investor and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

#### **14.2 Two Day Cancellation Right**

You can cancel your agreement to purchase securities. To do so, you must send a notice to the Trust by midnight on the second business day after you sign the Subscription Agreement.

#### **14.3 Rights of Action in the Event of a Misrepresentation**

For the purposes of the following summaries, "**misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact that is necessary in order to make a statement not misleading in light of the circumstances in which it was made.

#### **14.4 Statutory Rights of Action**

##### **14.4.1 British Columbia**

If an offering memorandum, together with any amendment to it, is delivered to a purchaser resident in British Columbia and contains a misrepresentation and it was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the misrepresentation and will have a right of action against the issuer, every director of the issuer and every person who signed the offering memorandum for damages or, alternatively, while still the owner of the purchased securities, for rescission against the issuer, provided that:

- (a) no action may be commenced to enforce a right of action:
  - (i) for rescission more than 180 days after the date of the purchase; or
  - (ii) for damages more than the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
- (b) no person or company will be liable if the person or company proves that the purchaser had knowledge of the misrepresentation;
- (c) no person or company (but excluding the issuer) will be liable if the person or company proves that
  - (i) the offering memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave written notice to the issuer that it was delivered without the person's or company's knowledge or consent, (ii) on becoming aware of any misrepresentation in the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum and gave written notice to the issuer of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

- (d) no person or company (but excluding the issuer) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;
- (e) in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation; and
- (f) in no case will the amount recoverable exceed the price at which the securities were sold to the purchaser.

#### **14.4.2 Alberta**

Section 204 of the *Securities Act* (Alberta) provides that if a person or company purchases securities offered by an offering memorandum, together with any amendment to it, and it contains a misrepresentation, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action against the issuer, every director of the issuer (if applicable) at the date of the memorandum and every person who signed the offering memorandum for damages or, alternatively, for rescission against the issuer, provided that:

- (a) no action may be commenced to enforce a right of action:
  - (i) for rescission, more than 180 days from the day on which the purchase was completed; or
  - (ii) for damages more than the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (B) three years from the date on which the purchase was completed;
- (b) no person or company will be liable if the person or company proves that the purchaser had knowledge of the misrepresentation;
- (c) no person or company (but excluding the issuer) will be liable if the person or company proves that
  - (i) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of it being sent, the person or company gave reasonable notice to the Executive Director of the Alberta Securities Commission and the issuer that it was sent without the person's or company's knowledge or consent, (ii) after the sending of the offering memorandum and before the purchase of the securities, on becoming aware of any misrepresentation in the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the Executive Director of the Alberta Securities Commission and the issuer of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a fair copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (d) no person or company (but excluding the issuer) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of expert if, after conducting a reasonable investigation, the person or company had no reasonable grounds to believe, and did not believe, that there was a misrepresentation;
- (e) in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation;

- (f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser; and
- (g) an issuer is not liable if it does not receive any proceeds from the distribution and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation (i) was based on information that was previously generally disclosed by the issuer, (ii) was a misrepresentation at the time of that disclosure, and (iii) was not subsequently publicly corrected or superseded by the issuer before the completion of the distribution.

#### 14.4.3 Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the “**Saskatchewan Act**”) provides that where an offering memorandum, or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation, a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

#### 14.4.4 Manitoba

Section 141.1 of the *Securities Act* (Manitoba) provides that if an offering memorandum, contains a misrepresentation a purchaser resident in Manitoba is deemed to have relied on the misrepresentation and has a right of action against the applicable issuer, every director of the issuer at the date of the memorandum and every person or company who signed the memorandum for damages, or alternatively, for rescission against the issuer, provided that:

- (a) no action may be commenced to enforce a right of action:
  - (i) for rescission, more than 180 days after the date of the purchase; or
  - (ii) for damages, more than the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (B) two years after the date of the purchase;
- (b) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) no person or company (excluding the issuer) will be liable if the person or company proves that (i) the memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent, (ii) on becoming aware of the misrepresentation, the person or company withdrew their respective consent to the memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it, or (iii) with respect to any part of the memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;
- (d) no person or company (excluding the issuer) will be liable with respect to any part of the memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;
- (e) in action for damages, a defendant will not be liable for any portion of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation; and
- (f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

#### 14.4.5 Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that where an offering memorandum, together with any amendment to it, delivered to a purchaser of securities resident in Ontario contains a misrepresentation and it was a misrepresentation at the time of purchase of securities by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such misrepresentation, a right of action against the issuer for damages or, while still the owner of securities of the issuer purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the issuer, provided that:

- (a) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
  - (i) in the case of an action for rescission, 180 days after the date of purchase; or

- (ii) in the case of an action for damages, the earlier of (A) 180 days after the date the purchaser first had knowledge of the misrepresentation, and (B) three years after the date of purchase;
- (b) the issuer will not be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the issuer will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (d) the issuer will not be liable for a misrepresentation in forward-looking information if the issuer proves:
  - (i) that the offering memorandum contains, proximate to that information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information;
  - (ii) the reasonable cautionary language and disclosure of material factors appear proximate to the forward-looking information; and
  - (iii) the issuer has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information; and
- (e) in no case will the amount recoverable in any action exceed the price at which the securities were offered.

The foregoing rights do not apply if the purchaser is:

- (a) a Canadian financial institution (as defined in NI 45-106) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

#### **14.4.6 New Brunswick**

Section 150(1) of the *Securities Act* (New Brunswick) provides that where an offering memorandum, is delivered to a purchaser resident in New Brunswick and contains a misrepresentation that was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied on the misrepresentation and will have a right of action against the issuer, every person who was a director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum for damages or, alternatively, while still the owner of the purchased securities, for rescission against the issuer, provided that:

- (a) no action may be commenced to enforce a right of action:
  - (i) for rescission, more than 180 days after the date of the purchase; or
  - (ii) for damages, more than the earlier of (A) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (B) six years after the date of the purchase;
- (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

- (c) in an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum;
- (e) no person will be liable for a misrepresentation in forward-looking information if the person proves that:
  - (i) the memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
  - (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
- (f) no person is liable (excluding the issuer) if the person proves:
  - (i) that the offering memorandum was delivered to purchasers without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge or consent;
  - (ii) that, on becoming aware of any misrepresentation in the offering memorandum, the person withdrew the person's consent to the offering memorandum and gave written notice to the issuer of the withdrawal and the reason for the withdrawal; or
  - (iii) that, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that there had been a misrepresentation or that the part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert; and
- (g) no person is liable (excluding the issuer) with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation.

#### **14.4.7 Nova Scotia**

Section 138 of the *Securities Act* (Nova Scotia) states that in the event that an offering memorandum, together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection with an offering memorandum, contains a misrepresentation, any investor in Nova Scotia who purchases securities offered thereunder shall be deemed to have relied on such misrepresentation, if it was a misrepresentation at the time of purchase, and shall have, subject as hereinafter provided, a right of action either for damages against the seller, every director of the seller at the date of the offering memorandum and every person who signed the offering memorandum, or alternatively for rescission, exercisable against the seller provided that:

- (a) no person or company will be held liable if it proves that the investor purchased the securities with knowledge of the misrepresentation;

- (b) in an action for damages, the seller will not be liable for all or any portion of such damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (c) no person or company will be liable if the person or company proves that (i) the offering memorandum or amendment thereto was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after delivery of the offering memorandum or amendment thereto and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the memorandum, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum or amendment thereto purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum or amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (d) no person or company will be liable with respect to any part of the memorandum not purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation; and
- (e) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum or amendment thereto.

No action shall be commenced to enforce the rights of action more than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

#### **14.4.8 Prince Edward Island**

Section 112(1) of the *Securities Act* (Prince Edward Island) provides that if an offering memorandum, contains a misrepresentation, a purchaser resident in Prince Edward Island who purchased a security under the memorandum, whether or not the purchaser relied upon the misrepresentation, will have a right of action against the applicable issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of the memorandum and every person who signed the memorandum for damages or, alternatively, for rescission, exercisable against the issuer or the selling securityholder on whose behalf the distribution is made, provided that:

- (a) no action shall be commenced to enforce a right of action:
  - (i) for rescission, more than 180 days after the date of the purchase; or
  - (ii) for any action other than rescission, more than the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action, or (B) three years after the date of the purchase;
- (b) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) no person or company (but excluding the issuer or selling securityholder) will be liable if it proves that (i) the memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent, (ii) on becoming aware of the misrepresentation in the memorandum, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable

notice to the issuer of the withdrawal and the reason for it, or (iii) with respect to any part of the memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

- (d) no person or company (but excluding the issuer or selling securityholder) will be liable with respect to any part of the memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or, (ii) believed that there had been a misrepresentation;
- (e) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
- (f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

#### **14.4.9 Newfoundland and Labrador**

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that where an offering memorandum, is delivered to a purchaser resident in Newfoundland and Labrador and it contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation, the purchaser has a right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum. In addition, such purchaser has a right of rescission against the issuer. If a purchaser elects to exercise a right of rescission against the issuer, the purchaser has no right of action for damages.

Where a misrepresentation is contained in an offering memorandum, a person or company shall not be liable for an action for damages or rescission:

- (a) where the person or company proves that the purchaser had knowledge of the misrepresentation;
- (b) where the person or company proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
- (c) if the person or company proves that the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (d) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:
  - (i) there had been a misrepresentation; or
  - (ii) the relevant part of the offering memorandum:
    - (A) did not fairly represent the report, opinion or statement of the expert; or
    - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and

- (e) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:
  - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (ii) believed there had been a misrepresentation.

Of the above defences, the issuer shall only be able to rely on (a) above.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

No action may be commenced to enforce a right of action:

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

#### **14.4.10 Yukon**

Section 112 of the *Securities Act* (Yukon) provides that where an offering memorandum, is delivered to a purchaser resident in the Yukon and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution, without regard to whether the purchaser relied on the misrepresentation, has a right of action for damages against the issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made.

These rights are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made, it shall have no right of action for damages against that party;
- (b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation; and
- (c) a person or company (other than the issuer or selling securityholder on whose behalf the distribution is made) will not be liable if:
  - (i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;



- (ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
  - (A) there had been a misrepresentation; or
  - (B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert; or
- (iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:
  - (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (B) believed that there had been a misrepresentation.

In addition, no person or company will be liable for a misrepresentation in forward-looking information if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information:
  - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
  - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than:

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

#### **14.4.11 Northwest Territories**

Section 112 of the *Securities Act* (Northwest Territories) provides that where an offering memorandum, is delivered to a purchaser resident in the Northwest Territories and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution, without regard to whether the purchaser relied on the misrepresentation, has a right of action for damages against the issuer, the selling securityholder



on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made.

These rights are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made, it shall have no right of action for damages against that party;
- (b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation; and
- (c) a person or company (other than the issuer or selling securityholder on whose behalf the distribution is made) will not be liable if:
  - (i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;
  - (ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
  - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
    - (A) there had been a misrepresentation; or
    - (B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert; or
  - (iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:
    - (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
    - (B) believed that there had been a misrepresentation.

In addition, no person or company will be liable for a misrepresentation in forward-looking information if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information:
  - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
  - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than:

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

#### **14.4.12 Nunavut**

Section 112 of the *Securities Act* (Nunavut) provides that where an offering memorandum, is delivered to a purchaser resident in Nunavut and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution, without regard to whether the purchaser relied on the misrepresentation, has a right of action for damages against the issuer, the selling security holder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling security holder on whose behalf the distribution is made.

These rights are subject to certain limitations, including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or the selling security holder on whose behalf the distribution is made, it shall have no right of action for damages against that party;
- (b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation; and
- (c) a person or company (other than the issuer or selling security holder on whose behalf the distribution is made) will not be liable if:
  - (i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;
  - (ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
  - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
    - (A) there had been a misrepresentation; or
    - (B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert; or
  - (iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:

- (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (B) believed that there had been a misrepresentation.

In addition, no person or company will be liable for a misrepresentation in forward-looking information if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information:
  - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
  - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than:

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

***You should consult your own legal advisers with respect to your rights and the remedies available to you. The rights discussed above are in addition to and without derogation from any other rights or remedies, which you may have at law.***

#### **14.5 Cautionary Statement Regarding Report, Statement or Opinion by Expert**

This offering memorandum references the Trust's Audited Financial Statements for the year ended December 31, 2024, prepared by BDO Canada LLP as the auditor of the Trust, including the Auditor's Report dated April 2, 2025. You do not have a statutory right of action against this party for a misrepresentation in this offering memorandum. You should consult a legal adviser for further information.

**ITEM 15**  
**FINANCIAL STATEMENTS**

(See attached)

**REVESCO PROPERTIES TRUST**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

(expressed in US dollars)

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## Independent Auditor's Report

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To the Unitholders of Revesco Properties Trust

### Opinion

We have audited the consolidated financial statements of Revesco Properties Trust and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income and comprehensive income, the consolidated statement of changes in net assets attributable to holders of redeemable units, changes to non-controlling interest, changes in equity and the consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("IASB"), and Interpretations (collectively "IFRS Accounting 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*BDO Canada LLP*

BDO Canada LLP  
Chartered Professional Accountants

Vancouver, British Columbia  
April 2, 2025

# REVESCO PROPERTIES TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

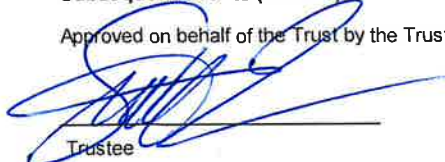
As at December 31, 2024

(expressed in US Dollars)

	December 31, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Non-current assets:</b>		
Investment properties (note 4)	\$ 147,574,703	\$ 92,286,163
Financial instruments - investments (note 5)	4,149,108	4,023,910
	<u>151,723,811</u>	<u>96,310,073</u>
<b>Current assets:</b>		
Prepaid expenses	102,419	263,709
Accounts receivable	840,298	432,016
Other receivable	—	29,020
Other assets (note 6)	2,795,847	1,682,224
Current portion of financial instruments - investments (note 5)	1,525,000	7,509,350
Interest receivable on debenture investment (note 5(b))	30,751	30,751
Cash and cash equivalents	3,641,920	2,234,823
Short term investment	600,000	500,000
Due from related parties (note 12)	96,265	22,876
	<u>9,632,500</u>	<u>12,704,769</u>
	<u>161,356,311</u>	<u>109,014,842</u>
<b>EQUITY</b>		
Non-controlling interests (note 11)	13,373,427	10,680,123
	<u>13,373,427</u>	<u>10,680,123</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities:</b>		
Loans payable (note 9(a))	79,497,027	42,370,044
Lease liability (note 4(c))	525,220	554,494
US REIT preferred shares	125,000	125,000
	<u>80,147,247</u>	<u>43,049,538</u>
<b>Current liabilities:</b>		
Redeemable Partnership units not held by the Trust (note 8)	25,646,791	22,208,032
Secured credit facility (note 9(b))	9,108,136	7,128,225
Current portion of loans payable (note 9(a))	390,971	921,457
Current portion of lease liability (note 4(c))	52,485	52,485
Distributions payable (note 14)	1,062,589	874,614
Deposits	274,927	192,130
Accounts payable and accrued liabilities (note 14)	2,154,945	1,684,553
Subscriptions Received in Advanced (note 16)	—	304,025
Due to related parties (note 12)	16	—
	<u>118,838,107</u>	<u>76,415,059</u>
<b>Net assets attributable to holders of redeemable units (note 10)</b>		
Class A	2,847,682	1,949,417
Class F	22,909,789	19,509,452
Class B	2,021,756	460,791
Class C	1,365,550	—
General Partner	—	—
	<u>29,144,777</u>	<u>21,919,660</u>
	<u>161,356,311</u>	<u>\$ 109,014,842</u>

### Subsequent events (note 16)

Approved on behalf of the Trust by the Trust:

  
Trustee

  
Trustee

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



# REVESCO PROPERTIES TRUST

## CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

	2024	2023
Rental revenue and recoveries (note 7)	\$ 11,224,378	\$ 10,251,211
Investment properties' operating expenses (note 12(b))	(3,482,982)	(2,984,934)
Income from property operations	<u>7,741,396</u>	<u>7,266,277</u>
Other income		
Fair value adjustments to investment properties (note 4)	3,714,637	(535,348)
Interest income	779,013	892,729
Other Income	<u>177,199</u>	<u>183,583</u>
	<u>4,670,849</u>	<u>540,964</u>
Other expenses		
Administration expenses (note 12(a))	1,552,488	1,117,703
Professional fees	467,387	595,242
Financing costs:		
Investment properties interest expense and other	2,750,239	2,343,763
Distributions to redeemable Partnership units not held by the Trust (note 8)	1,582,034	1,719,644
Distributions to holders of redeemable units (note 10)	1,539,629	1,261,576
Other expense	<u>111,799</u>	<u>88,004</u>
	<u>8,003,576</u>	<u>7,125,932</u>
Net income and comprehensive income	<u>4,408,669</u>	<u>681,309</u>
Net income (loss) and comprehensive income (loss) attributable to:		
Redeemable units of the Trust (note 10)	648,385	(269,131)
Redeemable Partnership units not held by the Trust (note 8)	1,279,685	(119,110)
Non-controlling interests (note 11)	<u>2,480,599</u>	<u>1,069,550</u>
	<u>\$ 4,408,669</u>	<u>\$ 681,309</u>

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

## REVESCO PROPERTIES TRUST

### CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

	Class A		Class F		Class B		Class C		Total	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Balance, January 1, 2024	197,555	\$ 1,949,417	1,984,728	\$ 19,509,452	49,398	\$ 460,791	—	\$ —	2,231,681	\$ 21,919,660
Issuance of units	84,981	835,912	301,700	2,974,108	157,859	1,546,434	150,883	1,388,101	695,423	6,744,555
Distributions reinvested	1,277	12,330	18,232	176,684	5,720	51,955	1,132	10,186	26,361	251,155
Redemption of units	—	—	(42,527)	(418,978)	—	—	—	—	(42,527)	(418,978)
Net income attributable to unitholders	—	50,023	—	668,523	—	(37,424)	—	(32,737)	—	648,385
Balance, December 31, 2024	283,813	\$ 2,847,682	2,262,133	\$ 22,909,789	212,977	\$ 2,021,756	152,015	\$ 1,365,550	2,910,938	\$ 29,144,777

	Class A		Class F		Class B		Class C		Total	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Balance, January 1, 2023	187,945	\$ 1,897,623	1,739,034	\$ 17,269,110	—	\$ —	—	\$ —	1,926,979	\$ 19,166,733
Issuance of units	29,731	300,000	266,826	2,643,177	49,039	488,643	—	—	345,596	3,431,820
Distributions reinvested	4	46	5,792	57,433	359	3,428	—	—	6,155	60,907
Redemption of units	(20,125)	(203,196)	(26,924)	(267,473)	—	—	—	—	(47,049)	(470,669)
Net income attributable to unitholders	—	(45,056)	—	(192,795)	—	(31,280)	—	—	—	(269,131)
Balance, December 31, 2023	197,555	\$ 1,949,417	1,984,728	\$ 19,509,452	49,398	\$ 460,791	—	\$ —	2,231,681	\$ 21,919,660

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

## REVESCO PROPERTIES TRUST

### CONSOLIDATED STATEMENT OF CHANGES TO NON-CONTROLLING INTEREST

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

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	2024	2023
Balance, beginning of the year	\$ 10,680,123	\$ 10,070,568
Non-controlling interests' contributions	1,058,047	205,742
Distributions to non-controlling interests	(845,342)	(665,737)
Net income and comprehensive income for the year	2,480,599	1,069,550
Balance, end of the year	<u>\$ 13,373,427</u>	<u>\$ 10,680,123</u>

# REVESCO PROPERTIES TRUST

## CONSOLIDATED STATEMENT OF CASH FLOWS For the years ended December 31, 2024 and 2023 (expressed in US Dollars)

	2024	2023
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net income	\$ 4,408,669	\$ 681,309
Adjustments for non-cash items		
Fair value adjustments to investment properties (note 4)	(3,714,637)	535,348
Amortization of deferred financing fees	(89,868)	91,851
Amortization of right of use assets (note 4)	38,021	20,567
Straight Line Rent Adjustment	(65,641)	—
Mortgage interest	2,498,903	2,251,912
Distributions to redeemable unitholder	3,121,663	2,981,220
Change in working capital:		
Increase in account receivable	(408,282)	(31,638)
Increase in short term investment	(100,000)	(500,000)
Decrease (increase) in other receivable	29,020	(29,020)
Decrease (increase) in other assets	(624,562)	581,762
Decrease (increase) in prepaid expenses	161,290	(2,682)
Increase in due from related party	(73,389)	(12,715)
Increase (decrease) in due to related party	16	(347,178)
Increase (decrease) in accounts payable and accrued liabilities	385,018	(501,734)
Increase (decrease) in deposits	82,797	(1,250)
Cash provided by operating activities	<u>5,649,018</u>	<u>5,717,752</u>
<b>Investing activities</b>		
Acquisition of investment properties	(51,135,095)	—
Acquisition of mortgage receivable	—	(3,950,000)
Decrease (increase) to mortgage receivable	5,859,152	(1,944,198)
Capital expenditures	(476,829)	(585,348)
Payment on asset retirement obligation	—	(519,000)
Cash used in investing activities	<u>(45,752,772)</u>	<u>(6,998,546)</u>
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	6,211,817	3,431,820
Proceeds from issuance of redeemable Partnership units not held by the Trust	2,301,380	530,000
Proceeds from non-controlling interests' contributions	863,340	205,742
Redemptions of redeemable Partnership units not held by the trust	(309,336)	(704,474)
Redemptions of redeemable trust units	(418,978)	(470,667)
Distributions, net of reinvestments	(3,360,845)	(3,370,391)
Loan proceeds - investment properties	65,056,908	6,563,320
Loan and secured credit facility repayments - investment properties	(25,659,107)	(3,323,336)
Loan interest paid - investment properties	(2,413,529)	(2,178,753)
Financing costs paid - investment properties	(731,525)	(58,597)
Proceeds from subscriptions received in advance (note 16)	-	304,025
Payment on lease	(29,274)	(8,899)
Cash provided by financing activities	<u>41,510,851</u>	<u>919,790</u>
Increase (decrease) in cash and cash equivalents during the year	1,407,097	(361,004)
Cash and cash equivalents, beginning of year	2,234,823	2,595,827
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,641,920</u>	<u>\$ 2,234,823</u>

# REVESCO PROPERTIES TRUST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

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### 1. Nature of the Business

Revesco Properties Trust (the "Trust") is an unincorporated, open-ended investment trust, established under the laws of the Province of British Columbia and governed by the terms and conditions of the trust declaration dated March 31, 2021 ("Declaration of Trust"). The Trust commenced active operations on September 30, 2021. The head office of the Trust is located at 1310-1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

Christopher Anthony Wood and Scott Roger Lee are trustees of the Trust.

The purpose of the Trust is to invest in properties indirectly by acquiring voting limited partner units ("Voting LP Units") of Revesco Canadian Holdings Limited Partnership (the "Partnership"), which is a limited partnership formed in the Province of British Columbia and is a subsidiary of the Trust.

The Trust earns income by way of distributions from the Partnership, derived from the Partnership's indirect interest in the investment properties (the "Properties"), and interest on loans to its affiliates, which the Partnership will originate and assign to the Trust, or the Trust will make directly.

The Trust, and its direct and indirect subsidiaries, were established for the purposes of acquiring, holding, financing, maintaining, improving, redeveloping, marketing and selling a diversified portfolio of revenue-producing real estate properties predominantly located in the United States and Canada.

The Partnership invests all or substantially all of its net assets in the common stock of Revesco (USA) Real Estate Investment Trust, Inc. ("US REIT"), a real estate investment trust formed pursuant to the laws of the State of Maryland. US REIT is a related entity through common directors. The US REIT has issued 125 shares of 12.0% Series A Cumulative Non-Voting Preferred Stock outstanding to comply with certain requirements to qualify as a REIT under the Internal Revenue Code of 1986. US REIT acquired limited partnership units of Revesco USA REIT Holdings, LP ("US LP"). US LP is a limited partnership formed and governed by the laws of the State of Colorado pursuant to a limited partnership agreement made between US REIT as the general partner and Class A partner of US LP, and Revesco Investor Group LP, as the Class B partner of US LP.

US LP was established to acquire limited Trust units ("Property LP Units") in single purpose subsidiaries ("Property LPs") that are formed to acquire, finance, hold, manage, operate, develop, improve, convert and sell a portfolio of revenue-producing real estate properties predominantly located in the United States and Canada ("Properties"). Additionally, the Trust acquired units in RPT Alternatives LP, which holds financial instruments earning interest income.

The Trust and the Partnership have employed RPT Canada Admin Inc. ("Canada Admin") as the Trust's administration services manager. The US REIT, US LP and the Property LPs have employed Revesco Property Services LLC ("US Admin") or its affiliates to act as asset and property manager to provide ongoing day-to-day management of the properties (note 12).

# REVESCO PROPERTIES TRUST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

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### 2. Basis of presentation

#### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standard Board ("IASB"), and Interpretations (collectively "IFRS Accounting Standards").

These consolidated financial statements are prepared in accordance with IFRS and were authorized for issue by the Trustees on April 2, 2025.

#### (b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for investment properties. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements have been prepared on the basis of IFRS Accounting Standards that are published at the time of preparation and that are effective for the periods beginning on or after January 1, 2024. The Trust's annual reporting date is December 31<sup>st</sup>.

#### (c) Presentation and functional currency

These consolidated financial statements are presented in the functional currency of the Trust, United States dollars ("US Dollars").

#### (d) Presentation of financial statements

The Trust uses a classified statement of financial position. The consolidated statement of financial position distinguishes between current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within twelve months from the reporting date and non-current assets and liabilities are those where the recovery or settlement is expected to occur more than twelve months from the reporting date. The Trust classifies the consolidated statements of net income and comprehensive income using the function of expense method, which classifies expenses according to its function, such as costs of operations or corporate general and administration expenses.

#### (e) Critical accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the Trust to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

##### (i) Estimates

These consolidated financial statements include assumptions and estimates which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is

# REVESCO PROPERTIES TRUST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

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revised and in any future periods affected. The significant areas of estimation include the following:

### *Fair value of investment properties*

The Trust accounts for properties classified as investment property using the fair value method. A property is determined to be an investment property when it is principally held to earn rental income, capital appreciation or both. The Trust has determined the investments in properties through Property LPs are considered investment properties. The fair value of the investment properties disclosed in the notes to the consolidated financial statements is determined by management, in conjunction with independent real estate valuation experts using recognized valuation techniques. The determination of the fair value of the investment properties requires the use of estimates such as future cash flows from assets (i.e., tenant profiles, future revenue streams and overall repair and condition of the property) and capitalization rates. These estimates are based on market conditions existing at the reporting date.

### (ii) Judgements

In the process of applying the Trust's accounting policies, the Trustees have made the following critical judgements:

### *Classification and measurement of financial instruments*

In classifying and measuring financial instruments held by the Trust and its related entities, the Trustees are required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Trustees have assessed the Trust's business model, the manner in which all financial assets and financial liabilities are managed and performance evaluated on a group basis.

### *Mortgage loans*

The mortgage and loan investments are classified as investments measured at amortized cost as the Trust holds such assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

### *Debenture investments*

The debenture investments, initially classified as FVTPL in 2022, had their conversion options terminated in June 2023. Consequently, the debenture investments are measured at amortized cost, as they meet the conditions of being held with the objective of collecting contractual cash flows. The contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest. The fair value of the investments on the reclassification date become the new gross carrying amounts. Management assessed the fair values on the reclassification dates to ensure the appropriate amounts was being recorded as the new gross carrying amount. There were no changes in classification of the investments in 2024.

### *Assessment as investment entity*

The Trustees apply judgement in assessing whether the Trust should account for its investments in accordance with IFRS 10, Consolidated Financial Statements, or as a financial asset in accordance with IFRS 9, Financial Instruments. The Trustees have concluded that the Trust's

# REVESCO PROPERTIES TRUST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

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related entities do not meet the definition of an investment entity in accordance with IFRS 10. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

### (f) New standards, interpretations and amendments adopted from 1 January 2024

#### *Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)*

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement or classification of any items in the consolidated financial statements of the Trust for the current financial year as well as the comparative period.

### 3. Material accounting policy information

#### **Basis of consolidation**

These consolidated financial statements include the assets, liabilities and result of operations of the Trust and its subsidiaries, after elimination of inter-company transactions and balances. The subsidiaries of the Trust include: the Partnership, US REIT, US LP, RPT Alternatives LP, RPT 5 West LP, RPT Harmony Shops LP, RPT Aspen Place LP, RPT Aspen Place WF LP, RPT Preston Place LP, RPT Roswell Village LP and RPT Park Lee LP. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Trust obtains control and continue to be consolidated until the date that such control ceases. Control is achieved when the Trust is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are prepared for the same reporting period as the Trust using consistent accounting policies.

When the Trust does not own all of the equity in a subsidiary, the non-controlling equity interest is presented in the consolidated statement of financial position as a separate component of non-current liabilities (note 11).



# REVESCO PROPERTIES TRUST

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### Investment properties

The Trust accounts for properties classified as investment property using the fair value method. A property is determined to be an investment property when it is principally held to earn rental income, capital appreciation or both, but not for sale in the ordinary course of business. The investment property is initially measured at cost, including transaction costs associated with acquiring the property. Subsequent to initial recognition, the investment property is carried at fair value. The Trust defines fair value to be the value a third-party is willing to pay, in an arm's length transaction, for an investment property. Gains or losses arising from changes in fair value are recognized in profit or loss during the year in which they arise. The fair value of the investment property is determined by management in conjunction with independent real estate valuation experts on a quarterly basis.

### Financial instruments

The mortgage loan, promissory note and debenture investment are classified as an investment measured at amortized cost. Such investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the investments are measured at amortized cost using the effective interest method, less any allowance for expected credit losses ("ECL"). The investments are assessed at each reporting date to determine whether there is objective evidence of impairment. In determining expected credit losses, the Trust will consider loss events including, but not limited to: (i) payment default by a borrower which is not cured during a reasonable period; (ii) whether security of the investment is significantly negatively impacted by some events; and (iii) financial difficulty experienced by a borrower, and will also consider forward looking information. The estimation of future cash flows includes assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of expected credit losses are subjective and may not necessarily be comparable to the actual outcome. Should the underlying assumptions change, the estimated future cash flows could vary.

### Income recognition

#### a) Rental revenue

The majority of the Trust's revenue is rental revenue. Rental revenue is recognized in income on a straight-line basis over the lease term subject to collectability being reasonably assured.

Rental revenue includes recoveries of specified operating expenses, in accordance with the terms of the lease agreements. Recoveries are recognized as they are incurred.

Property management and ancillary income (such as utilities, parking and storage) is recognized as services are provided.

#### b) Property sales

Income from the sale of property is recognized at the point of time that the property passes to the buyer which is generally when the buyer then has the ability to direct the use and obtain substantially all of the benefits of the respective property. Upon sale, the transactional costs associated with the sale will be recorded against the gain(loss) on sale.

# REVESCO PROPERTIES TRUST

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### Impairment of financial assets

The Trust recognizes a loss allowance for ECL at each reporting date for all financial assets that are measured at amortized cost.

The determination of a significant increase in credit risk considers different factors and will vary by nature of investment. The US Admin actively monitors all investments and applies judgement in determining whether there has been significant increase in credit risk. Based on past-due resident receivables trends, the Trust has implemented a policy to write-off all tenant receivables outstanding for greater than 180 days. Any receivables collected after being written-off, or any third-party or governmental rental assistance received, are recorded as recoveries.

The assessment of significant increase in credit risk requires significant credit judgement. In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, the Trust relies on estimates and exercises judgement regarding matters for which the ultimate outcome is unknown. These judgements include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

In cases where a borrower experiences financial difficulty, the Trust may grant certain concessionary modifications to the terms and conditions of a loan. Modifications may include payment deferrals, extension of amortization periods, debt consolidation, forbearance and other modifications intended to minimize the economic loss and to avoid foreclosure or repossession of collateral. The Trust determines the appropriate remediation strategy based on the individual borrower. If the Trust determines that a modification results in derecognition, the original asset is derecognized while a new asset is recognized based on the new contractual terms.

Significant increase in credit risk is assessed relative to the risk of default on the date of modification. If the Trust determines that a modification does not result in derecognition, significant increase in credit risk is assessed based on the risk of default at initial recognition of the original asset. Expected cash flows arising from the modified contractual terms are considered when calculating the ECL for the modified asset. Loss allowances for financial assets measured at amortized cost are deducted from gross carrying amount of the asset, if any.

### Income taxes

These consolidated financial statements include the assets and liabilities and results of operations of the Trust. Each unitholder of the Trust is required to include in computing its income for a particular taxation year, its share of the income or loss of the Trust for the fiscal period of the Trust ending in, or coincidentally with, such taxation year. For this purpose, the income or loss of the Trust from any source will be computed for each fiscal period as if the Trust were a separate person resident in Canada and will be allocated to its unitholders on the basis of their respective shares of that income or loss as provided for in the Declaration of Trust. Income taxes are generally not eligible at the Trust level and, accordingly, no provision is recorded in these consolidated financial statements.

### Leases

The Trust assesses whether a contract is, or contains, a lease at inception of the contract. The Trust recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements

# REVESCO PROPERTIES TRUST

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in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Trust recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

### Classification of units of the Trust

IAS 32 "Financial Instruments: Presentation" requires that units of the Trust, which are considered puttable instruments, be classified as either financial liabilities or equity instruments. The puttable instruments of the Trust do not meet the identical features criteria to be classified as equity due to the obligation to distribute and preferred return to some classes and therefore must be classified as financial liabilities and presented at the redemption amount.

### Redeemable units of the Trust

The units of the Trust are measured at the current value of the Trust's net assets, calculated on the last business day of each calendar quarter or such other date as determined by the Trust (each a "Valuation Date"). The redeemable units are classified as financial liabilities.

Units redeemed are accounted for in the period during which the redemption is effective. Resultant gains on redemption are recognized in the consolidated statement of net income and comprehensive income in the same period.

Distributions on redeemable units are treated as an expense within the consolidated statement of net income and comprehensive income, corresponding with the units' classification as liabilities. Distributions are accrued in the period to which they relate.

### New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Trust has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- *Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 Financial Instruments and IFRS 7)*

IFRS 9 Financial Instruments, which was issued by the IASB in May 2024 will impact the classification and measurement of financial instruments, particularly those with Environmental, Social and Governance ("ESG") features and those settled via electronic payment systems. These changes will clarify whether such assets are measured at amortized cost or fair value and address the timing of derecognition for electronic transfers. Additionally, new disclosure requirements will enhance transparency for investments in equity instruments and financial instruments with contingent features.

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

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- *IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Trust is currently assessing the effect of these new accounting standards and amendments.

### 4. Investment properties

The following table summarizes investment properties at December 31, 2024 and 2023:

		2024	2023
Balance, beginning of the year	\$	92,286,163	\$ 92,256,730
Acquisition of investment properties (a)		50,411,639	-
Acquisition transaction costs		723,456	-
Capital additions to investment properties		476,829	585,348
Fair value adjustment		3,714,637	(535,348)
Amortization of right of use asset		(38,021)	(20,567)
Balance, end of the year	\$	147,574,703	\$ 92,286,163

Included in investment properties amounts is a right of use asset with a carrying value equal to fair value, at December 31, 2024 of \$548,142 (2023 - \$586,163). See note 4(c) below.

Fair value of properties is assessed by management at the time of acquisition, as well as on a quarterly basis. Management evaluates the method used to check reasonableness and the underlying assumptions utilized. The value of the properties are sensitive to changes in the underlying capitalization and discount rates as outlined below:

# REVESCO PROPERTIES TRUST

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For the years ended December 31, 2024 and 2023

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	December 31, 2024	December 31, 2023
Terminal capitalization rates - range	6.41% - 8.00%	7.25% - 8.00%
Terminal capitalization rates - weighted average	7.12%	7.48%
Discount rate - range	7.50% - 8.25%	7.50% - 8.25%
Discount rate - weighted average	7.93%	7.73%

	Increase (Decrease) in Fair Value	
	December 31, 2024	December 31, 2023
Weighted average terminal capitalization rates		
25 basis point increase	\$ (3,253,624)	\$ (2,966,203)
25 basis point decrease	3,490,476	3,171,371
Weighted average discount rate		
25 basis point increase	\$ (2,274,130)	\$ (2,973,788)
25 basis point decrease	2,131,446	3,086,497

### (a) Acquisitions

The acquisitions of the investment properties have been accounted for as asset purchases and recognized initially at purchase price plus transaction costs, with results of operations included in these consolidated financial statements from the date of acquisition.

During the year ended December 31, 2024, the Trust, through its Property LPs, completed two acquisitions of investment properties in the United States, where the Trust holds 50% or more of the ownership interest.

On November 5, 2024, the Partnership acquired Roswell Village, a 150,211 square foot open-air center in Roswell, Georgia for a purchase price of \$36,780,913 net a purchaser credit of \$1,519,087, plus standard closing costs and adjustments of \$516,134. This acquisition was financed with cash and two mortgages: a seven-year mortgage of \$19,500,000 and a five-year mortgage of \$6,000,000 (note 9(a)). RPT Roswell Village, LP owns 100% of the property.

On November 18, 2024, the Partnership acquired the property occupied with grocery anchor Whole Foods at Aspen Place, a 24,774 square foot grocery center located in Flagstaff, Arizona, next to the Aspen Place currently owned by the Trust, for a purchase price of \$13,625,000, plus standard closing costs and adjustments of \$207,322. This acquisition was financed with cash and proceeds from a new seven-year mortgage in the amount of \$30,000,000 (note 9(a)), which is secured by both this property and the existing asset that was acquired in December 2021 (Sawmills at Aspen Place). RPT Aspen Place WF, LP owns 91.8% of the property and the remaining 8.2% is owned by ICT Projects with the same ownership percentage as RPT Aspen Place, LP. The existing asset RPT Aspen Place, LP and the acquired Whole Foods property are consolidated for reporting purposes.

During the year ended December 31, 2023, the Trust did not acquire any investment properties.

The asset of each individual investment property is pledged as a security for each of the respective loans payable (note 9).

## REVESCO PROPERTIES TRUST

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### (b) Dispositions

During the years ended December 31, 2024 and 2023, the Trust did not have any dispositions.

#### (c) Right of Use Asset

The right-of-use asset represents a ground lease liability agreement that was assumed with the purchase of the underlying property at RPT 5 West LP. The right-of-use asset includes parking lots adjacent to the property, which are leased from the City of Bozeman, Montana. The fair value of the asset at the date of lease inception was calculated using the present value of the future lease payments discounted at the incremental borrowing rate of 3.91%. Using this method, the fair value of the asset was \$674,138 at inception.

### 5. Financial Instruments - investments

The following table summarizes financial investments at December 31, 2024 and 2023:

	2024	2023
Mortgage loan (a)	\$ —	\$ 5,984,350
Debenture investments (b)	1,525,000	1,525,000
Promissory note (c)	4,149,108	4,023,910
	5,674,108	11,533,260
Less: Current portion of financial instruments - investments	(1,525,000)	(7,509,350)
	\$ 4,149,108	\$ 4,023,910

#### (a) Mortgage loan

On January 22, 2024, the mortgage loan consisting of \$5,000,000 in principal (2023 - \$5,000,000) and \$1,015,502 (2023 - \$984,350) of accrued interest was repaid in full. The facility allowed for the borrower to draw up to \$6,000,000, including \$1,000,000 reserved for interest accruing on drawn funds. Interest income accrued at a rate of 10% per annum, calculated monthly, on the outstanding principal and accrued interest and was recorded as interest income in the consolidated statement of income and comprehensive income. An affiliate of the Trust earned an exit fee of \$60,000 on the outstanding balance of the facility upon settlement (note 12(a)).

#### (b) Debenture investments

As of December 31, 2024, the debenture investments consist of a \$1,525,000 (2023 - \$1,525,000) investment in unsecured debentures. The borrower is an entity that is affiliated with, though not controlled by, an affiliated entity of the Trustees. These funds, along with proceeds from bank debt and additional debentures issued by the Colorado-based borrower were used to purchase four development properties located in Denver, CO, USA. The borrower intends to purchase and develop the four properties into mixed-use developments. The debentures earn interest of 8% per annum, paid quarterly, and mature November 27, 2025 or earlier at the borrower's sole discretion without penalty.

# REVESCO PROPERTIES TRUST

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(expressed in US Dollars)

Interest earned for the year ended December 31, 2024, totalling \$122,334, (2023 - \$122,000) is recorded as interest income in the consolidated statement of income and comprehensive income. At December 31, 2024, the accrued interest outstanding was \$30,751 (2023 - \$30,751), which was recorded in the consolidated statement of financial position.

### (c) Promissory note

On August 28, 2023, RPT Alternatives entered into a promissory note agreement with E2M Greenbridge Investment Subsidiary, LLC ("E2M") lending a total of \$3,950,000. Interest income accrues at a rate of 13.05% per annum for the first three (3) years and 14.00% per annum for the period thereafter. Interest is recorded as interest income in the consolidated statement of income and comprehensive income. Monthly interest payments commenced on October 1, 2023 and will continue to the maturity date. As of December 31, 2024, the total interest payments made were \$408,596 (2023 - \$104,326). A final balloon payment of all unpaid principal and accrued but unpaid interest is due on February 24, 2027, the maturity date. As of December 31, 2024, the note balance of \$4,149,108 (2023 - \$4,023,910) consists of \$3,950,000 (2023 - \$3,980,620) of principal and \$199,108 (2023 - \$43,290) of unpaid accrued interest. The mortgage loan is shown net of any expected credit losses. Revesco (USA) Properties, LP also earned an origination fee in 2023 and will earn a disposition fee, each equal to \$39,500, respectively (note 12).

## 6. Other Assets

The following table summarizes other assets at December 31, 2024 and 2023 consists of:

	<b>2024</b>		<b>2023</b>	
Subscriptions receivable	\$	423,420	\$	100
Lease costs, net of accumulated amortization		277,599		239,381
Mortgage reserves		1,580,124		993,678
Deferred rent receivables		510,822		445,183
Deposits		3,882		3,882
	\$	2,795,847	\$	1,682,224

Other assets are measured and recorded at cost or amortized cost. Other assets include mortgage reserves, which consists of cash on deposit required by the lenders to be retained in escrow to pay for any repairs to the properties and certain costs. These funds will be released to pay the respective obligations or once certain conditions are met, such as completion of repairs. The lease costs balance includes \$88,754 (2023 - \$38,679) of accumulated amortization.

## 7. Rental revenue and recoveries

The Trust leases commercial properties with terms generally up to ten years, which include base rent and recoveries of property operating costs and property taxes. Additionally, residential parking rental revenue is collected on a month-to-month basis. The components of the Trust's rental revenues and recoveries for the years ended December 31, 2024 and 2023 are as follows:

## REVESCO PROPERTIES TRUST

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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		2024		2023
Base rent	\$	7,490,209	\$	7,004,947
Property operating and realty tax recoveries		3,404,241		2,964,122
Parking and other		329,928		282,142
	\$	11,224,378	\$	10,251,211

Future minimum rent revenue on non-cancellable operating leases with tenants are as follows:

		December 31, 2024		December 31, 2023
Within one year	\$	10,032,946	\$	6,743,524
Later than one and not longer than five years		28,096,393		18,750,364
Thereafter		7,813,283		2,580,567
	\$	45,942,622	\$	28,074,455

#### 8. Redeemable Partnership units not held by the Trust

Redeemable Partnership units not held by the Trust represent the Preferred LP units and the General Partner unit of the Partnership. Holders of Preferred LP units may redeem all or any part of their units, subject to the terms and conditions set out in the Partnership Agreement, at the end of each quarter or any other date determined by the General Partner of the Partnership.

Redeemable Partnership units not held by the Trust at December 31, 2024 and 2023 consists of:

		2024		2023
Balance, beginning of period	\$	22,208,032	\$	22,336,584
Units issued		2,301,380		530,000
Net income (loss) attributable to redeemable Partnership units not held by the Trust		1,279,685		(119,110)
Distributions reinvested		167,030		165,032
Redemptions		(309,336)		(704,474)
Balance, end of the period	\$	25,646,791	\$	22,208,032

Preferred LP units, which are not owned by the Trust, are entitled to a preferred distribution amount that is equal to 7/6ths of the distribution amount of units held by the Trust. Distributions per redeemable Partnership units not held by the Trust for the years ended December 31, 2024 and 2023 consisted of the following:



# REVESCO PROPERTIES TRUST

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	2024	2023
Redeemable Partnership units not held by the Trust, end of period	2,339,483	2,133,865
Distributions	\$ 1,567,034	\$ 1,704,644
Quarterly Distributions per unit	\$ 0.70	\$ 0.70

The US REIT has distributed \$15,000 (2023 - \$15,000) to Series A Cumulative Non-Voting Preferred Stock unit holders. This \$15,000 distribution is additionally recorded as distributions to redeemable partnership units not held by the Trust in the consolidated statement of income and comprehensive income.

### 9. Loans payable and secured credit facility

#### (a) Loans payable

The following tables summarize the loans payable at December 31, 2024 and 2023:

	Nominal Interest Rate	Year of Maturity	Amount \$ 2024	Amount \$ 2023
(i) RPT Aspen Place LP	5.50%	2031	30,000,000	-
(ii) RPT Aspen Place LP	4.15%	2027	-	17,789,832
(iii) RPT 5 West LP	3.75%	2048	8,290,833	8,507,042
(iv) RPT Preston Place LP	4.85%	2032	9,342,000	9,342,000
(v) RPT Park Lee LP	5.00%	2027	7,853,711	7,930,000
(vi) RPT Roswell Village LP	5.65%	2031	19,500,000	-
(vii) RPT Roswell Village LP	15.00%	2029	6,000,000	-
Total mortgages on investment properties			80,986,544	43,568,874
Less: Current portion of loans payable			(390,971)	(921,457)
Less: Unamortized mortgage transaction costs			(1,098,546)	(277,373)
			79,497,027	42,370,044

(i) The mortgage on the investment property owned by RPT Aspen Place, LP and RPT Aspen Place WF, LP is secured by a first charge on that investment property and a guarantee provided by US LP. It bears interest at a fixed rate of 5.50% per annum. Payments are required monthly, where only interest payments are required for the first 42 months and thereafter monthly payments of principal and interest of \$170,337 are required. There are no financial covenants, however financial statements are to be furnished to the lender on an annual basis.

(ii) The original mortgage on the investment property owned by RPT Aspen Place, LP was repaid in full on November 18, 2024. The original mortgage on the investment property was secured by a first charge

## REVESCO PROPERTIES TRUST

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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on that investment property and a guarantee by two of the Trust's subsidiaries, US REIT and US LP. It bore interest at a fixed rate of 4.15% per annum and requires monthly payments of principal and interest of \$112,592. The original mortgage had a prepayment penalty of 0.5% of the outstanding principal if repaid before November 1, 2027 which amounted to \$86,356 on November 18, 2024, the payoff date. There are no financial covenants, however financial statements are to be furnished to the lender on an annual basis.

(iii) The mortgage on the investment property owned by RPT 5 West, LP is secured by a first charge on that investment property. It bears interest at a fixed rate of 3.75% per annum. Payments are required monthly, where only interest payments are required until June 2023 and thereafter monthly payments of principal and interest of \$44,658 are required until June 2026 and then monthly payments of principal and interest of \$45,011 are required until maturity. There are no financial covenants, however financial statements are to be furnished to the lender on an annual basis.

(iv) The mortgage on the investment property owned by RPT Preston Place, LP is secured by a first charge on that investment property and a guarantee provided by US LP. It bears interest at a fixed rate of 4.85% per annum for the first five years and thereafter at a fixed rate equal to the 5-Year Treasury Constant Maturity Index Rate plus 1.75% until maturity. Payments are required monthly, where only interest payments are required for the first 60 months and thereafter monthly payments of principal and interest of \$63,663 are required. There are no financial covenants, however financial statements are to be furnished to the lender on a quarterly and annual basis.

(v) The mortgage on the investment property owned by RPT Park Lee, LP is secured by a first charge on that investment property and a guarantee provided by US LP and the Tenant in Common (TIC) partner. It bears interest at a fixed rate of 5.00% per annum. Payments are required monthly, where only interest payments are required for the first 24 months and thereafter monthly payments of principal and interest of \$46,358 are required. The lender requires a debt service coverage ratio of at least 1.25 to be monitored on a quarterly basis. As of December 31, 2024, the ratio was 1.41. Financial statements are due to the lender on a quarterly and annual basis.

(vi) The mortgage on the investment property owned by RPT Roswell Village, LP is secured by a first charge on that investment property and a guarantee provided by US LP. The mortgage Note A principal is \$19,500,000 and bears interest at 5.65% per annum. Payments are required monthly, where only interest payments are required throughout the term. There are no financial covenants, however financial statements are to be furnished to the lender on an annual basis.

(vii) The mortgage on the investment property owned by RPT Roswell Village, LP is secured by a first charge on that investment property and a guarantee provided by US LP. The mortgage Note B principal is \$6,000,000 and bears interest at 15.00% per annum. Payments are required monthly, where only interest payments are required throughout the term. There are no financial covenants, however financial statements are to be furnished to the lender on an annual basis.

# REVESCO PROPERTIES TRUST

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Principal repayments, as of December 31, 2024, based on scheduled repayments to be made on the mortgages payable over the next five years and thereafter are as follows:

	<b>December 31, 2024</b>
2025	\$ 390,971
2026	403,093
2027	7,911,717
2028	798,818
2029	7,010,260
Thereafter	64,471,685
	<b>\$ 80,986,544</b>

### (b) Secured credit facility

At December 31, 2024, the Trust has drawn \$9,141,954 (2023 - \$7,161,823) of a credit facility of up to \$11,000,000 (2023 - \$9,000,000). The facility is secured by a first charge on the investment property owned by RPT Harmony Shops, LP and a guarantee provided by US LP and the Revesco principals (note 12). Unamortized loan costs are \$33,818 at December 31, 2024 (2023 - \$33,598). The facility has an interest rate of 7.50% per annum, with interest payable monthly and matures on July 20, 2025. The lender requires a debt service coverage ratio of at least 1.40 to be monitored on a quarterly basis. At December 31, 2024, the ratio was 1.50 (2023 - 2.72). Financial statements are due to the lender quarterly. The Trust can draw on and pay down the facility at any time at its sole discretion. The following table summarizes the secured credit facility at December 31, 2024 and 2023:

<b>2024</b>	<b>Nominal Interest Rate</b>	<b>Year of Maturity</b>	<b>Amount \$ 2024</b>	<b>Amount \$ 2023</b>
RPT Harmony Shops, LP	7.50%	2025	9,141,954	7,161,823
Less: Unamortized mortgage transaction costs			(33,818)	(33,598)
			<b>9,108,136</b>	<b>7,128,225</b>

All interest on the loans payable and secured credit facility have been recorded in the consolidated statement of income and comprehensive income. At December 31, 2024, interest of \$377,199 (2023 - \$134,858) was accrued in accounts payable and paid in the subsequent month.

## 10. Units of the Trust

The Trust is authorized to issue an unlimited number of redeemable units at an offering price of net asset value per unit, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Trust. Each redeemable unit of each class entitles the holder to one vote and to participate with respect to any and all distributions made by the Trust.

The Trust is currently authorized to issue an unlimited number of four classes of units: Class A Units, Class B Units, Class C Units and Class F Units.

# REVESCO PROPERTIES TRUST

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The unitholders are entitled to redeem all or any part of their units, subject to the terms and conditions set out in the Declaration of Trust at the end of each quarter or any other date determined by the Trustees, provided they have given at least 30 days' notice. Units will be redeemed at the applicable unit redemption price.

All distributions to unitholders are paid in cash unless otherwise determined by the Trustees, in accordance with the Declaration of Trust.

The income (loss) on redeemable units includes expenses incurred at the fund level that are not allocated to non-controlling interests. Unitholder activity for the years ended December 31, 2024 and 2023 is summarized as follows:

	Redeemable Units, beginning of year	Redeemable Units Issued	Redeemed Units	Reinvestment of Distributions	Redeemable Units, end of year
<b>December 31, 2024</b>					
Class A	197,555	84,981	–	1,277	283,813
Class F	1,984,728	301,700	(42,527)	18,232	2,262,133
Class B	49,398	157,859	–	5,720	212,977
Class C	–	150,883	–	1,132	152,015
Total	2,231,681	695,423	(42,527)	26,361	2,910,938
<b>December 31, 2023</b>					
Class A	187,945	29,731	(20,125)	4	197,555
Class F	1,739,034	266,826	(26,924)	5,792	1,984,728
Class B	–	49,039	–	359	49,398
Total	1,926,979	345,596	(47,049)	6,155	2,231,681

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Distributions for the years ended December 31, 2024 and 2023 consisted of the following:

	Redeemable Units, end of year	Distributions (\$)	Distributions per Unit (\$)
<b>December 31, 2024</b>			
Class A	283,813	131,756	0.60
Class F	2,262,133	1,259,832	0.60
Class B	212,977	108,457	0.60
Class C	152,015	39,584	0.60
Total	2,910,938	1,539,629	
<b>December 31, 2023</b>			
Class A	197,555	117,044	0.60
Class F	1,984,728	1,129,878	0.60
Class B	49,398	14,654	0.60
Total	2,231,681	1,261,576	

## 11. Non-controlling interests

The non-controlling interests represent those of the Class B limited partners of the Partnership, the Class B partner of US LP (Revesco Investor Group LP), and third-party investors of certain Trust's subsidiaries. The following table summarizes the non-controlling interests at December 31, 2024 and 2023:

	2024	2023
Third party limited partners in RPT 5 West LP, Aspen Place LP and Aspen Place WF LP	\$ 5,189,293	\$ 4,486,309
Third party tenants in common partner in the Park Lee property	1,722,778	1,600,468
Related party of the Trustee (note 12)	6,461,356	4,593,346
	\$ 13,373,427	\$ 10,680,123

During the year ended December 31, 2024, the Trust's subsidiaries issued \$1,058,047 (2023 - \$205,742) of units to non-controlling interests and distributed \$845,344 (2023 - \$665,737).

Substantially all of the assets of the Partnership, the Trust's subsidiaries, are held within the Property LPs. Set out below are the significant subsidiaries of the Trust and the Trust's percentage interest in each entity as at December 31, 2024. The remaining interest of the subsidiaries is held by the non-controlling interests, including interests held by Revesco principals (note 12).

# REVESCO PROPERTIES TRUST

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	Place of Business	Ownership Interest	Non-controlling Interest
RPT 5 West LP	U.S.	55%	45%
RPT Harmony Shops LP	U.S.	91%	9%
RPT Aspen Place LP & RPT Aspen Place WF LP	U.S.	83%	17%
RPT Alternatives LP	U.S.	91%	9%
RPT Preston Place LP	U.S.	91%	9%
RPT Park Lee LP	U.S.	91%	9%
RPT Roswell Village LP	U.S.	91%	9%

## 12. Related party transactions

The Trust and its subsidiaries may employ or retain related parties to provide goods or services.

The fees outlined in the table below, and as defined in the Offering Memorandum, may be paid directly to RPT Admin or affiliated parties of the Trustees, pursuant to agreements between the Trust, its subsidiaries and the Trustees and its affiliates:

Fee	Details
Administration fee	An administration services fee equal to approximately \$10,000 per fiscal year, payable quarterly by the Trust.
Asset management fee	An asset management fee up to 0.5% per annum of the gross purchase price of all real property owned or debt instrument held by a Property LP.
Acquisition fee	An acquisition fee equal to 1% of the purchase price of any real property acquired by or debt instrument entered into by a Property LP.
Disposition fee	A disposition fee equal to 1% of the gross proceeds of any real property disposed of or debt instrument sold by or repaid to a Property LP.
Property management fee	A property management fee equal to 4% of the gross revenues of any real properties owned by a Property LP
Construction management fee	A construction management fee of 5% of all Construction Costs incurred by a Property LP
Leasing fee	A leasing override fee up to 6% of all lease revenue generated on new leases or lease renewals less any third-party commissions paid.
Loan origination/guarantee fee	A loan origination/guarantee fee equal to 1% of the total loan amount of loans guaranteed by Revesco Principals.

## REVESCO PROPERTIES TRUST

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- (a) The Trustees and its affiliates provide various asset management related services to the Trust. Included in administrative expenses in the consolidated statement of income and comprehensive income are the following services in the year ended December 31, 2024 and 2023:

		2024	2023
Acquisition fees	\$	519,250	\$ 39,500
Asset management fees		503,382	484,835
Administration fees		10,000	10,000
Disposition fees		60,000	—

At December 31, 2024, the Trustees or affiliates of the Trustees earned a disposition fee of \$60,000 (2023 - \$nil) related to the payoff of the mortgage loan (note 5(a)).

Acquisition, disposition, and loan origination/guarantee fees are capitalized to the Properties or loans payable to which the fees relate.

At December 31, 2024, \$19,212 (2023 - \$9,357) of asset management fees owed to the Trustees or affiliates of the Trustees are included in accounts payable and accrued liabilities.

- (b) An affiliated entity of the Trustees provides property management, leasing and construction management services to the underlying property LPs. The Trust incurred \$433,095 (2023 - \$414,177) of property management fees during the year ended December 31, 2024, which are recorded in investment properties' operating expenses. These property management fees are recoverable from tenants of the properties to the extent the tenant leases allow. At December 31, 2024, \$62,509 (2023 - \$26,672) of property management fees owed to the Trustees or its affiliates are included in accounts payable and accrued liabilities.

The Trust did not incur leasing fees during the year ended December 31, 2024 (2023 - \$16,536). There were no construction management fees charged or paid during the years ended December 31, 2024 and 2023. Leasing fees are capitalized to the properties other assets account. Construction management fees will be capitalized to the properties to which the fees relate when incurred.

The Trust did not incur loan guarantee fees during the year ended December 31, 2024 (2023 - \$nil).

#### Due from related party

During the year ended December 31, 2024, the Trust had a balance of \$96,265 (2023 - \$22,876) due from related parties, which represents the amounts that are owed to the Trust from the TIC partner.

#### Related Party Ownership

During the year ended December 31, 2024, the Class B partner of US LP (Revesco Investor Group LP) invested \$718,047 (2023 - \$205,742) in Class B units of the US LP, representing an amount equal to 10% of the funds invested by US REIT in US LP. Revesco Investor Group LP is owned by key management personnel of the Trust. When Revesco Investor Group LP enters unitholder transactions with the US LP, the transaction is completed at the net asset value of the US REIT on that trade date. As December 31, 2024, the Class B units in US LP owned by Revesco Principals had a value of \$6,461,358 (2023 - \$4,593,348) and comprise a portion of the non-controlling interests on the consolidated statement of financial position (note 11).

# REVESCO PROPERTIES TRUST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 13. Fair value

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument.

Financial assets and liabilities recorded at fair value in the Trust's consolidated statement of financial position are categorized based upon the level of judgement associated with the inputs used to measure their fair value.

Hierarchical levels, defined by IFRS 13 and directly related to the amount of subjectivity associated with inputs to fair valuation of these financial assets and liabilities, are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The financial assets and the investment properties are measured at fair value through profit and loss on the consolidated statement of financial position and are classified as level 3 as of December 31, 2024 and 2023.

The following table shows the valuation technique used in measuring the fair value of the investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flows:</i> The valuation model considers the use of estimates such as future cash flows from assets and capitalization and discount rates.	<ul style="list-style-type: none"> <li>- Tenant profiles (occupancy rates, lease lengths)</li> <li>- Future revenue streams</li> <li>- Condition of the property</li> <li>- Discount rate</li> <li>- Terminal Cap rate</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>- Tenant profiles improved or (declined)</li> <li>- Future revenue streams increased (decreased)</li> <li>- Conditions of the property improved or (declined)</li> </ul>

Working capital accounts are carried at amortized cost as many have a short-term maturity and may be payable on demand. The mortgage and loan investments are carried at amortized cost as the Trust holds these to collect contractual cash flows and their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. Loans securing the properties are also carried at cost as the terms of the loans reflect current terms. Finally, the net asset value attributable to the holders of the redeemable units is carried at cost which approximates fair value.



# REVESCO PROPERTIES TRUST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(expressed in US Dollars)

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### 14. Risk Management

#### Risks associated with financial instruments

The Trust indirectly invests in Property LPs, which are exposed to a variety of financial risks: credit risk, liquidity risk, interest rate risk and currency risk. The value of investments within the Trust's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and the market.

Significant risks that are relevant to the Trust are discussed below:

#### Credit risk and economic dependence

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust is exposed to credit risk in respect of its accounts receivable in the event of non-payment of rent and recoveries by its tenants. This risk is mitigated by performing ongoing credit evaluations of its residents and making adequate provisions for potential credit losses. As of December 31, 2024, the Trust has recorded \$203,892 (2023 - \$84,323) of bad debt expense accordance with this policy. Bad debt expenses are recorded in administrative expenses in the consolidated statement of income and comprehensive income.

The Trust's cash is held with CIBC, which is rated A+ by S&P Global. The accounts, including short term investments, for all entities consolidating into the Trust are held in regional US banks whose funds are insured up to \$250,000 per account by the Federal Deposit Insurance Corporation. Any amounts over and above \$250,000 in each account are nominal. The debenture and promissory note held by RPT Alternatives, LP is unrated. The mortgage loan held by RPT Alternatives, LP is also unrated, however it is secured by a first charge against the underlying development property in case of default.

#### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash) that are denominated in a currency other than United States dollars, which represents the functional currency of the Trust. As at December 31, 2024 and 2023, the Trust is not subject to significant currency risk.

#### Liquidity risk

Liquidity risk is defined as the risk that the Trust may not be able to settle or meet its obligation on time or at a reasonable price.

The Trust's exposure to liquidity risk is concentrated in the periodic cash redemptions of units by its unitholders and is therefore considered significant.

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

The Trust diligently monitors the repayment dates of its mortgages and intends to refinance all

# REVESCO PROPERTIES TRUST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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mortgages as they become due. As of December 31, 2024, the mortgage due dates represent a weighted average remaining term of 8.23 years (2023 – 7.64 years).

The Trust's undiscounted scheduled future payments at December 31, 2024 are as follows:

Year ended December 31, 2024	Accounts payable and other	Lease liability	Loans payable (principal, interest and maturities)	Secured credit facility	Distributions payable	Total
2025	\$ 2,154,945	\$ 52,485	\$ 5,203,321	\$ 9,108,136	\$ 1,062,589	\$ 17,581,476
2026	-	52,485	5,205,790	-	-	5,258,275
2027	-	52,485	12,530,848	-	-	12,583,333
2028	-	52,485	5,185,689	-	-	5,238,174
2029	-	52,485	11,349,873	-	-	11,402,358
Thereafter	-	494,236	73,714,600	-	-	74,208,836
	\$ 2,154,945	\$ 756,661	\$ 113,190,121	\$ 9,108,136	\$ 1,062,589	\$ 126,272,452

## 15. Capital management

The Trustees define capital as the aggregate of non-controlling interest, loans payable, US REIT preferred shares, redeemable Partnership Units not held by the Trust, secured credit facility and net assets attributable to unitholders. The term “loans payable” means any financial liabilities of the Trust beyond one year from December 31, 2024. The Trust's capital structure is approved by its Trustees through its periodic reviews. Capital adequacy is monitored by the Trustees by assessing performance against the approved annual plan throughout the year and by monitoring adherence to investment and debt restrictions contained in the debt covenants.

The Trustees manage the capital of the Trust in accordance with the Trust's investment objectives, policies and restrictions, as outlined in the Declaration of Trust, while maintaining sufficient liquidity to meet participating unitholder redemptions. The Trustees can, at its discretion, distribute to the Trust's unitholders in each year all or a portion of the preferred return due to the unitholders in accordance with the terms outlined in the Declaration of Trust. The Trustees also review the cash distributions paid to unitholders on a regular basis.

The capital structure of the Trust as December 31, 2024 and 2023 consisted of the following:

	2024	2023
Non-controlling interests	\$ 13,373,427	\$ 10,680,223
Loans payable	79,887,998	43,291,501
US REIT preferred shares	125,000	125,000
Redeemable Partnership units not held by the Trust	25,646,791	22,208,032
Secured credit facility	9,108,136	7,128,225
Net assets attributable to unitholders	29,144,777	21,919,660
	\$ 157,286,129	\$ 105,352,641

## REVESCO PROPERTIES TRUST

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#### 16. Subsequent events

On January 1, 2025, the Trust issued Class F units totaling \$15,000. There was \$8,541, \$72,695, \$21,938 and \$8,768 of reinvested distributions for Class A, Class F, Class B, and Class C respectively as of January 1, 2024. There was \$262,881 of Class F redemptions as of January 1, 2025.

On February 1, 2025, the Trust issued Class C units totaling \$49,709.

On March 1, 2025, the Trust issued Class C units totaling \$125,776.

On April 1, 2025, the Trust issued Class F units totaling \$260,000, Class A units totaling \$50,000, Class C units totaling \$376,143 and Class B units totaling \$10,006. The Trust redeemed Class F units totaling \$689,321, and Class A units totaling \$101,347. The Partnership redeemed Preferred LP units totaling \$599,161.

**ITEM 16  
CERTIFICATE**

**DATED** this 4th day of April, 2025.

This Offering Memorandum does not contain a misrepresentation.

**REVESCO PROPERTIES TRUST**



CHRISTOPHER WOOD  
Trustee



SCOTT LEE  
Trustee