

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



OFFERING OF TRUST UNITS

<b>Date:</b>	May 11, 2026
<b>The Issuer</b>	
Name:	All Island Equity REIT (“All Island REIT” or the “Trust”)
Head office:	PO Box 39009 RPO James Bay, Victoria, British Columbia V8V 4X8
	Phone #: 778-350-7348
	Website allislandreit.ca
	E-mail address: investors@allislandreit.ca
Currently listed or quoted?	No. <b>These securities do not trade on any exchange or market.</b>
Reporting issuer?	No.
<b>The Offering</b>	
Securities offered:	Class A2 Units, Class B2 Units, Class F2 Units, Class I2 Units, Class IWA Units and Class IWF Unit of the Trust (each, a “Unit” and together, the “Units”). Each class shall have the attributes and characteristics as set under Item 5.1 - “Securities Offered – Terms of Units”.
Price per security:	The price per security is determined by AIE Services Inc. (the “Trustee”), the trustee of the Trust, from time to time and will be set forth in the subscription agreement(s) entered into between each Subscriber and the Trust.
Minimum/Maximum offering:	<b>There is no minimum or maximum to this offering. You may be the only purchaser.</b>
Minimum Subscription:	First time Subscribers must make a minimum investment of \$10,000 in any Class of Units, other than the Class B2 Units (see Item 5.2 “Subscription Procedure – Purchase Options – Class B2 Units”), subject to the discretion of the Trustee. Existing Unitholders must make a minimum investment of \$2,500 in any Class of Units and maintain a minimum of \$10,000 in Unit subscriptions, other than the Class B2 Units, subject to the discretion of the Trustee.
Payment terms:	A certified cheque, bank draft or wire transfer payable to the Trust. If subscribing through Fundserv, payment must be made through the Fundserv system. See Item 5.2 – “Subscription Procedure”.
Proposed closing date(s):	This is a continuous offering. Closings may occur from time to time at the discretion of the Trustee. The Trustee may terminate the offering at any time. It is anticipated that Closings will take place on the last Business Day of each month.
Income tax consequences:	There are important tax consequences to these securities. See Item 8.
Insufficient Funds	Funds available under the offering may not be sufficient to accomplish the proposed objectives. See Item 2.6.
Compensation Paid to Sellers and Finders	A person has received or will receive compensation for the sale of securities under this offering. See Item 9.
Underwriter(s)	N/A.
Resale restrictions	You will be restricted from selling your securities for an indefinite period. See Item 12.
Working Capital Deficiency	N.A.
Payments to Related Party	Some of your investment will be paid to a Related Party (as defined herein) of the Trust. See Item 1.2.
Certain Related Party Transactions	N/A.
Certain Dividends or Distributions	The Trust has not paid dividends or distributions that exceeded cash flow from operations. See Item 7.

Conditions on Repurchases    **You will have a right to require the Trust to repurchase the securities from you, but this right is qualified by certain restrictions and conditions, including cash limits on redemptions, early redemption charges on certain classes of Units and administrative and processing fees determined by the Trustee. As a result, you might not receive the amount of proceeds that you want. See Item 5.1 and Item 10.**

Purchaser's rights            You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 13.

**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 10.**

## TABLE OF CONTENTS

<b>GENERAL INFORMATION AND DISCLAIMERS</b> .....	<b>1</b>
<b>GLOSSARY</b> .....	<b>4</b>
<b>SUMMARY</b> .....	<b>I</b>
<b>ITEM 1 - USE OF AVAILABLE FUNDS</b> .....	<b>1</b>
1.1 Funds.....	1
1.2 Use of Available Funds.....	1
<b>ITEM 2 - BUSINESS OF THE ISSUER AND OTHER INFORMATION AND TRANSACTIONS</b> .....	<b>2</b>
2.1 Structure.....	2
2.2 <b>The Business</b> .....	6
2.3 Development of Business.....	15
2.4 Long-Term Objectives.....	17
2.5 Short-Term Objectives.....	17
2.6 Insufficient Funds.....	17
2.7 Material Agreements.....	17
<b>ITEM 3 - COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES</b> .....	<b>42</b>
3.1 Compensation and Securities Held.....	42
3.2 Management Experience.....	43
3.3 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal and Quasi-Criminal Offences.....	45
3.4 Certain Loans.....	45
<b>ITEM 4 - CAPITAL STRUCTURE</b> .....	<b>45</b>
4.1 Capital.....	45
4.2 Long Term Debt.....	46
4.3 Prior Sales.....	46
<b>ITEM 5 - SECURITIES OFFERED</b> .....	<b>47</b>
5.1 Terms of Units.....	47
5.2 Subscription Procedure.....	49
<b>ITEM 6 - REPURCHASE REQUESTS</b> .....	<b>52</b>
6.1 Redemption History.....	52
<b>ITEM 7 - CERTAIN DIVIDENDS OR DISTRIBUTIONS</b> .....	<b>53</b>
7.1 Net Asset Value Per Unit and Distributions History.....	53
7.2 Distribution Reinvestment Plan.....	53
<b>ITEM 8 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY</b> .....	<b>54</b>
8.1 General.....	54
8.2 Summary of Income Tax Consequences.....	54
8.3 Eligibility For Deferred Plans.....	59
<b>ITEM 9 - COMPENSATION PAID TO SELLERS AND FINDERS</b> .....	<b>60</b>
<b>ITEM 10 - RISK FACTORS</b> .....	<b>60</b>
<b>ITEM 11 - REPORTING OBLIGATIONS</b> .....	<b>67</b>
<b>ITEM 12 - RESALE RESTRICTIONS</b> .....	<b>67</b>
<b>ITEM 13 - PURCHASERS' RIGHTS</b> .....	<b>67</b>
13.1 Two Day Cancellation Right for a Subscriber.....	67
13.2 Rights of Action in the Event of a Misrepresentation.....	68
<b>ITEM 14 - FINANCIAL STATEMENTS</b> .....	<b>72</b>
<b>ITEM 15 - DATE AND CERTIFICATE</b> .....	<b>76</b>

## GENERAL INFORMATION AND DISCLAIMERS

This Offering is being made pursuant to exemptions from the prospectus requirements of applicable securities legislation in Canada. Subscriptions will be received if, as and when accepted, subject to satisfaction of the conditions set forth under Item 5.2 - "Subscription Procedure" and to the right of the Trustee to close the subscription books at any time without notice. Closings will be held from time to time in the discretion of the Trustee. See 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 Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their own legal, investment, accounting, and tax advisers concerning this investment.**

The Units will be issued only on the basis of information contained in this Offering Memorandum, including information that is incorporated by reference herein, and provided by the Trust, and no other information or representations have been authorized nor may be relied upon as having been authorized by the Trust, and no person has been authorized by the Trust to provide prospective investors with information other than as contained in this Offering Memorandum. Any subscription for the Units made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, 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.

**This is primarily a "blind pool" Offering. The Trust intends to use the net proceeds of the Offering to primarily invest in LP Units (as defined herein). The Limited Partnership (as defined herein) will use the proceeds from the issuance of LP Units primarily to purchase additional properties, which, except as otherwise described herein, have not yet been determined. Pending investment in LP Units, the Trust may use a portion of the net proceeds of the Offering to: (i) invest in Permitted Investments (as defined herein), including cash and money market investments; (ii) pay the expenses of the Trust; and (iii) pay amounts in connection with the redemption of Units. The Limited Partnership may use a portion of the proceeds received by the Limited Partnership from the issuance of LP Units to pay: (i) down mortgage financing on a specific property or properties; (ii) capital expenditures on a specific property or properties; (iii) costs in connection with the re-positioning of properties; (iv) due diligence and documentation costs relating to property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to such acquisitions or properties; and (v) the expenses of the Limited Partnership, including fees payable to the Manager (as defined herein) under the Management Agreement (as defined herein).**

### **Industry and Market Data**

Unless otherwise indicated, the Trust obtained the industry and market data used throughout this Offering Memorandum from surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While the Trust believes this data to be reliable, market and industry data is subject to variation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Trust has not independently verified such data, does not make any representations as to the accuracy of such information, and is not responsible for the accuracy of any of the data from third party sources referred to in this Offering Memorandum.

## **Forward-Looking Statements**

This Offering Memorandum, and any OM Marketing Materials (as defined herein) incorporated by reference, may contain forward-looking statements. These statements relate to future events or the Trust's views or predictions of possible future performance, operations, and its strategy. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology, including by way of example and without limiting the generality of the foregoing, statements with respect to: the price of the Units; the use of proceeds of the Offering; the business to be conducted by the Trust and the Limited Partnership; properties targeted for acquisition; expected or anticipated acquisitions and the status thereof; the issuance of Units pursuant to the DRIP; the timing and payment of amounts in connection with redemptions of Units; the expected return on investment for Subscribers; the expected debt levels of the Limited Partnership, including assumptions related to debt, interest rates and repayment terms associated with mortgages for the Properties; expected average monthly rents; the long term and short term objectives of the Trust and the Limited Partnership; the ability of the Limited Partnership to obtain financing, including the availability of debt financing; the availability of funds for distributions; the timing and payment of distributions; the investment objectives and strategy of the Trust and the Limited Partnership; the future performance of the Properties; expansion throughout the Trust Region (as defined herein) from time to time; treatment under government regulatory regimes and tax laws; the qualification of the Trust as a "mutual fund trust" (as defined in the Tax Act); and the methods of funding. These statements are based on reasonable assumptions and estimates made by the Trustee about the success of the Trust's investment strategies in certain market conditions, relying on the knowledge and experience of the officers and employees of the Trustee and the Manager (as defined herein). These statements are only predictions. Even though the Trust believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate. In addition, this Offering Memorandum, and any OM Marketing Materials incorporated by reference, may contain forward-looking statements attributed to third party industry sources.

Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward-looking statements include, but are not limited to, general economic, political, market and business factors and conditions; the ability of the Trust to raise capital; interest rate fluctuations; inflation; statutory and regulatory developments; ability to obtain financing; increased competition; loss of key employees; additional funding requirements; the ability of the Limited Partnership to acquire and/or sell, as applicable, Properties on terms considered reasonable by the Limited Partnership; catastrophic events, climate change and severe weather conditions; and other factors, including acts of war, geopolitical risk, trade issues with other countries, terrorism, natural disasters or pandemics or epidemics, such as COVID-19, and the severity and duration thereof. The foregoing factors are not intended to represent a complete list of the factors that could affect the Trust. Additional factors are noted under Item 10 – "Risk Factors".

The forward-looking statements contained in this Offering Memorandum, and any OM Marketing Materials incorporated by reference, are expressly qualified by this cautionary statement. The forward-looking statements are made as of the date of this Offering Memorandum. Except as otherwise required by applicable law, the Trust does not intend to, and assumes no obligation to, update or revise these or other forward-looking statements it may provide, whether as a result of new information, plans or events or otherwise.

## **Currency**

All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian currency.

### **OM Marketing Materials**

The marketing materials (the “**OM Marketing Materials**”) delivered or made reasonably available to a prospective purchaser before the termination of the distribution, related to each distribution under this Offering Memorandum, are incorporated by reference in this Offering Memorandum. The Trust reserves the right to modify such OM Marketing Materials in a non-material way without re-delivering or without making reasonably available the said OM Marketing Materials to a prospective purchaser.

Copies of the OM Marketing Materials incorporated by reference herein may be obtained on request without charge from the Trust at [investors@allislandreit.ca](mailto:investors@allislandreit.ca) and are publicly available on SEDAR+ or on the Trusts website [allislandreit.ca](http://allislandreit.ca).

Information contained or otherwise accessed through the Trusts website or any other website does not form part of this Offering Memorandum or the Offering.

## GLOSSARY

*The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.*

**“Acquisition Fee”** means a fee equal to 1.0% of the gross purchase price of each Property (or interest in a Property), plus GST if applicable, payable upon the completion of the purchase of each such Property (or interest in a Property);

**“Administration Agreement”** means the administration agreement between the Administrator and the Trust dated April 27, 2023, as described under Item 2.7 – “Material Agreements – Administration Agreement”, as such agreement may be amended, restated or supplemented from time to time;

**“Administrator”** means Columbia Westmount Development Inc.;

**“ADPOC”** means the Acquisition, Dispositions, and Property Oversight Committee of the Trustee Board;

**“Affiliate”** or **“Affiliates”** has the same meaning as in the B.C. Securities Act;

**“AIE Residential”** has the meaning given to it under Item 2.2– “The Business – Credit Facility”;

**“Asset Management Fee”** means a fee payable by the Limited Partnership to the Manager for services provided pursuant to the Management Agreement, equal to the product of: (i) the Gross Asset Value on the last day of the applicable quarter (being March 31, June 30, September 30 and December 31); and (ii) one quarter of 0.5% per annum, which fee is payable no later than the last day of the quarter;

**“Available Funds”** has the meaning given to it under Item 1.2 – “Use of Available Funds”;

**“B.C. Securities Act”** means the *Securities Act* (British Columbia) and regulations thereunder, with all amendments thereto in force from time to time and any statutes or regulations that may be passed which have the effect of supplementing or superseding such statute or regulations;

**“Business Day”** means a day, other than a Saturday, Sunday or statutory holiday in the City of Nanaimo, British Columbia;

**“Canada Five-Year Yield”** means on any date the yield to maturity on such date (expressed as a percentage), assuming semi-annual compounding, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity of approximately five years, which Canada Five-Year Yield shall be determined by a major Canadian investment dealer selected by the Trustee;

**“Capital Expenditures”** has the meaning given to it under Item 2.2 – “The Business – Portfolio Overview – Residential Properties”;

**“Cash Flow”** has the meaning given to it under Item 2.7 – “Material Agreements – Trust Declaration – Distributions – Computation of Cash Flow of the Trust”;

**“CBCA”** has the meaning given to it under Item 2.7 – “Material Agreements – Trust Declaration – Rights of Unitholders”;

**“Class A2 Unit”** means a Class A2 unit of the Trust and includes a fraction of a Class A2 Unit of the Trust;

**“Class B2 Unit”** means a Class B2 unit of the Trust and includes a fraction of a Class B2 Unit of the Trust;

**“Class B2 Minimum Investment Amount”** has the meaning given to it under “Summary – Purchase Options”;

**“Class F2 Unit”** means a Class F2 unit of the Trust and includes a fraction of a Class F2 Unit of the Trust;

**“Class I2 Unit”** means a Class I2 unit of the Trust and includes a fraction of a Class I2 Unit of the Trust;

**“Class IWA Unit”** means a Class IWA unit of the Trust and includes a fraction of a Class IWA Unit of the Trust;

**“Class IWF Unit”** means a Class IWF unit of the Trust and includes a fraction of a Class IWF Unit of the Trust;

**“Closing”** means a closing of the sale of Units on such date(s) as the Trustee may determine from time to time;

**“Cost Sharing and Recovery Agreement”** means the cost sharing and recovery agreement dated March 29, 2017 between the Trust and the Limited Partnership, as described under Item 2.7 – “Material Agreements”, as such agreement may be amended, restated and or supplemented from time to time;

**“Conflict of Interest”** has the meaning given to it under Item 2.1 – “Structure - Governance Matters”;

**“CRA”** has the meaning given to it under Item 8.2 – “Summary of Income Tax Consequences”;

**“Debt Securities”** means debt securities of any subsidiary of the Trust that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of five years or less, are pre-payable at any time at the option of the issuer prior to maturity, and pay an annual rate of interest equal to the Canada Five-Year Yield, payable monthly in arrears;

**“Deferred Plan”** means a trust governed by a “registered retirement savings plan”, “registered retirement income fund”, or “tax-free savings account”, as those terms are defined in the Tax Act;

**“Disposition Fee”** means a fee in an amount equal to 1.0% of the sale price of a Property (or interest in a Property) received from the disposition of a Property (or interest therein), payable upon the completion of the disposition of each such Property (or interest therein);

**“Distributable Cash Flow”** means, in respect of the Trust, the distributable cash flow for, or in respect of, a Distribution Period; and is equal to the Cash Flow for such Distribution Period less any amount that the Trustee may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Trust (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow of the Trust) and less such reserves or amounts as are, in the opinion of the Trustee, necessary or desirable;

**“Distribution Payment Date”** in respect of any Distribution Period, means a date on which the Trustee is required to make a distribution of Distributable Cash Flow, which date shall be a date that falls within a reasonable period of time following the end of the Distribution Period, as determined from time to time by the Trustee in its discretion;

**“Distribution Period”** means each quarter of each calendar year, being any of the periods ending on March 31, June 30, September 30 and December 31 in each year, except for 2017;

**“Distribution Record Date”** in respect of any Distribution Period means the last Business Day of such Distribution Period;

**“Distribution Reinvestment Plan”** or **“DRIP”** means the distribution reinvestment plan of the Trust;

**“Early Redemption Charge”** means any charge or reduction in unit Redemption Price determined by the Trustee to apply to any Non-IW Units tendered for Redemption by a Unitholder during the Early Redemption Period, and initially set as follows: (A) 4.0% for a redemption of Non-IW Units made within the first 12 months from the date of subscription of such Non-IW Units; (B) 3.0% for a redemption of Non-IW Units made after 12 months but prior to 24 months from the date of subscription of such Non-IW Units; (C) 2.0% for a redemption of Non-IW Units made after 24 months but prior to 36 months from the date of subscription of such Non-IW Units; and (D) 1.0% for a redemption of Non-IW Units made after 36 months but prior to 48 months from the date of subscription of such Non-IW Units;

**“Early Redemption Period”** means the period during which an Early Redemption Charge may apply, and initially set at four (4) years from the date of purchase of the Non-IW Units;

**“Existing Unitholder”** means a Unitholder prior to any issuance of Units to such Unitholder pursuant to the Offering;

**“Extraordinary Distributions”** means, in respect of the Limited Partnership, distributions to the Limited Partners arising from or related to funds received by the Limited Partnership on account of matters other than revenues arising from the ordinary course of operations of the Properties, including distributions arising from a refinancing or a sale but excluding normal course distributions of available cash;

**“Fair Market Value”** means an amount equal to the fair market value of a Property, which shall be determined assuming a fully informed willing buyer and a willing seller dealing at arms'-length with one another and a free and open market for such Property, unless the Manager, upon review of independent evidence such as third party appraisals, property tax assessment information or other third party market information, reasonably determines that any Property has a fair market

value other than as described above, in which case the value of such interest in the Property will be deemed to be the value as recommended by the Manager, acting reasonably, for the determination by the Trustee of the Trust;

**“Fee Based Account”** means an account in which the Subscriber would hold Class F2 Units and which already has fees attached to the assets in such account and/or where the advisor or portfolio manager is already being paid fees for service such that if commissions or trailers would be paid to the advisor or portfolio manager, the Subscriber would in effect be paying duplicate fees;

**“Financing Fee”** means a fee in an amount equal to: (i) 1.0% of the loan amount of any initial debt financing in connection with the acquisition of a Property, or a previously acquired Property if such Property was acquired without any debt financing; and (ii) 1.0% of the loan amount of any Refinancing, in either case, payable at the time of funding of the loan;

**“Fiscal Year”** means each consecutive period of twelve (12) months coinciding with the calendar year and ending on December 31, provided that the first Fiscal Year of the Trust commenced on March 1, 2017 and ended on December 31, 2017;

**“General Partner”** means AIE Management Inc.;

**“Gross Asset Value”** means the Fair Market Value of all assets of the Limited Partnership, including the Properties, cash, publicly traded securities and any other assets, as measured on the financial statements of the Trust as at the end of each month;

**“Income Share”** means the allocation to a Limited Partner of a share of the income or loss of the Limited Partnership which shall be his, her or its Proportionate Share thereof subject to adjustments made to allocate revenue and expenses on a daily incremental basis from the date the LP Units are issued and to fairly allocate expenses on a cumulative, proportionate basis;

**“Independent”** a member of the Trustee Board is independent if he or she has no direct or indirect material relationship with the Trust or any of its subsidiaries. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment;

**“IW Unit”** means, as the context may require, a Class IWA Unit or a Class IWF Unit, and includes a fraction thereof;

**“IW Redemption Date”** has the meaning given under 2.7 – “Material Agreements – Trust Declaration – Redemption – Right of Redemption by Unitholders”;

**“IW Redemption Notice”** has the meaning given under 2.7 – “Material Agreements – Trust Declaration – Redemption – Right of Redemption by Unitholders”;

**“IW Redemption Price”** has the meaning given under 2.7 – “Material Agreements – Trust Declaration – Redemption – Redemption Price”;

**“Limited Partner”** means a limited partner of the Limited Partnership;

**“Limited Partnership”** means All Island Equity REIT Limited Partnership;

**“Limited Partnership Agreement”** means the limited partnership agreement dated March 1, 2017, as amended and restated May 1, 2019, as amended and restated December 31, 2019, and as amended July 19, 2022 governing the Limited Partnership, as such agreement may be amended, restated or supplemented from time to time;

**“LP Units”** means the partnership units of the Limited Partnership designated as Limited Partnership units pursuant to the Limited Partnership Agreement;

**“Management Agreement”** means the agreement between the Limited Partnership and the Manager dated March 29, 2017, as amended and restated May 1, 2019, as amended and restated January 1, 2020, as amended and restated July 19, 2022, as amended and restated April 27, 2023 and as amended and restated April 3, 2024, as described under Item 2.7 – “Material Agreements – Management Agreement”, as such agreement may be amended, restated and or supplemented from time to time;

**“Manager”** means AIE Management Inc.;

**“Mortgage Loans”** means one or more mortgages, charges, pledges, hypothecs, liens, security interests or other encumbrances of any kind or nature whatsoever of the Properties to be granted by the Limited Partnership (or, if a Property is held by a nominee entity on behalf of the Limited Partnership, by such entity) to one or more lenders, the proceeds of which will be used to finance the purchase, ownership and operation of such Properties;

**“Net Asset Value”** means, on a particular date, the aggregate value of the Trust Property on the Valuation Date, less the aggregate value of the Trust’s liabilities on the Valuation Date and will be subject to valuation rules set by the Trust from time to time;

**“Net Asset Value Per Unit”** means the Net Asset Value divided by the number of outstanding Units of the Trust (determined before giving effect to any reinvestment of net income, Net Realized Capital Gains or other distributions then payable to Unitholders and before giving effect to any redemptions or issuances of Units to be implemented as of the Valuation Date);

**“Net Income (LP) and Net Loss (LP)”** means, for accounting purposes, the net income or net loss of the Limited Partnership for a fiscal year as determined in accordance with IFRS applied on a consistent basis to the extent possible;

**“Net Realized Capital Gains”** means, for any taxation year, the amount, if any, by which the aggregate of the capital gains of the Trust realized in such year exceeds the sum of:

- (i) the aggregate of the capital losses of the Trust realized in such year;
- (ii) any capital gains that are realized by the Trust as a result of a redemption of Units pursuant to the Trust Declaration and that are payable to redeeming Unitholders; and
- (iii) each amount determined by the Trustee in respect of any net capital loss for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such year multiplied by the reciprocal of the fraction applicable in determining the proportion of a capital gain for such prior taxation year that is a taxable capital gain;

**“NI 31-103”** means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

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

**“Non-IW Redemption Date”** has the meaning given under Item 2.7 – “Material Agreements – Trust Declaration – Redemption – Right of Redemption by Unitholders”;

**“Non-IW Redemption Notice”** has the meaning given under Item 2.7 – “Material Agreements – Trust Declaration – Redemption – Right of Redemption by Unitholders”;

**“Non-IW Redemption Price”** has the meaning given under Item 2.7 – “Material Agreements – Trust Declaration – Redemption – Redemption Price”;

**“Non-IW Unit”** means, as the context may require, a Class A2 Unit, a Class B2 Unit, a Class F2 Unit or a Class I2 Unit, and a includes a fraction thereof;

**“Offering”** means the offering of Units under this Offering Memorandum;

**“Offering Memorandum Exemption”** has the meaning given to it under Item 5.2 “Subscription Procedure”;

**“Options”** has the meaning given to it under Item 2.7 – “Material Agreements – Trust Declaration – Constraint on Non-Resident Unitholders”;

**“Ordinary Resolution”** means a resolution approved by not less than 50% of the votes cast by those Unitholders who vote in person or by proxy at a duly convened meeting of Unitholders or a written resolution signed by Unitholders entitled, in the aggregate, to not less than 50% of the aggregate number of votes of the Unitholders;

**“Permitted Firms”** has the meaning given to it under Item 2.7 – “Material Agreements – VI Agent Engagement Letter”;

**“Permitted Investments”** means:

- (i) debt obligations of or guaranteed by the Government of Canada or a province of Canada;
- (ii) commercial paper obligations of a corporation or other person whose commercial paper is rated investment grade by Dominion Bond Rating Service Limited or its successors or assigns or by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors or assigns;
- (iii) interest-bearing accounts and short term certificates of deposit issued or guaranteed by a Canadian chartered bank or trust company;
- (iv) money market mutual funds; or
- (v) any combination thereof;

**"Properties"** means the various direct, indirect or partial interests in commercial and residential real estate properties, including existing revenue-producing properties and capital properties developed by the Limited Partnership to be held as income-producing real estate for long-term investment, situate in the Trust Region and acquired, owned and operated from time to time by the Limited Partnership, and **"Property"** means any one of them;

**"Property Management Agreement"** means, collectively, the commercial property management agreement and residential property management agreement between the Limited Partnership and the Property Manager dated January 26, 2019, as described under Item 2.7 – "Material Agreements – Property Management Agreement", as such agreement may be amended, restated and or supplemented from time to time;

**"Property Manager"** means, Devon Properties Ltd;

**"Proportionate Share"** means for each LP Unit or Limited Partner, as the case may be, means that fraction which:

- (i) has as its denominator the aggregate of an amount equal to the total subscription proceeds for LP Units received by the Limited Partnership; and
- (ii) has as its numerator:
  - (A) in the case of a LP Unit, an amount equal to the subscription price of such Unit; and
  - (B) in the case of a Limited Partner, an amount equal to the aggregate of the total subscription price paid by such Limited Partner for all of his, her or its LP Units;

**"Proposed Amendments"** has the meaning given to it under Item 8.2 – "Summary of Income Tax Consequences";

**"Quarterly Limit"** means the amount up to which the Trust must pay cash in respect of the redemption of: (i) IW Units properly tendered for redemption in a calendar quarter, as set forth in Item 2.7 – "Material Agreements – Trust Declaration – Redemption – Effect of Redemption Notice"; and (ii) Non-IW Units properly tendered for redemption in a calendar quarter, as set forth in Item 2.7 – "Material Agreements – Trust Declaration – Redemption – Effect of Redemption Notice"

**"Redemption"** means a redemption of Units by a Unitholder;

**"Redemption Date"** means, as the context requires, the IW Unit Redemption Date in respect of IW Units tendered for redemption and the Non-IW Redemption Date in respect of Non-IW Units tendered for redemption;

**"Redemption Notice"** means, as the context requires, the IW Unit Redemption Notice in respect of IW Units tendered for redemption and the Non-IW Redemption Notice in respect of Non-IW Units tendered for redemption;

**"Redemption Price"** means, as the context requires, the IW Unit Redemption Price in respect of IW Units tendered for redemption and the Non-IW Redemption Price in respect of Non-IW Units tendered for redemption;

**"Refinancing"** means any renewal, extension, increase or refinancing of all or any part of any financing permitted in respect of the Properties, but excluding any ordinary course borrowing for operating purposes and any financing obtained in connection with the initial acquisition of the applicable Property;

**"Regulations"** has the meaning given to it under Item 8.2 – "Summary of Income Tax Consequences";

**“Reimbursable Costs”** has the meaning given to it under Item 2.7 – “Material Agreements – Cost Sharing and Recovery Agreement”;

**“Related Party”** has the meaning given to it in NI 45-106;

**“Re-positioning Fee”** means, except as otherwise mutually agreed to by the Partnership and the Manager, a monthly fee in an amount equal to 5% of the costs incurred by the Manager in a given month in respect of a Re-positioning Program relating to a Property, payable on the last day of each month up to the earlier of: (i) the completion of the Re-positioning Program; and (ii) the termination of the Management Agreement;

**“Re-positioning Program”** means the updating, renovating, repairing, replacing and refurbishing of a Property in order to re-position the Property’s standard and quality of finish within its surrounding market;

**“Re-positioning Services”** has the meaning given to it under Item 2.2 – “The Business – Management of the Properties”;

**“Retraction Notice”** has the meaning given to it under Item 2.7 – “Material Agreements – Trust Declaration – Retraction – Exercise of Right”;

**“Retraction Price”** has the meaning given to it under Item 2.7 – “Material Agreements – Trust Declaration – Retraction – Retraction Price”;

**“Sale”** means the sale by the Limited Partnership of all or part of its interest in a Property or the Properties, the receipt by the Limited Partnership of compensation for the expropriation of, condemnation of or injurious affection to a Property or the Properties or any part thereof or interest therein, or the recovery by the Limited Partnership of damage awards or insurance proceeds (other than business or rental interruption insurance proceeds) in respect thereof;

**“Selling Group”** has the meaning given to it under Item 2.7 – “Material Agreements – The VI Agent Engagement Letter”;

**“SIFT”** has the meaning given to it under Item 8.2 – “Summary of Income Tax Consequences – Tax Status of the Trust – The SIFT Measures”;

**“SIFT Measures”** has the meaning given to it under Item 8.2 – “Summary of Income Tax Consequences – Tax Status of the Trust – The SIFT Measures”;

**“Special Resolution”** means a resolution approved by not less than 75% of the votes cast by those Unitholders who vote in person or by proxy at a duly convened meeting of Unitholders, or a written resolution signed by Unitholders entitled, in the aggregate, to not less than 75% of the aggregate number of votes of the Unitholders;

**“Subscriber”** means a subscriber for Units;

**“Subscription Agreement”** means the subscription agreement executed by a Subscriber to subscribe for Units;

**“Subscription Price”** means the amount paid by a Subscriber for a Unit, as determined by the Trustee from time to time, and set forth in the Subscription Agreement;

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

**“Trust”** means All Island Equity REIT;

**“Trust Declaration”** means the Declaration of Trust dated March 1, 2017, as amended on May 29, 2018, July 19, 2022 and March 13, 2026 and supplemented by the supplemental indenture dated March 17, 2026, as may be further amended, restated and or supplemented from time to time;

**“Trust Income”** means, for any taxation year of the Trust, the income for such year computed in accordance with the provisions of the Tax Act, other than paragraph 82(l)(b) and subsection 104(6) thereof, and taking into account such other amounts and adjustments as are determined in the discretion of the Trustee regarding the calculation of income for the purposes of determining the “taxable income” of the Trust; provided, however, that capital gains and capital losses will be excluded from the computation of Trust Income and, if an amount has been designated by the Trust under subsection 104(19) of the Tax Act, such designation shall be disregarded;

**“Trust Liabilities”** means:

- (i) the Trust Property or the ownership, use, operation, acquisition or disposition thereof or the exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto, associated therewith or derived therefrom;
- (ii) the obligations, liabilities, activities or affairs of the Trust;
- (iii) any actual or alleged act or omission of the Trustee or any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration);
- (iv) any actual or alleged act or omission of the Trustee or any other person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion or authority conferred upon the Trustee or such other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration);
- (v) any transaction entered into by the Trustee or by any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration); or
- (vi) any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustee or by any other person (except the Unitholder to the extent required by applicable tax laws) on behalf of or in connection with the activities or affairs of the Trust;

**“Trust Notes”** means promissory notes of the Trust that may be created and issued from time to time that are subordinated and unsecured, have a maturity of five years or less, are pre-payable at any time at the Trust’s option prior to maturity, and pay an annual rate of interest equal to the Canada Five-Year Yield, payable monthly in arrears;

**“Trust Property”** means the properties and assets held from time to time by the Trust or by the Trustee on behalf of the Trust, including:

- (i) the initial contribution of \$10.00 paid by the settlor of the Trust to the Trustee;
- (ii) all funds or property derived from the issuance or sale of Units and Trust Notes or other funds or property received by the Trust;
- (iii) any LP Units or other securities of the Limited Partnership or of any other person held from time to time by or on behalf of the Trust;
- (iv) any Permitted Investments held from time to time by or on behalf of the Trust;
- (v) any proceeds of disposition of any of the foregoing property or in respect of the investment or substitution of the properties and assets of the Trust; and
- (vi) all proceeds, income, dividends, interest, profit, return of capital, gains and accretions and all substituted assets, rights and benefits of any kind or nature whatsoever arising directly or indirectly from or in connection with or accruing to such foregoing property or such proceeds of disposition;

**“Trust Region”** means any part of the Province of British Columbia;

**“Trustee”** means AIE Services Inc., or any successor trustee appointed pursuant to the Trust Declaration;

**“Trustee Board”** means the board of directors of the Trustee;

**“Unitholders”** means, at any particular time, the persons entered in the register or registers of the Trust as holders of Units and the singular form means one such registered holder, and includes the holders of Units;

**“Units”** means, as the context may require, a Class A2 Unit, a Class B2 Unit, a Class F2 Unit, a Class I2 Unit, a Class IWA Unit or a Class IWF Unit and includes a fraction of any of such Classes of Units of the Trust called **“Classes”**;

**“Valuation Date”** means any date in a fiscal year on which the Trustee determines Net Asset Value per Unit;

**“Valuation Time”** means 4:00 p.m. (PST) on such days on which the Trust may, or is required to, under applicable securities laws or the Trust Declaration, calculate Net Asset Value or Net Asset Value Per Unit;

**“VanCity Line of Credit”** means the secured line of credit bearing a floating interest rate of Vancity Prime + 1.50%, as described under Item 2.2 – “The Business – Credit Facility”. For purposes of this definition, Vancity Prime means the floating rate of interest established and announced by Vancouver City Savings Credit Union from time to time as a reference rate for purposes of determining rates of interest it will charge on loans;

**“Vancouver Island Agent”** means Integral Wealth Securities Limited;

**“Vancouver Island Agent Fee”** has the meaning given to it under Item 2.7 – “Material Agreements – The VI Agent Engagement Letter”;

**“VI Agent Engagement Letter”** means the engagement letter dated May 7, 2026 between the Trustee, on behalf of the Trust, and the Vancouver Island Agent, as described under Item 2.7 – “Material Agreements – The VI Agent Engagement Letter”; and

**“Vancouver Island Agent Percent Trailer”** has the meaning given to it under Item 2.7 – “Material Agreements – The VI Agent Engagement Letter”.

## SUMMARY

*The following is 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. Capitalized terms used in this Summary and not defined herein have the meaning given to them in the Glossary.*

All Island REIT is an unincorporated, open-ended private real estate investment trust. All Island REIT intends to qualify as a mutual fund trust for purposes of the *Income Tax Act* (Canada). All Island REIT offers trust units pursuant to exemptions from the prospectus requirement contained in applicable securities legislation (i.e., the accredited investor exemption; the offering memorandum exemption; friends, family and business associates exemption; etc.).

All Island REIT was founded in 2017 to provide investors with access to income-producing multifamily rental housing across Vancouver Island. The Trust was established to respond to a growing demand from both residents and investors for professionally managed rental communities in lifestyle-driven markets that were historically under-served by institutional capital.

All Island REIT's primary objective is to provide stable, tax-efficient income and long-term capital appreciation by acquiring, managing, and optimizing income-producing residential and commercial real estate in British Columbia, with a focus on lifestyle communities on Vancouver Island. The investment strategy emphasizes operational efficiency, conservative leverage, and local market expertise to deliver consistent returns and preserve investor capital.

Since inception, the All Island REIT has grown from an initial seed portfolio in the Comox Valley into a diversified portfolio of more than 1,000 rental units across Vancouver Island and the Okanagan Valley.

<b>Securities Offered:</b>	Class A2 Units, Class B2 Units, Class F2 Units, Class I2 Units, Class IWA Units and Class IWF Units
<b>Subscription Price:</b>	The price per security is determined by the Trustee from time to time and will be set forth in the subscription agreement(s) entered into between each Subscriber and the Trust.
<b>Minimum Subscription:</b>	<p>\$10,000 in any Class of Units, other than the Class B2 Units (see Item 5.2 "Subscription Procedure – Purchase Options – Class B2 Units"), for first time subscribers.</p> <p>Existing Unitholders must make a minimum investment of \$2,500 in any Class of Units and maintain a minimum of \$10,000 in Unit subscriptions, other than the Class B2 Units, subject to the discretion of the Trustee.</p>
<b>Eligible Subscribers for Units:</b>	Investors who are eligible to purchase Units on an exempt basis under, and subject to compliance with, applicable securities laws.
<b>Closing:</b>	This is a continuous offering. Closings may occur from time to time in the discretion of the Trustee. The Trustee may terminate the offering at any time. It is anticipated that Closings will take place on the last Business Day of each month.
<b>Distributions:</b>	The Trust intends to make quarterly distributions to Unitholders of record on the last Business Day of each calendar quarter. Distributions will be paid within a reasonable period of time following the end of each quarter for which a distribution is declared. All Units of a particular Class are entitled to participate pro rata with other Units of the same class with respect to payments or distributions made by the Trust to the Unitholders of that class. See Item 5.1 – "Securities Offered – Terms of Units - Distributions" for details on the intended distribution amounts for each class.

**Use of Proceeds:** Primarily to invest in LP Units. The Limited Partnership will use the proceeds from the issuance of LP Units to the Trust in accordance with its stated investment objectives, including acquiring properties and making capital improvements, paying down mortgage financing and for general working capital purposes. A portion of the proceeds may be used by the Limited Partnership to pay expenses of the Limited Partnership, including fees payable to the Manager. See Item 1.2 – “Use of Available Funds”.

**Business of the Trust** The Trust is a limited purpose, unincorporated, open-ended investment trust, governed by the terms and conditions of the Trust Declaration and by the general laws of trusts and the laws of British Columbia.

The Trust has been established to issue Units, acquire LP Units, 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 in connection with the redemption of any Units and make distributions to Unitholders. Through its ownership of LP Units, the Trust will have an indirect interest in the portfolio of revenue-producing real properties, in the Trust Region, acquired, held, managed, and operated by the Limited Partnership.

### **The Manager**

AIE Management Inc. has been engaged by the Limited Partnership to act as manager. Pursuant to the Management Agreement, the Manager provides certain services to the Limited Partnership in connection with, among other things: (i) the acquisition, ownership and operation of the Properties, (ii) the financing of the Properties and (iii) the business of the Limited Partnership, in consideration for the fees set out below:

**(a) Asset Management Fee**

A quarterly fee equal to the product of:

- (i) the Gross Asset Value on the last day of the applicable quarter (being March 31, June 30, September 30 and December 31); and
- (ii) one quarter of 0.5%

**(b) Acquisition Fee**

1.0% of the gross purchase price of each Property at the time of acquisition.

**(c) Disposition Fee**

1.0% of the sale price of a Property (provided, however, that such fee will only be payable in the event that the Limited Partnership must sell, transfer, assign or dispose of a Property or interest therein to generate cash amounts to satisfy redemptions of LP Units by the Trust), upon sale of the Property.

**(d) Re-positioning Fee**

A monthly fee in an amount equal to 5% of the costs incurred by the Manager in a given month in respect of a Re-positioning Program relating to a Property.

**(e) Financing Fee**

- (i) 1.0% of the loan amount of any initial debt financing in connection with the acquisition of a Property or previously acquired Property if such Property was acquired without debt financing; and
- (ii) 1.0% of the loan amount of any Refinancing.

See Item 2.7 - “Material Agreements – Management Agreement”.

### **The Administrator**

Columbia Westmount Development Inc. has been engaged by the Trust to act as the administrator. Pursuant to the Administration Agreement, the Administrator provides certain general administrative and other services to the Trust in connection with the Trust's business, including, among other things, establishing and maintaining back accounts, receiving distributions on the LP Units and processing distributions to Unitholders, establishing legal and accounting systems, establishing appropriate legal and accounting system from the proper control of the Trust, structuring the terms and conditions of the Units, overseeing the sale of Units, responding to Unitholder inquiries, delivering tax statements, preparing financial reports, etc., in consideration for an annual payment of \$10.00 and the reimbursement of costs and expenses of the Administrator.

See Item 2.7 – "Material Agreements – Administration Agreement".

### **The Property Manager**

Devon Properties Ltd. has been engaged by the Limited Partnership to act as the property manager. The Property Manager provides limited property management and certain financial services to the Limited Partnership including, among other things, bookkeeping, rent collection, tenancy agreement preparation and execution, ensuring compliance with the Residential Tenancy Branch of British Columbia; and management of commercial leasing.

The Property Manager will be paid a fee equal to 4% of the gross revenue derived from the residential properties as described in the residential property management agreement and 5% of the gross revenue derived from the commercial properties as described in the commercial property management agreement.

See Item 2.7 – "Material Agreements – Property Management Agreement".

### **Distribution Reinvestment Plan**

The Trust has implemented an optional Distribution Reinvestment Plan for all classes of Units, pursuant to which

Unitholders are entitled to elect to have all cash distributions from the Trust automatically reinvested in additional Units of the same class. In order to be eligible to participate in the DRIP, the Unitholder must reside in Canada.

See Item 7.2 – "Distribution Reinvestment Plan".

### **Purchase Options**

(a) Class IWA Units

Subscribers may subscribe for Class IWA Units through the Vancouver Island Agent. The Vancouver Island Agent receives an upfront commission of 4.0% of the subscription price and an ongoing trailing commission of 1.0% per annum for so long as the Subscriber remains a holder of such Class IWA Units.

(b) Class IWF Units

Subscribers may subscribe for Class IWF Units through the Vancouver Island Agent. The Vancouver Island Agent receives an upfront commission of 4.0% of the subscription price.

(c) Class A2 Units

Subscribers may subscribe for Class A2 Units through a registered dealer. The registered dealer receives an upfront commission of up to 5.0% of the subscription price and an ongoing trailing commission of up to 1.0% per annum for so long as the Subscriber remains a holder of such Class A2 Units. Any such fees will be disclosed to the Subscriber prior to their purchase of Class A2 Units.

If the subscriber redeems Class A2 Units prior to the following anniversaries of the issuance date of the Class A2 Units, then the following Early Redemption Charges would apply to all such Class A2 Units redeemed:

- 1<sup>ST</sup> Year = 4.0%
- 2<sup>nd</sup> Year = 3.0%
- 3<sup>rd</sup> Year = 2.0%
- 4<sup>th</sup> Year = 1.0%

The Early Redemption Charge will be set-off against the redemption price of any such Class A2 Units.

(d) Class B2 Units

Subscribers may subscribe for Class B2 Units through a registered dealer. The registered dealer receives an upfront commission of up to 4.0% of the subscription price and an ongoing trailing commission of up to 1.00% per annum for so long as the Subscriber remains a holder of such Class B2 Units. Any such fees will be disclosed to the Subscriber prior to their purchase of Class B2 Units.

Subscribers purchasing Class B2 Units must hold upon Closing, unless waived by the Trust, Class B2 Units with an aggregate initial purchase cost not less than \$500,000 (the “**Class B2 Minimum Investment Amount**”). The Class B2 Minimum Investment Amount may be changed by the Trust from time to time.

An Early Redemption Charge, initially being 3.0%, will be set-off against the redemption price of any such Class B2 Units prior to the second anniversary of a Subscriber’s subscription.

(e) Class F2 Units

Class F2 Units are designed for Fee-Based Accounts. An Early Redemption Charge will be set-off against the redemption price of any such Class F2 Units if such Units are redeemed within the first 6 months of a Subscriber’s subscription therefor.

(f) Class I2 Units

Class I2 Units are designed for institutional investors. The fees payable on Class I2 Units will be determined based on negotiation and agreement between a Subscriber and the Trust.

## Redemptions

Units will be redeemable at the request of the Unitholders, subject to applicable laws and certain other conditions set out in the Trust Declaration.

The Trust Declaration includes quarterly limits on cash payments for redemptions, which, if met, permit the Trust to pay amounts in connection with the redemptions of Units in-kind through the issuance of debt securities or other securities. Such debt securities or other securities will generally not be qualified investments or may be prohibited investments for Deferred Plans.

Unitholders requesting redemptions must comply with the provisions of the Trust Declaration. In addition, if the Trustee determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust, the Trust may suspend redemptions of its Units. Redemptions of Units may be subject to administration and processing fees determined and applied by the Trustee, in its sole discretion.

See Item 2.7 – “Material Agreements – Trust Declaration – Redemption – Right of Redemption by Unitholder”, Item 5.1 – “Terms of Units – Redemption” and Item 10 – “Risk Factors”.

### **Certain Income Tax Considerations**

The Trust intends to continue to qualify as a “mutual fund trust” as defined in the Tax Act. Provided that the Trust is a mutual fund trust, the Units will be a qualified investment for Deferred Plans.

A Unitholder will generally be required to include in computing income for a particular taxation year the portion of the net income for purposes of the Tax Act of the Trust for a taxation year, including net realized taxable capital gains, that is paid or payable by the Trust to the Unitholder in the particular taxation year, whether that amount is received in cash, additional Units, or otherwise.

The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Unitholder in a taxation year will not be required to be included in computing the Unitholder’s income for the year and should not reduce the adjusted cost base of Units held by the Unitholder.

At no time may “non-residents” of Canada (as defined in the Tax Act) be the beneficial owners of more than 49% of the Units then outstanding. Additionally, at no time shall non-residents hold or beneficially own, directly or indirectly, Units or any other rights or options, including convertible debentures or other securities that may entitle them (conditionally or otherwise) to acquire Units that would result in more than 49% of the Units, at any time, being held or beneficially owned, directly or indirectly, by non-residents.

**Subscribers should consult their own professional advisers to obtain advice on the income tax consequences that apply to them.**

See Item 2.7 – “Material Agreements – Trust Declaration – Constraint on Non-Resident Unitholders” and Item 8 – “Income Tax Consequences and RRSP Eligibility”.

### **Risk Factors**

An investment in Units is subject to a number of risks, including, without limitation, the following:

- no securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum;
- this is primarily a blind pool offering; there is no market for Units and a market for Units is not expected to develop;
- that an investment in Units is an indirect investment in the Properties acquired by the Limited Partnership, and as such, have attached to them the risks associated with investing in real estate generally, such as interest rate risk, tenant occupancy levels, environmental risks, competition for real estate properties, changes in economic conditions;
- risks associated with redemptions and retractions of Units;
- the possibility of conflicts of interest;
- risks associated with changes in income tax regulation;
- risks related to cybersecurity; and other factors including acts of war, geopolitical risk, trade issues with other countries, aboriginal title claims, terrorism, natural disasters, severe weather conditions or pandemics or epidemics (such as COVID-19).

This Offering is not suitable for Subscribers who cannot afford to assume any significant risks in connection with their investments including the total loss of their investment in the Units.

See Item 10 – “Risk Factors”.

## ITEM 1 - USE OF AVAILABLE FUNDS

### 1.1 Funds

Available Funds of the Trust		
Sources of Funds	Assuming Minimum Offering <sup>(1)</sup>	Assuming Maximum Offering <sup>(1)</sup>
A. Amount to be Raised by this Offering	n/a	n/a
B. Selling Commissions and Fees <sup>(2)</sup>	n/a	n/a
C. Costs of the Offering (e.g., legal, accounting, audit) <sup>(3)</sup>	n/a	n/a
D. <b>Available Funds: D = A – (B + C)</b>	n/a	n/a
E. Additional Sources of Funding Required <sup>(4)</sup>	n/a	n/a
F. Working Capital Deficiency	n/a	n/a
G. <b>Total: G = D + E + F</b>	n/a	n/a
H. <b>Use of Net Funds by Trust</b>		
Investment by Trust in LP Units <sup>(5)</sup>	n/a	n/a
I. <b>Total</b>	n/a	n/a

**Notes:**

- <sup>(1)</sup> There is no minimum or maximum offering. The Trust will conduct a continuous Offering with closings expected to occur on a monthly basis until such time as Trustee determines it is in the best interest of the Trust to terminate the Offering.
- <sup>(2)</sup> The Units will be sold by selling agents, including the Vancouver Island Agent, that may earn commission or other fees. See Item 2.7 – “Material Agreements – The VI Agent Engagement Letter” and Item 9 – “Compensation Paid to Sellers and Finders”.
- <sup>(3)</sup> The estimated costs of the Offering are \$100,000 and include expenses of or incidental to the issue, sale and delivery of the Units pursuant to this Offering Memorandum, including, without limitation, fees and disbursements of legal counsel and accountants, and the reasonable out-of-pocket expenses (including applicable taxes) of the agents in connection with such issue, sale and delivery.
- <sup>(4)</sup> The Trust expects the Limited Partnership to finance the acquisition of properties, if any, partially through mortgage funding. There is no guarantee that it will be able to acquire such mortgage funding under reasonable terms. In addition, AIE Residential may draw on the VanCity Line of Credit. See Item 2.2 – “The Business – Credit Facility”.
- <sup>(5)</sup> The net proceeds raised by the Trust from the issuance of the Units, together with Reimbursable Costs, will be invested in LP Units.

### 1.2 Use of Available Funds

The Trust intends to use the available funds of the Offering (the “Available Funds”) as follows:

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming Minimum Offering <sup>(1)</sup>	Assuming Maximum Offering <sup>(1)</sup>
Investment by the Trust in LP Units. <sup>(2)</sup> Pending investment in LP Units, the Trust may use funds to invest in Permitted Investments, pay the expenses of the Trust and pay amounts in connection with the redemption of Units.	n/a	n/a

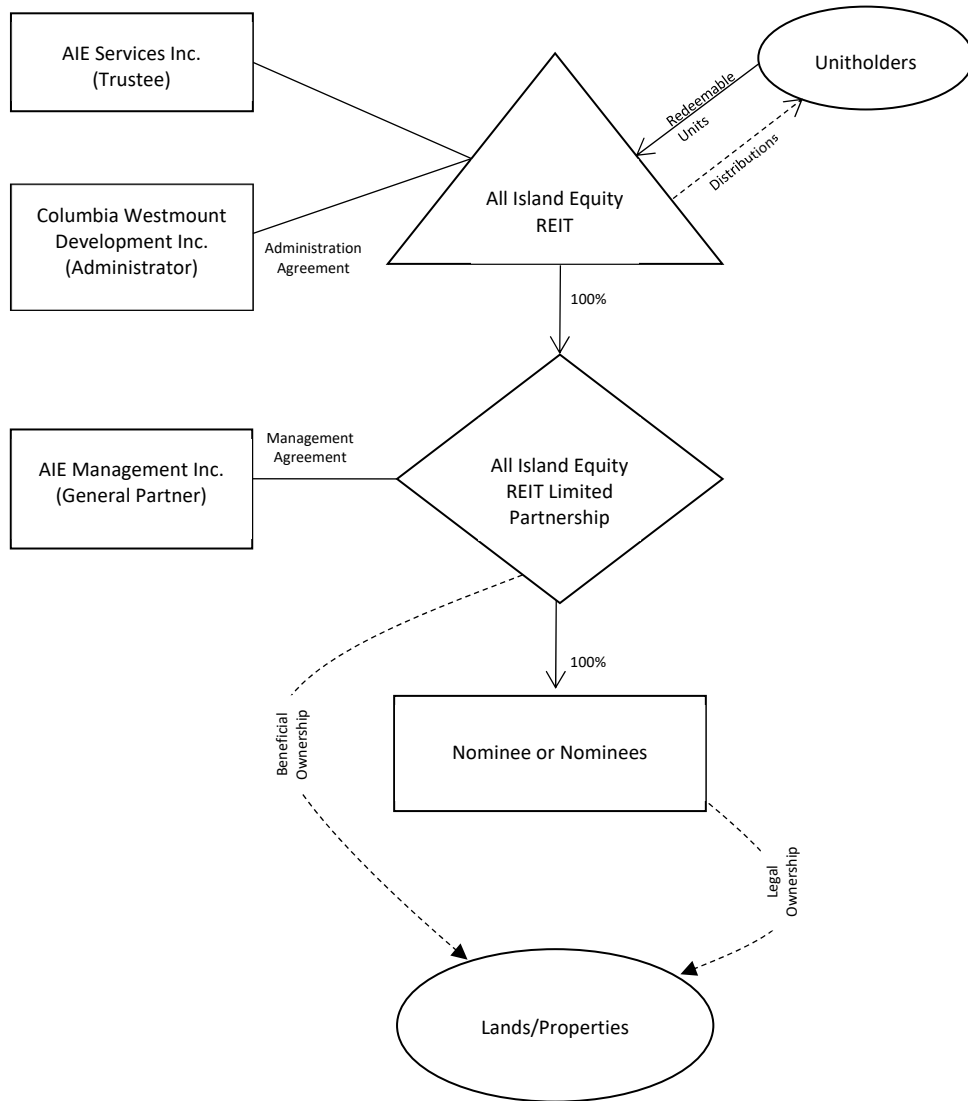
**Notes:**

- <sup>(1)</sup> There is no minimum or maximum to this Offering.
- <sup>(2)</sup> The Limited Partnership will use the proceeds from the issuance of LP Units to primarily purchase additional properties. In addition, the Limited Partnership may use a portion of the proceeds received by the Limited Partnership from the issuance of LP Units to the Trust to pay: (i) down mortgage financing on a specific property or properties; (ii) capital expenditure on a specific property or properties; (iii) costs in connection with the re-positioning of properties; (iv) due diligence and documentation costs relating to property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to such acquisitions or properties; and (v) the expenses of the Limited Partnership, including fees payable to the Manager under the Management Agreement. See Item 2.7 - “Material Agreements – Management Agreement”. The Manager is controlled by Brendan Sutton, the Chief Executive Officer and a director of the Trustee and the Manager.

**ITEM 2 - BUSINESS OF THE ISSUER AND OTHER INFORMATION AND TRANSACTIONS**

**2.1 Structure**

**Investment Structure**



**The Trust** – The Trust is limited purpose, unincorporated, open-ended investment created under the laws of the Province of British Columbia, pursuant to the Trust Declaration. The records office of the Trust is located at 1900-885 West Georgia Street, Vancouver, British Columbia V6C 3H4 and the head office of the Trust is located at PO Box 39009 RPO James Bay, Victoria, British Columbia V8V 4X8.

**The Trustee** – The Trustee was incorporated pursuant to the *Business Corporations Act* (British Columbia) on February 28, 2017 under Incorporation No. BC1109052. The registered and records office of the Trustee is located at 1900 - 885 West Georgia Street, Vancouver, British Columbia V6C 3H4 and the head office of the Trustee is located at PO Box 39009 RPO James Bay, Victoria, British Columbia V8V 4X8. The Trustee has no material assets or liabilities and carries on no business activities other than acting as trustee of the Trust.

**The Administrator** – The Administrator was incorporated pursuant to the *Business Corporations Act* (British Columbia) on June 29, 2022 under incorporation number BC1369789. The registered and records office of the Administrator is located at 210-3260 Norwell Drive, Nanaimo, British Columbia V9T 1X5. The Administrator is the administrator of the Trust pursuant to the Administration Agreement. See Item 2.7 – “Material Agreements – Administration Agreement”.

**The Limited Partnership** – the Limited Partnership was formed by the Trust and the General Partner under the name “All Island Equity REIT Limited Partnership” by a Limited Partnership Agreement dated March 1, 2017 and pursuant to a Certificate of Limited Partnership filed pursuant to the *Partnership Act* (British Columbia) on March 29, 2017 under registration number LP714550. The records office of the Limited Partnership is located at 1900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H4 and the head office of the Limited Partnership is located at PO Box 39009 RPO James Bay, Victoria, British Columbia V8V 4X8. The Trust is the sole limited partner of the Limited Partnership.

**The Manager** – The Manager was incorporated pursuant to the *Business Corporations Act* (British Columbia) on February 28, 2017 under incorporation number BC1109051. The registered and records office of the Manager is located at 1900 - 885 West Georgia Street, Vancouver, British Columbia V6C 3H4 and the head office of the Manager is located at PO Box 39009 RPO James Bay, Victoria, British Columbia V8V 4X8. The Manager is the manager of the Limited Partnership pursuant to the Management Agreement. See Item 2.7 – “Material Agreements – Management Agreement”. The directors of the manager are Brendan Sutton, Heather Dawn Kerry and Mackenzie Kyle.

**The General Partner** – the General Partner was incorporated pursuant to the *Business Corporations Act* (British Columbia) on February 28, 2017 under Incorporation No. BC1109051. The General Partner also acts as the Manager. See Item 2.1 – “Structure – The Trustee”.

#### **Governance Matters**

The Trustee is governed by a board of directors (the “**Trustee Board**”). The Trustee Board oversees the business and affairs of the Trust including, but not limited to:

- approving Distributions to the Unitholders;
- approving financing by the Trust;
- overseeing the Administrator;
- approving and monitoring compliance with significant policies and procedures by which the business of the Trust is operated;
- directing the Administrator to implement systems which are designed to ensure that the Trust operates at all times within applicable laws and regulations, and to the highest ethical and moral standard;
- ensuring that the financial performance of the Trust is adequately reported to its Unitholders and regulators on a timely and regular basis;
- ensuring that the financial results are reported fairly and in accordance with IFRS, as applicable to the Trust;
- ensuring that the Trust has appropriate disclosure controls and procedures that enable information to be recorded, processed, summarized and reported within the time periods required by law;
- ensuring the timely reporting of any developments that are required to be disclosed by applicable law; and
- assisting with communications with Unitholders, stakeholders and the public generally.

The Trustee Board, comprised of five to seven directors, stand for election annually and may serve to a maximum of twelve years. A majority of the Trustee Board must be Independent.

The members of the Trustee Board are:

Name of Director	Independence Status	Discussion of Independence
Shelley Legin, Chair	Independent	<p>Ms. Legin does not have any interest, business or other relationship that could or could reasonably be perceived to materially interfere with his ability to act in the best interests of the Trust.</p> <p>Ms. Legin does not receive remuneration from the Trust other than Trustee’s fees. See Item 3.1 – “Compensation and Securities Held”.</p>
Garth Busch, Vice Chair	Independent	<p>Mr. Busch does not have any interest, business or other relationship that could or could reasonably be perceived to materially interfere with his ability to act in the best interests of the Trust.</p> <p>Mr. Busch does not receive remuneration from the Trust other than Trustee’s fees. See Item 3.1 – “Compensation and Securities Held”.</p>
Dave Hammond	Independent	<p>Mr. Hammond does not have any interest, business or other relationship that could or could reasonably be perceived to materially interfere with his ability to act in the best interests of the Trust.</p> <p>Mr. Hammond does not receive remuneration from the Trust other than Trustee’s fees. See Item 3.1 – “Compensation and Securities Held”.</p>
Mackenzie Kyle	Independent	<p>Mr. Kyle does not have any interest, business or other relationship that could or could reasonably be perceived to materially interfere with his ability to act in the best interests of the Trust.</p> <p>Mr. Kyle does not receive remuneration from the Trust other than Trustee’s fees. See Item 3.1 – “Compensation and Securities Held”.</p>
Don McRae	Independent	<p>Mr. McRae does not have any interest, business or other relationship that could or could reasonably be perceived to materially interfere with his ability to act in the best interests of the Trust.</p> <p>Mr. McRae does not receive remuneration from the Trust other than Trustee’s fees. See Item 3.1 – “Compensation and Securities Held”.</p>
Brendan Sutton	Not Independent	<p>Mr. Sutton is not considered an Independent director of the Trustee as he beneficially owns the Manager/General Partner and, the Administrator. See Item 3.1 – “Compensation and Securities Held”.</p>

The Trustee Board is sensitive to conflicts of interest and are required by the terms of the Trust Declaration to provide full written disclosure of any conflicts and recuse themselves from deliberations and voting in the appropriate circumstances related to any conflict of interest. See Item 2.7 – “Trust Declaration – Conflicts of Interest”.

Recognizing that decisions can only be made by a well-informed Trustee Board, each member shall;

- become knowledgeable of the Trust’s properties, services and markets in which it operates;
- develop an understanding of the unique role of the Trust within its various communities;
- maintain an understanding of the regulatory, legislative, business, social and political environments within which the Trust operates; and
- be an effective ambassador and representative of the Trust.

Although the Trustee Board considers independence from the Trust as a factor in assessing its own effectiveness as well as the qualifications of potential candidates, the Trustee Board’s primary objective is to ensure members of the Trustee Board are qualified candidates and are selected on the basis of their overall qualifications and ability to contribute to the effective governance of the Trust. It is believed that all the members make a valuable contribution to the Trustee Board and the Trust.

The committees of the Trustee Board are as follows:

***Audit Committee***

Members of the Audit Committee are Garth Busch and Shelley Legin. All members of the Audit Committee are financially literate as defined in National Instrument 52-110 - Audit Committees and have sufficient skill and/or experience relevant to carrying out the mandate of the Audit Committee.

The Audit Committee's function is to assist the Trustee Board in fulfilling its oversight responsibilities by evaluating and making recommendation to the Trustee Board with respect to:

- appoint the auditor of the Trust;
- receive and discuss the auditors report and recommend the audited financial statements to the Trustee Board;
- review and approve the annual financial plan.

***Acquisition, Disposition and Property Oversight Committee (the "ADPOC")***

Members of the ADPOC are Dave Hammond, Don McRae and Brendan Sutton.

The ADPOC has been created for the purposes of reviewing and making recommendations to the Trustee Board the following matters as they relate to the Trust, the Limited Partnership and any related subsidiary:

- all real estate acquisitions or dispositions;
- capital investments;
- annual operating budgets.

The ADPOC does not have any power or authority in addition to or greater than the power and authority established by the Trust Declaration or any other governing documents.

***Nominating and Governance Committee***

Members of the Nominating and Governance Committee are Shelley Legin and Garth Busch.

The Nominating and Governance Committee's function is to assist the Trustee Board in fulfilling its oversight responsibilities by evaluating and making recommendation to the Trustee Board with respect to;

- Trustee Board succession and recruitment;
- Annual review of governance documents and Trustee Board process.

***Executive Committee***

Members of the Executive Committee are Garth Busch and Shelley Legin.

The Executive Committee's function is to assist the Trustee Board in fulfilling its oversight responsibilities by evaluating and making recommendation to the Trustee Board with respect to:

- Draft annual performance review of Brendan Sutton;
- Coordination of Trustee Board meetings.

## 2.2 The Business

### General

**The Trust** – The Trust is a passive investment vehicle that provides Unitholders with exposure to the business of the Limited Partnership through the acquisition of LP Units. The operating business of All Island REIT is carried on by the Limited Partnership.

The Trust's long-term objective is to earn income from its investment in LP Units, which will be an indirect investment in the Limited Partnership's portfolio of Properties in the Trust Region. An investment in Units is intended to provide investors with the opportunity to receive cash distributions originating from the ongoing operation of the Properties.

**The Limited Partnership** – The Limited Partnership owns, operates, leases, and improves the Properties with the view to preserving capital and providing quarterly cash distributions to All Island REIT.

The Limited Partnership may, from time to time, acquire additional properties, renovate or re-develop a building or buildings on any of the existing Properties through a combination proceeds from the issuance of LP Units to All Island REIT and any Mortgage Loans, as required.

### Investment Strategy

All Island REIT's investment philosophy is rooted in the thesis that concentrated real estate holdings on Vancouver Island will provide stable, predictable cash flow and value growth. All Island REIT offers the purest and most diversified access to Vancouver Island's lifestyle communities—high-demand, low-supply regions underserved by institutional capital.

Management believes that stability and sustainable growth are best achieved through:

- **Focus on Lifestyle Communities** – Investing in communities that provide lifestyle benefits (work, play, access to natural amenities, desirable town centres). Vancouver Island and its wealth of lifestyle-driven communities are experiencing long-term demographic shifts — retirees seeking quality of life, families seeking affordability, and remote workers seeking balance. By focusing on these communities, management seeks to tap into resilient demand for housing that aligns with enduring lifestyle trends.
- **Local Knowledge & Relationships** – Leveraging management's deep presence on Vancouver Island to source, evaluate, and manage opportunities that larger or non-local investors often overlook.
- **Embracing Unique Opportunities** – Seeking opportunities to enhance property value through active management, targeted capital improvements, and partnerships with landowners to unlock redevelopment potential. Management prioritizes properties that generate resilient, recurring cash flows, with a focus on multifamily residential housing where tenant demand is strong and vacancy rates remain low.

All Island REIT's primary investment strategy is as follows:

- (a) Exposure to the business of the Limited Partnership which invests in a portfolio of quality residential and commercial revenue-producing, cash-flow positive, properties in the Trust Region, primarily on Vancouver Island;
- (b) to provide quarterly cash flow distributions to the Trust, as the holder of the LP Units, as cash flow permits;
- (c) to enhance the Limited Partnership's return on capital and the Unitholders' yield through limited development of capital properties as income-producing real estate for long-term investment; and
- (d) to enhance the potential for long-term growth of capital through value-added enhancements to the properties and organic growth in rental rates.

**Investment Guidelines** – The General Partner, which has the authority to carry on the business of the Limited Partnership with full power and authority to administer, manage, control, and operate the business of the Limited Partnership, intends to comply with the following general guidelines in acquiring, improving and developing properties:

- (a) to seek out quality residential and commercial revenue-producing, cash-flow positive, properties in the Trust Region, primarily on Vancouver Island;
- (b) to target family-owned and under-managed legacy assets (>10 years old) located on Vancouver Island in the \$15-\$30m range, leverage the Manager's extensive Vancouver Island network to acquire on potentially advantageous terms;
- (c) for each acquisition, the Manager is to complete in-depth financial and physical due diligence including lease reviews, site inspections, market analysis, property condition and environmental assessment;
- (d) to secure financing at market terms that meet the portfolio objectives overall;
- (e) when appropriate, to make value-added enhancements to the Properties; and
- (f) when appropriate, to develop capital properties as income-producing real estate for long-term investment. Any such development is expected to be limited to 20% of Gross Asset Value.

**Operating Policies** – the operations of the Limited Partnership are intended to be conducted in accordance with the following operating policies:

- (a) the targeted overall loan-to-value ratio for the Properties on a consolidated basis is 45-55%;
- (b) title to each of the Properties will be registered in the name of a nominee company, which will own such Property as nominee, bare trustee and agent for the Limited Partnership;
- (c) unless with prior approval of the Trustee, the Trust shall not, directly or indirectly, guarantee any indebtedness or liabilities of any kind of a third party;
- (d) at all times insurance coverage will be obtained and maintained with respect to potential liabilities of the Trust and the Limited Partnership and the accidental loss of value of the assets of the Limited Partnership in the amounts as the Trustee and General Partner consider appropriate; and
- (e) property condition reviews, phase 1 environmental audits and other reports as deemed appropriate by the Manager will be obtained by experienced third-party consultants for each real property intended to be acquired.

**Management of the Properties** – The Manager has been engaged, pursuant to the Management Agreement, to provide services to enact the investment strategy of the Limited Partnership, including:

- (a) **Asset Management** – providing overall management, financial and business planning for the Limited Partnership including oversight of the Properties and Property Manager. In consideration for the services performed, the Limited Partnership will pay the Manager the Asset Management Fee;
- (b) **Acquisitions** – structuring, negotiating, and executing all acquisitions of real property including all financial and property due diligence. In consideration for the services performed, the Limited Partnership will pay the Manager the Acquisition Fee;
- (c) **Dispositions** – structuring, negotiating, and executing all dispositions of real property including all financial and property due diligence. In consideration for the services performed, the Limited Partnership will pay the Manager the Disposition Fee;
- (d) **Property Financing** – negotiating and arranging for mortgage loans on the Properties including refinancing of existing mortgage loans. In consideration for the services performed, the Limited Partnership will pay the Manager the Financing Fee; and
- (e) **Re-positioning** - renovating, repairing, replacing and refurbishing of Properties (the “**Re-positioning Services**”). The Re-positioning Services to be performed by the Manager include, among other things, considering and initiating the development of a Re-positioning Program for a Property, preparing the budget in respect of a Re-positioning Program, overseeing and coordinating the design of the Re-

positioning Program and engaging the services of and supervising such design, engineering and other consultants as are reasonably required for the Re-positioning Program and supervising and inspecting the progress of the course of construction of the Re-positioning Program. In consideration for the Re-positioning Services performed by the Manager, the Limited Partnership will pay the Manager the Re-positioning Fee for such services.

The Limited Partnership directly employs certain site level employees. The current make-up of the staff has a direct impact on the quality and the occupancy of the Properties.

To supplement the directly employed site management team, the Limited Partnership has engaged the Property Manager, to maintain the accounting records, prepare property level financial reporting, and to provide support to the Manager in the operation of the Properties. If for any reason the Limited Partnership were to terminate the services of The Property Manager, then the Manager may undertake the day-to-day management and the operation of one or more of the Properties.

The following table sets out the principal occupation and description of experience associated with such occupation about each director and executive officer of Devon for the 5 years preceding the date of this Offering Memorandum:

Full Legal Name	Principal Occupation and Description of Experience Associated with the Occupation*
Reed Kipp <i>Managing Partner, CEO and a Director</i>	Reed joined Devon as a partner in 2016, extending the company’s service offerings to meet the needs of its growing clientele and broadening its business footprint into new markets across British Columbia. With a background in investment banking and strategy consulting, Reed focuses on all aspects of Devon, including business operations, strategic planning, organizational structure and company growth, in addition to managing relationships with many of Devon’s traditional and institutional clients.
David Martin Craig <i>Managing Partner, President and a Director</i>	Dave joined Devon as a partner in 2010 and has over 20 years of real estate industry experience, having earned the reputation as a leader in British Columbia’s property management and real estate services industries in addition to previously serving as a Board Member to LandlordBC. With a background in commercial banking and real estate development, Dave maintains a strong relationship with key stakeholders throughout the industry and provides strategic direction on Devon’s business operations, manages client relationships and leads Devon’s commercial property management and brokerage services.

\* This disclosure was taken from publicly available information posted to Devon’s website at: <https://devonproperties.com/our-team/>.

To the Trust’s knowledge, no director, executive officer or control person of Devon, or an issuer of which any of such persons was a director, executive officer or control person at the time has during the last 10 years, made: (i) a declaration of bankruptcy, (ii) a voluntary assignment in bankruptcy, (iii) a proposal under any bankruptcy or insolvency legislation, or (iv) a proceeding, arrangement or compromise with creditors, or appointment of a receiver, receiver-manager or trustee to hold assets.

To the Trust’s knowledge, no director, executive officer or control person of Devon has ever 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 misdemeanor 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.

### The Market Opportunity

The Trust, through the Limited Partnership, invests in residential and commercial properties on Vancouver Island and in the Okanagan – two of British Columbia’s most desirable lifestyle and employment regions.

The investment opportunity in each market is underpinned by the same structural dynamic: sustained population growth and in-migration outpacing new housing supply, producing persistent rental demand and meaningful upside from the Trust's below-market rent positioning.

### Canadian Rental Market Overview

Following several years of near-zero vacancy rates, national rental market conditions moderated in 2025. The average vacancy rate for purpose-built rental apartments across Canada's largest census metropolitan areas (CMAs) rose to 3.1%, up from 2.2% in 2024 — driven primarily by record levels of rental completions in major urban centres and a slowdown in non-permanent resident population growth following federal immigration policy changes.<sup>1</sup>

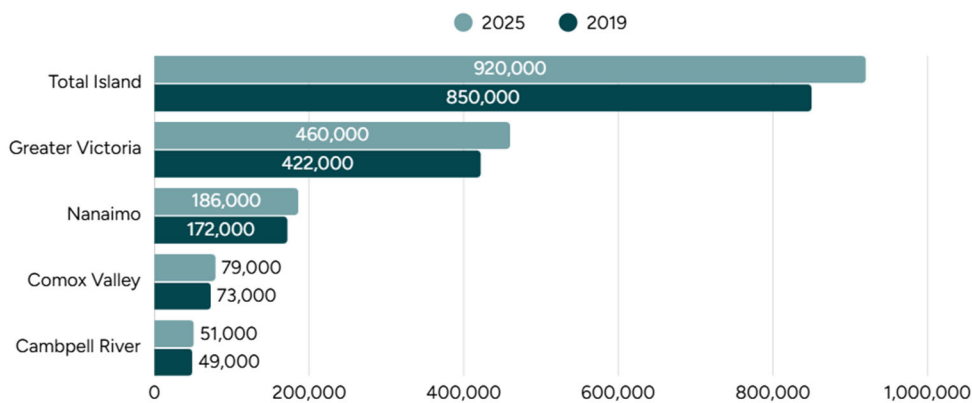
Critically, the Canada Mortgage and Housing Corporation (“CMHC”) notes that the easing of vacancies has been heavily concentrated in newly constructed and luxury-tier units in Vancouver, Victoria's downtown core, and other large urban centres. Legacy assets with below-market rent, the focus of All Island REIT’s investment strategy, continue to face materially tighter conditions, with the most affordable units remaining in high demand in virtually every Canadian market.<sup>1</sup>

This dynamic is central to the Trust’s investment thesis: while institutions allocated capital toward new-build developments, older, centrally located, below-market rent residential properties remain chronically undersupplied and attract durable, stable tenant demand across economic cycles.

### Vancouver Island Economy

Vancouver Island is home to approximately 920,000 residents, with population concentrated in Greater Victoria, Nanaimo, the Comox Valley, and Campbell River. The Island's population has grown consistently driven by intraprovincial in-migration from the Lower Mainland and a net influx of retirees, remote workers, and lifestyle-motivated migrants.<sup>2</sup>

Population by Region of Vancouver Island<sup>2</sup>



The Vancouver Island Economic Alliance (VIEA) reports that the Island's labour market remained relatively resilient in late 2024 and into 2025, with unemployment holding near 5.6% as of late 2025, below the provincial average of 6.5%. Healthcare, knowledge-based industries, tourism, government services, and the military presence at CFB Comox and CFB Esquimalt collectively provide a diversified, stable employment base that limits reliance on any single economic sector.<sup>2</sup>

Income levels on Vancouver Island grew by approximately 39% across Vancouver Island from 2015 to 2023 with Courtenay experiencing the strongest growth on Vancouver Island at 42%.<sup>2</sup>

Critically, Vancouver Island communities rank among the lowest tariff-exposed economies in Canada. Based on U.S. tariff exposure rankings for 41 Canadian cities (measured by excess U.S. trade intensity and export dependence), Victoria ranks

<sup>1</sup> <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>

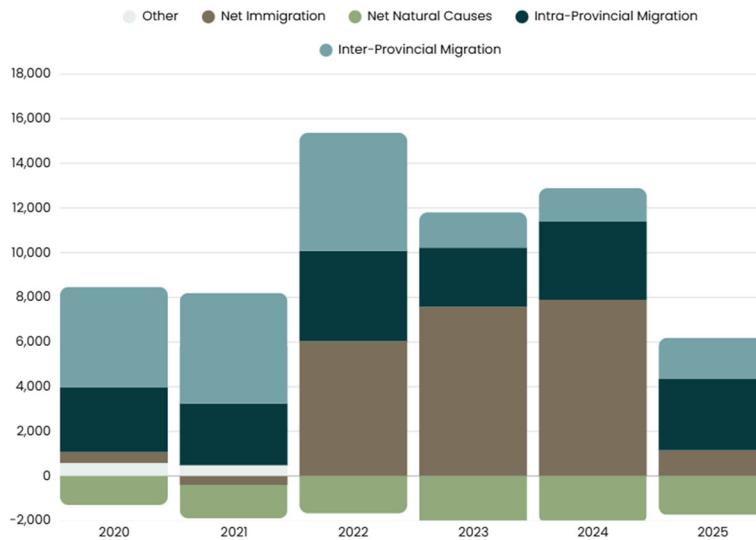
<sup>2</sup> “State of the Island Economic Report 2025”, Vancouver Island Economic Alliance, October 2025 <https://viea.ca/economic-resources/economic-dashboard/>

36th and Nanaimo ranks 39th — providing meaningful insulation from current Canada-U.S. trade disruptions compared to export-oriented Prairie and Central Canadian markets.<sup>3</sup>

*Vancouver Island Population Trends*

Net population change in All Island REIT's core communities V — the Comox Valley, Campbell River, and Victoria — remained strongly positive through 2025. Interprovincial migration from other Canadian provinces has been the dominant driver, supplemented by international immigration and strong intraprovincial flows from Metro Vancouver.<sup>4</sup>

**Net Population Change for the Comox Valley, Campbell River and Victoria**



*Vancouver Island Rental Market*

CMHC reported the following October 2025<sup>5</sup> survey data regarding the private rental apartment market, which is compared to the Properties.

Average Monthly Rent	CMHC October 2025	All Island REIT	
		October 2025	March 2026
Comox Valley	\$1,630	\$1,413	\$1,413
Campbell River	\$1,552	\$1,357	\$1,357
Victoria	\$1,805	\$1,547	\$1,547
Kelowna	\$1,904	\$1,276	\$1,276
Penticton	\$1,326	\$1,253	\$1,253
<b>Trust Average</b>		<b>\$1,390</b>	<b>\$1,418</b>

<sup>3</sup>BDL calculations using custom Statistics Canada trade data by exporter characteristics. Based on goods export intensity to U.S. (relative to local GDP), and export dependence on U.S. market (relative to total exports).

<sup>4</sup> Statistics Canada. Table 17-10-0153-01 Components of population change by census division, 2021 boundaries

<sup>5</sup> CMHC, Rental Market Survey Reliability Tables – Provincial Highlights, <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

Vacancy	CMHC October 2025	All Island REIT	
		October 2025	March 2025 (Trailing 12-month Average)
Comox Valley	3.30%	1.80%	2.83%
Campbell River	1.20%	1.60%	2.16%
Victoria	3.30%	2.30%	2.14%
Kelowna	6.40%	6.70%	5.18%
Penticton	3.69%	5.60%	3.09%
<b>Trust Average</b>		<b>2.90%</b>	<b>3.07%</b>

The Limited Partnership is focused on retaining and acquiring well maintained properties with strong potential for rental growth. The high demand for commercial and residential premises leads to the selection of quality tenants and low vacancy rates across the portfolio to date.

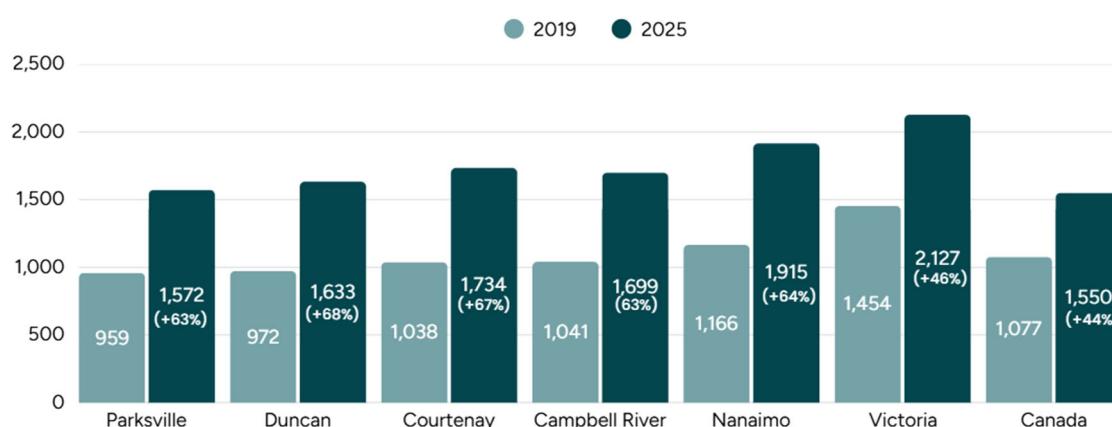
According to CMHC's 2025 Rental Market Report, Greater Victoria's overall vacancy rate rose to 3.3% — the highest level since 1999. This represents a meaningful shift from the near-zero vacancy conditions that prevailed from 2020 through 2023, driven primarily by a combination of increased purpose-built rental completions and a temporary softening of non-permanent resident demand.<sup>5</sup>

Despite this increase in aggregate vacancy, the average rent in Greater Victoria rose by 7.0% in 2025, to \$1,805 per month. CMHC attributes this apparent paradox to elevated turnover (the highest since 2019), which allowed landlords of existing stock to reset rents to market levels on unit turnovers. This dynamic is particularly beneficial for All Island REIT: the portfolio's 25% gap to market rents represents significant embedded upside as tenancies naturally turn over.<sup>5</sup>

In smaller Vancouver Island communities, including the Comox Valley and Campbell River, vacancy data tracked by CMHC remains more constrained relative to the broader Victoria CMA. Municipalities with populations of 10,000 or more across B.C. saw vacancy rates rise, on average, from 1.9% to 3.5% in 2025, but mid-Island lifestyle markets have historically exhibited materially tighter conditions than the provincial average — a reflection of limited new supply and consistent demand from lifestyle migrants.<sup>5</sup>

Rental growth across Vancouver Island communities has been exceptional over the medium term, substantially outpacing the Canadian national average over the same period. This sustained rental growth reflects the deep structural demand/supply imbalance that continues to characterize these markets at a fundamental level.

**Average Rent for Two-Bedroom Units from 2019 to 2024<sup>6</sup>**



<sup>6</sup> Statistics Canada. Table 34-10-0133-01 Canada Mortgage and Housing Corporation, average rents for areas with a population of 10,000 and over

## *The Okanagan*

The Okanagan Valley — encompassing Kelowna, West Kelowna, Penticton, Vernon, and surrounding communities — represents one of B.C.'s fastest-growing and most economically dynamic regions. In 2024, the Central Okanagan's population grew 4.3%, the number of businesses in the region increased 13.8%, and airport passenger volumes rose 5.4%, reflecting the region's continued emergence as a major lifestyle and economic centre<sup>7</sup>.

The Okanagan benefits from a diversified employment base anchored in healthcare and social services, retail trade, construction, professional services, tourism and hospitality, and a growing technology sector. This diversity provides relative insulation from sector-specific economic shocks.

The Okanagan's rental market experienced a significant supply-driven correction in 2025. According to CMHC's 2025 Rental Market Report, the Greater Kelowna area reached a vacancy rate of 6.4%<sup>5</sup> — the highest among all Canadian CMAs with populations over 100,000 — reflecting elevated construction completions and a softening in non-permanent resident demand.

Despite this cyclical easing in vacancy, average rents continued to rise in 2025. Average monthly rents in Kelowna reached \$1,904, while Penticton rents averaged \$1,326 per month — a 9% and 5% increase from the previous year, respectively. This continued rental growth, despite increased vacancy rates, reflects the enduring underlying demand for quality, affordable housing and the significant gap between turnover rents and in-place below-market rents. The near-term elevation in Kelowna vacancy is acknowledged by the Trust's asset manager as a tactical consideration; however, the medium-to-long-term fundamentals of population growth, constrained new housing delivery, and the structural affordability gap continue to support the investment rationale for the region.

## **Portfolio Overview**

As of the date hereof, the portfolio comprises a total of 46 Properties as follows: (i) 40 residential Properties consisting of a total of 1,046 rental apartment units; and (ii) six commercial Properties totaling 58,177 square feet of rental area.

## *Residential Properties*

### **Riverside**



### **Westwater**



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<sup>7</sup> Central Okanagan Economic Development Commission, 'Central Okanagan Economic Indicators Q4 2024,' February 2025. Available at: [www.investkelowna.com](http://www.investkelowna.com)

Region	Bachelor	1 Bed	2 Bed	3 Bed	Total
Comox Valley	31	224	280	7	542
Campbell River	4	33	89	3	129
Victoria	5	98	28	1	132
Kelowna	-	57	78	-	135
Penticton	1	44	63	-	108
<b>Total Residential Units</b>	<b>41</b>	<b>456</b>	<b>538</b>	<b>11</b>	<b>1,046</b>
% of Portfolio	3.9%	43.6%	51.4%	1.1%	100.0%

The portfolio includes 23 residential Properties located in the Comox Valley, eight located in Campbell River, five located in Victoria, two located in Kelowna, and two located in Penticton. The residential Properties were built between 1956 and 2024. The older vintage buildings have been well maintained with upgrades and renovations. This attracts quality tenants and allows the Trust to realize rents in the mid-range market with rent per month ranging from \$612 to \$2,700, averaging \$1,365.

Above and beyond its normal course repairs and maintenance budget, the Limited Partnership maintains an active budget for replacement of major capital items and periodic base building upgrades (“**Capital Expenditures**”) of the Properties in the residential portfolio. The Limited Partnership budgets 5% - 9% of gross income for maintenance Capital Expenditures for major items such as roof replacements, HVAC replacements, and common area upgrades. The Limited Partnership addresses these replacement requirements on a scheduled, priority basis. An additional component of the total budget for Capital Expenditures is capital required to fund suite renovations on suites that are turning over in the residential Properties. Given the low vacancy rate in the Trust’s core market, these expenditures generate value in the form of rental increases. As such, Capital Expenditures related to suite renovations generate an immediate return on capital for the Limited Partnership, while maintenance Capital Expenditures do not.

Many residential Properties are clustered in close proximity. The physical clustering of the smaller Properties introduces management efficiencies, effectively allowing three to four smaller properties to be managed as though they were a single, larger property.

For additional information on the residential Properties, see Schedule 1 – “Description of Residential Properties”.

*Commercial Properties*



The portfolio includes six commercial Properties centrally located in the City of Courtenay and leased to high quality tenants. The commercial Properties were built between 1976 and 1996 and have been well maintained..

Property Name and Address	Size of Site (square feet)	Gross Building Area (square feet)	Leasable Area (square feet)	Weighted Average Lease Expiry (Years)
Northgate Plaza (470 Puntelidge Road)	52,265	16,084	16,084	2.44
Arbour Court (467/491 Cumberland and 480 Sixth Street)	21,475	17,581	16,746	2.49
777 Fitzgerald	10,204	6,543	5,977	4.08
Fitzgerald Centre (635 Fitzgerald Avenue)	10,742	8,109	7,444	2.16
355 11th Street	10,000	4,304	4,304	4.50
780 Grant Avenue	13,198	8,384	7,622	4.02
<b>Total Commercial</b>	<b>117,884</b>	<b>60,243</b>	<b>58,177</b>	

#### *Victoria Leasehold Portfolio*

On November 16, 2021, the Limited Partnership purchased the freehold interest in a portfolio consisting of five Properties in Victoria, British Columbia. Four of these Properties (“**Leasehold Properties**”) have head leases registered on title that mature on December 31, 2073 (the “**Leasehold Obligation**”).

These head leases are sub-leased to individual suites (“**Lessee Units**”) in accordance with the terms and conditions of the leasehold contract. The contract allows the owners (“**Lessees**”) of each sub-leased unit to occupy the Lessee Units until the maturity of the head lease. In aggregate, 276 Lessee Units are registered on title. The Limited Partnership owns 101 of these units, which are included in the residential portfolio as rental units. The remaining 175 units are owned by unrelated third parties. On maturity, the right to occupy the Lessee Units lapses, the Leasehold Obligation ceases, and the right to occupy all 276 units reverts to the Limited Partnership.

See Schedule 1 – “Description of Residential Properties” for more information on the leasehold Properties.

#### *Valuation of Properties*

All Properties are appraised annually by independent, third-party appraisers. In 2025, Cunningham and Rivard completed appraisals for the Properties located on Vancouver Island and Garnett Wilson completed appraisals for the Properties in the Okanagan.

For the purposes of determining Fair Market Value of the Properties and determining Net Asset Value on an ongoing basis, the Trust applies the capitalization approach on all Properties that have been part of the portfolio for over 12 months. This approach uses internal accounting information to determine appropriate net operating income, while capitalization rates are based on inputs from external sources.

Approximately 50% of the properties are externally appraised in the first half of the year with the remainder appraised in the second half. Management uses its best judgement when applying the appraisers’ assumptions (e.g. cap rate, stabilized vacancy rate,) across the portfolio to determine fair values at the end of each quarter. Management may override the appraisers’ assumptions and reduce the appraised value on a property-by-property basis to reflect Management’s assessment of the organization’s ability to realize the full appraised value.

Properties that have been part of the portfolio for less than 12 months are valued at their purchase price plus directly attributable expenditures and capital additions since acquisition.

#### *Other Asset Classes and Geographic areas*

The primary focus of the Trust and the Limited Partnership is investing in income-producing residential and commercial properties on Vancouver Island and the Okanagan, but acquisitions in other locations and real estate asset classes will be considered as investment opportunities arise, as long as these investments are within the Trust’s mandate.

#### **Property Debt Summary**

As at April 15, 2026, the Trust has \$136,349,066 in outstanding loans which are secured by first charges on the Properties and \$10,771,545 secured by second charges on the Properties. The loans have a weighted average interest rate of 3.28%

and mature between 2026 and 2034. For additional information on the secured loans related to the Properties, see Schedule 2 – Mortgage Summary

**Credit Facility**

AIE (Residential) Holdings Inc. (“**AIE Residential**”) holds title to various Properties as nominee on behalf of the Limited Partnership. See Item 2.1 – “Structure”. AIE Residential obtained the VanCity Line of Credit using certain of the Properties as security. See Schedule 2 – “Mortgage Summary”.

Lender	Corporate Guarantors	Interest Rate	Repayment Terms	Maximum Available	Amount Outstanding as of the date of this Offering Memorandum
Vancouver City Savings Credit Union	The Manager The Limited Partnership AIE (Commercial) Holdings Ltd.	Vancity Prime + 1.50% <sup>(1)</sup>	On demand	\$8,500,000	\$301,995

**Notes:**

<sup>(1)</sup> 5.95% as of April 15, 2026.

**2.3 Development of Business**

**Establishment of the Trust and Limited Partnership**

The Trust was established on March 1, 2017 to issue Units and acquire LP Units. The Limited Partnership will invest the proceeds from the issuance of LP Units, along with any Mortgage Loans and other sources of financing, to acquire, own and operate a portfolio of income-producing commercial and residential real estate properties in the Trust Region.

For additional information on the Trust’s outstanding capital, issuances of Units during the prior 12 months, redemptions of Units and distributions paid on the Units, see Item 4.1 – “Capital”, Item 4.3 – “Prior Sales”, Item 6 – “Repurchase History” and Item 7 – “Dividends and Distributions”, respectively.

**Property Acquisitions, Property Dispositions and Properties Under Contract**

*Acquisitions*

Since January 1, 2024, the Limited Partnership completed the acquisition of the following properties:

Date	Property	Purchase Price <sup>(1)</sup>	Source of Funds <sup>(2)</sup>
Various, 2024 <sup>(3)</sup>	Ocean Villa	\$355,800	Cash on hand with Mortgage financing
Various, 2024 <sup>(3)</sup>	Edgemont Villa	\$906,700	Cash on hand with Mortgage financing
January, 2025	Riverside	\$32,499,000	Cash on hand with Mortgage financing
April, 2025	Seascape	\$15,251,000	Cash on hand with Mortgage financing
Various, 2025 <sup>(3)</sup>	El Mirador	\$835,300	Cash on hand with Mortgage financing
Various, 2025 <sup>(3)</sup>	Ocean Villa	\$766,400	Cash on hand with Mortgage financing
April 2026	El Mirador	\$285,800	Cash on hand with Mortgage financing

**Notes:**

<sup>(1)</sup> Including third party closing costs and Acquisition Fee.

<sup>(2)</sup> See Schedule 2 – “Mortgage Summary”.

<sup>(3)</sup> Includes multiple Lessee Units at the Property, acquired over the course of the year.

*Dispositions*

Since January 1, 2023, the Limited Partnership has not sold any properties.

#### *Properties Under Contract*

As of the date of this Offering Memorandum, there are no properties under contract.

#### ***Acquisition and Development Opportunities – General***

Consistent with past practices and in the normal course of business, the Limited Partnership is engaged in discussions and has various non-binding and/or binding conditional agreements, with respect to possible acquisitions of additional properties. However, there can be no assurance that these discussions or agreements will result in unconditional acquisition agreements, or if they do, what the final terms or timing of such acquisitions would be. The Limited Partnership expects to continue current discussions and actively pursue additional acquisition and investment opportunities consistent with the Trust's investment guidelines and policies.

In addition, the Limited Partnership may enter into development management agreements and construction management agreements from time to time in respect of the development and construction of additional properties which will form part of the Trust's portfolio. In the event that the Limited Partnership obtains the necessary municipal approvals and determines to proceed with such development and construction projects, additional information will be made available to Unitholders and investors.

#### ***Amendment to the Trust Declaration***

On March 9, 2026, the Trustee amended the Trust Declaration to: (i) grant the Trustee the power and authority to redesignate, rename and reclassify the then existing Units of the Trust; (ii) to designate any additional Classes of Units created by supplemental indenture by letter and/or number in the manner deemed necessary or advisable by the Trustee; and (iii) implement certain administrative changes deemed necessary for the proper administration of the Trust.

See Item 2.7 – “Material Contracts – Trust Declaration”.

#### ***Supplemental Indenture to Trust Declaration***

On March 17, 2026, the Trustee executed a supplemental indenture to the Trust Declaration to: (i) rename and redesignate the then existing Classes of Units of the Trust, being the Class A Units to Class IWA Units and the Class F Units to the Class IWF Units; (ii) create four additional Classes of Units, being the Class A2 Units, the Class B2 Units, the Class F2 Units and the Class I2 Units; (iii) designate such additional Classes of Units by letter and number as described in (ii); (iv) authorize the issuance of an unlimited number of units in each such additional Class of Units; (v) set out the rights, benefits and other attributes of such additional Classes of Units and confirm that Unitholders that hold units of such additional Classes of Units will be entitled to the benefits of the Trust in respect thereof; and (vi) make ancillary amendments to the Trust Declaration in connection with any of the foregoing.

See Item 2.7 – “Material Contracts – Trust Declaration”.

#### **Current Economic Conditions**

The Trust's financial performance and the value of its real estate portfolio are influenced by North American and global economic conditions. As of 2026, the Canadian economy, including the British Columbia real estate market, faces heightened uncertainty driven by volatile trade relations and escalating international conflicts. Any prolonged period of economic instability could result in decreased demand for commercial or residential space, higher vacancy rates, and potentially downward pressure on rents, all of which would materially and adversely affect the Trust's financial performance and its ability to make distributions to Unitholders.

The Trust is subject to risks arising from the ongoing trade tensions between Canada and the United States. Ongoing geopolitical hostilities, including the military conflict between the United States and Israel with Iran and Russia and Ukraine, have introduced additional volatility into global energy and commodity markets. These conflicts have the potential to trigger sudden spikes in energy prices and utility costs. Global instability may result in fluctuations in interest rates and limit the availability of debt financing. If the Trust is unable to refinance maturing debt at favorable rates due to war-related market contractions, its financial position would be weakened. See Item 8 – “Risk Factors”.

## 2.4 Long-Term Objectives

The long-term objectives of the Trust are:

- (a) to issue sufficient Units to permit the Trust to in turn acquire sufficient LP Units to allow the Limited Partnership to operate, maintain and finance the Properties, and to acquire additional income producing properties in the Trust Region on a commercially reasonable basis;
- (b) to provide Unitholders with profits derived from the Trust's investment in LP Units (generated indirectly from the Limited Partnership's operation of the Properties); and
- (c) to distribute such profits among the Unitholders.

## 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 to acquire LP Units so the Limited Partnership may acquire additional, and improve existing, properties that are accretive to unitholder value.

What the issuer must do and how it will do it	Target completion date or if not known, number of months to complete	Cost to complete
Issue Units	Ongoing – continuous offering of Units.	Unknown
Invest in LP Units so the Limited Partnership may purchase additional properties	Ongoing – additional acquisitions to be identified, negotiated, and acquired.	Unknown
Investment in LP Units so the Limited Partnership may manage, reposition and improve properties	Ongoing – capital expenditures and repositioning of properties as required or deemed desirable.	Unknown

## 2.6 Insufficient Funds

Available Funds may not be sufficient to accomplish the Trust's proposed objectives and there is no assurance that alternative financing will be available. There is no assurance that the Limited Partnership will have adequate working capital to meet the anticipated requirements described in this Offering Memorandum. See Item 10 – "Risk Factors".

The Limited Partnership is party to debt financing in place to fund the acquisition, operation and maintenance of the properties in the portfolio and the working capital requirements, subject to conditions. To the extent available on acceptable terms, the Limited Partnership may obtain additional debt financing for the same purpose. See Item 2.2 – "The Business – Credit Facility".

## 2.7 Material Agreements

The following is a list of agreements which are material to this Offering and to the Trust, all of which are in effect: Trust Declaration – The Trust Declaration is described under Item 2.7 – "Material Agreements – Trust Declaration".

- (a) Limited Partnership Agreement – The Limited Partnership Agreement is described under Item 2.1 - "Structure" and under Item 2.7 – "Material Agreements – Limited Partnership Agreement".
- (b) Management Agreement – The Management Agreement is described under Item 2.7 – "Material Agreements – Management Agreement".
- (c) Cost Sharing Agreement - Pursuant to the Cost Sharing and Recovery Agreement, the Limited Partnership has agreed to reimburse the Trust for all costs and expenses incurred or paid for directly by the Trust arising in connection with: (a) the Offering of Units by the Trust, and (b) the qualification for distribution by the Limited Partnership to the Trust of the LP Units which are acquired by the Trust with all of the proceeds from the issuance of the Units, including, without limitation, sales fees and expenses and the costs of legal, accounting and audit services, tax advice, printing, travel and securities filings (the "Reimbursable Costs").

- (d) Administration Agreement – The Administration Agreement is described under Item 2.7 – “Material Agreements – Administration Agreement”.
- (e) Property Management Agreement – The Property Management Agreement is described under Item 2.7 – “Material Agreements – Property Management Agreement”.
- (f) Subscription Agreements – The Subscription Agreement is described under Item 5.2 – “Subscription Procedure”.
- (g) VI Agent Engagement Letter – The Agent Engagement Letter is described under Item 2.7 – “Material Agreements – VI Agent Engagement Letter”.
- (h) VanCity Line of Credit – The VanCity Line of Credit is described under Item 2.2 – “The Business – Credit Facility”.

**A. Trust Declaration**

The rights and obligations of the Trust and the Unitholders are governed by the Trust Declaration. The following is a summary of certain of the material provisions of the Trust Declaration. **This summary does not purport to be complete and reference should be to the Trust Declaration itself, a copy of which is available from the Trustee. Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the Trust Declaration.**

***Powers of the Trustee***

The Trustee is vested with and will have continuing, full, absolute and exclusive power, control, and authority and discretion over the Trust Property and over, and management of, the affairs and undertaking of the Trust, to the same extent as would the sole and absolute legal and beneficial owner of the Trust Property, and may, in respect of the Trust Property, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof without the necessity of applying to any court for leave to do so. Without restricting or limiting the generality of the foregoing, such powers of the Trustee will include the powers enumerated in the ensuing section and elsewhere in the Trust Declaration.

***Specific Powers and Authorities***

Subject only to the express limitations contained in the Trust Declaration, and in addition to any other powers and authorities conferred by the Trust Declaration or which the Trustee may have by virtue of any present or future statute or rule of law, the Trustee, without any action or consent by the Unitholders, will have and may exercise at any time and from time to time the following powers and authorities, which may be exercised by the Trustee in such manner and upon such terms and conditions as they may from time to time determine proper:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to hold the Trust Property in safekeeping, retaining moneys, securities, property, assets or investments, and investing moneys from time to time forming part of the Trust Property;
- (c) to ensure that the Subscription Proceeds are invested in LP Units;
- (d) to borrow money as necessary to pay distributions to Unitholders, and encumbering Trust Property in respect thereof;
- (e) to pay properly incurred expenses out of Trust Property;
- (f) to open, operate and close bank accounts and other similar credit, deposit and banking arrangements, to negotiate and sign banking and financing contracts and agreements and deposit monies from time to time forming part of the Trust Property in such accounts;
- (g) to possess and exercise rights, powers and privileges appertaining to ownership of or interests in Trust Property;
- (h) to hold legal title to the Trust Property;

- (i) to appoint the accountants of the Trust;
- (j) to ensure compliance with applicable securities legislation;
- (k) to prepare and file or cause to be prepared and filed all requisite returns, reports and filings;
- (l) to provide all requisite office accommodation and associated facilities;
- (m) to provide or cause to be provided to the Trust all other administrative and other services and facilities required by the Trust;
- (n) to maintain or cause to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (o) to prescribe any instrument provided for or contemplated by the Trust Declaration;
- (p) to effect payment of distributions to the Unitholders;
- (q) to collect, sue for and receive all sums of money or other property or items that are believed due to the Trust and obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of all obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (r) to possess and exercise all the rights, powers and privileges pertaining to the ownership of all or any part of the Trust Property, including the LP Units, to the same extent that any person might, unless as otherwise limited;
- (s) where reasonably required, to engage, employ, contract with or retain on behalf of the Trust any persons as agents, representatives, employees or independent contractors in one or more capacities;
- (t) except as prohibited by law, to delegate from time to time to the Trust's employees, consultants, agents and other persons the doing of such things and the exercise of such powers hereunder as the Trustee may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of this Declaration and subject at all times to the general control and supervision of the Trustee as provided for in the Trust Declaration;
- (u) to issue and redeem Units pursuant to the terms and conditions of the Trust Declaration;
- (v) where desirable to make or cause to be made application for the listing or quotation on any stock exchange or market of Units, and to do all things which in the opinion of the Trustee may be necessary or desirable to effect or maintain such listing or quotation;
- (w) to use best efforts to do all such acts and things as are necessary to ensure that the Trust qualifies at Closing and at all times thereafter as a "mutual fund trust" pursuant to subsection 132(6) of the Tax Act, including *inter alia* those things set out in the Trust Declaration;
- (x) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustee in connection with the Trust Property, undertaking or income of the Trust, or imposed upon or against the Trust Property in connection with the undertaking or income of the Trust, or any part thereof, and to settle or compromise disputed tax liabilities, and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, allocations and determinations in respect of Trust Income, Net Realized Capital Gains or any other amounts distributed, allocated and made payable to Unitholders in a year and any other matter as shall be permitted under the Tax Act and analogous provisions of any provincial income tax legislation, and to do all such other acts and things as may be deemed by the Trustee in its sole discretion to be necessary, desirable or convenient;

- (y) to do all such acts and things, and to execute, deliver and perform the obligations of the Trust under all such agreements and instruments as are necessary to complete the Offering or as are contemplated by the offering documents; and
- (z) to do all such other acts and things and execute all such agreements and other instruments as are incidental to the foregoing, and to exercise all powers that are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes or objectives for which the Trust is formed and to carry out the provisions of the Trust Declaration whether or not specifically mentioned in the Trust Declaration.

### ***Resignation and Removal of Trustee***

The Trustee or any successor trustee may resign upon 60 days' notice to Unitholders, or may be removed by a Special Resolution of the Unitholders by notice to the Trustee not less than 60 days prior to the date that such removal is to take effect, provided that a successor trustee is appointed or the Trust is terminated. In the event that the Trustee resigns or is removed or becomes incapable of acting or if for any cause a vacancy shall occur in the office of the Trustee, a successor trustee may forthwith be appointed by the Unitholders by Special Resolution to fill such vacancy.

Following the appointment of a successor trustee, the former Trustee will account to the new trustee for all Trust Property which the former Trustee holds as trustee and will execute and deliver such documents as the new trustee may require for the conveyance of any Trust Property held in the Trustee's name.

### ***Indemnification of Trustee***

The Trust Declaration provides that the Trustee will be indemnified out of the Trust Property in respect of any civil, criminal or administrative action or proceeding to which it, any of its officers or directors, or any officer or director of any of its affiliates, is made a party by reason of being or having been a Trustee or officer or director of the Trustee, and/or in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such parties as a result of the exercise of his or her powers or duties under the Trust Declaration. However, any such party will not be indemnified in respect of unpaid taxes or other governmental charges that result from his or her failure to act honestly and in good faith with a view to the best interests of the Trust, or as a result of his or her failure to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where such party did not have reasonable grounds for believing that his or her conduct was lawful.

In addition, the Trust Declaration contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

### ***Fees and Expenses***

As part of the expenses of the Trust, the Trustee may pay or cause to be paid out of the Trust Property, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust, including (without limitation) fees of auditors, accountants, lawyers, appraisers and other agents, consultants and professional advisors employed by or on behalf of the Trust, the cost of reporting or giving notices to Unitholders, and sales fees in connection with the sale of Units, including trailer fees. All costs, charges and expenses properly incurred by the Trustee on behalf of the Trust will be payable out of the Trust Property.

### ***Standard of Care***

The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Trust and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### ***Units***

The Trust is authorized to issue an unlimited number of Units. Except as provided in the Trust Declaration and this Offering Memorandum, each Unit entitles the Unitholder to the same rights and obligations as any other Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other Unitholders.

Subject to the provisions of the Trust Declaration relating to distributions, each Unit represents an equal undivided beneficial interest or share in any distribution from the Trust (whether of Distributable Cash Flow, Trust Income, Net Realized Capital Gains or other amounts, other than amounts in respect of a distribution *in specie* on a redemption of Units specifically to Unitholders who redeem their Units) and in Trust Property in the event of the termination or winding-up of the Trust. Each whole Unit entitles the holder of record thereof to one vote at all meetings of Unitholders. Collectively, all Units rank among themselves equally and ratably without discrimination, preference or priority.

Units of different Classes may have different rights, benefits and other attributes from Units of other Classes. Subject to limitations and requirements determined from time to time by the Trustee, in its sole discretion, acting reasonably, and stated in this Offering Memorandum, any Unit of a particular Class of Units may be re-designated by the Trustee as a Unit of another Class of Units, upon request of a holder of Units, provided, however, that any such re-designation will not entitle the holder of the Units which are the subject of such re-designation to any Trust Property, or any redemption proceeds.

### ***Classes of Units***

The Trustee will have the power and authority, from time to time, for and on behalf of the Trust, to create one or more Classes of Units on such terms and conditions as may be determined by the Trustee, provided that such creation does not adversely affect the pecuniary value of the interest of any Unitholder in the Trust. All of the units in any Class or Series will have the same rights, benefits and other attributes and will rank equally with every other unit in such Class or Series and no Unit in a Class or Series will have any preference or priority over any other Unit of such Class or Series, except as set forth herein or in a supplemental indenture which creates such Class or Series. Each Unit will entitle the holder to the same rights and obligations as a holder of any other Unit of the same Class or Series and no Unitholder will be entitled to any privilege, priority or preference in relation to any other Unitholders holding Units of the same Class or Series, except as set forth herein or in a supplement indenture which creates such Class or Series. The number of Units issued in any Class or Series is unlimited unless the number of Units for such Class or Series is limited at the time the Class or Series is established.

Before the issue of a Class of Units, the Trustee will execute a supplemental indenture creating such Class of Units and establishing the terms thereof and confirming that the Unitholders who hold Units issued as part of such Class of Units are entitled to the benefits of the Trust in respect of such Class of Units.

Any Units in any Class of Units created by supplemental indenture will:

- (a) be designated by letter and/or number in the manner deemed necessary or desirable in the discretion of the Trustee;; and
- (b) have such rights and restrictions with respect to subscription price and other terms and conditions of their offering and manner of subscription, sharing in the property of the Trust and other matters as the Trustee determines to be appropriate, which rights and restrictions may be different from the rights and restrictions which pertain to the Units of any other Class of Units.

At the option of the Trustee, the maximum number of Units of any Class of Units may be limited, such limitation to be expressed in the supplemental indenture providing for the creation of the Class of Units. As of the date of this Offering Memorandum, the only Classes of Units authorized by the Trust are Class IWA Units, Class IWF Units, Class A2 Units, Class B2 Units, Class F2 Units and Class I2 Units.

### ***Fractional Units***

If as a result of any act of the Trustee under the Trust Declaration or otherwise any person becomes entitled to a fraction of a Unit, such person is not entitled to receive a certificate therefor. Fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of, or to attend or to vote at, meetings of Unitholders. Subject to the foregoing and any transfer of Units, such fractional Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit.

## **Distributions**

### *Distributions of Distributable Cash Flow*

The Trustee will, in respect of each Distribution Period, on or before each Distribution Record Date, declare payable to the Unitholders of record at the close of business on each Distribution Record Date, all or any part of the Distributable Cash Flow for the Distribution Period. Any such distribution will be payable to each Unitholder of record on such Distribution Record Date *pro rata* in proportion to the number of Units held as of record by such Unitholder on such Distribution Record Date. Subject to the terms of the Trust Declaration, any Distributable Cash Flow that has been declared to be payable to Unitholders in respect of a Distribution Period will be paid in cash on the Distribution Payment Date in respect of such Distribution Period.

### *Computation of Cash Flow of the Trust*

The cash flow of the Trust for any Distribution Period (the “**Cash Flow**”) will be equal to:

- (a) the sum of all cash amounts received by the Trust for or in respect of such Distribution Period, including the amounts received as a limited partner holding LP Units in the Limited Partnership and all other income, interest, distributions, dividends, proceeds from the disposition (other than by way of security interest) of LP Units, returns of capital and repayments of indebtedness, as well as all amounts received by the Trust in any prior Distribution Period to the extent not previously distributed; less
- (b) all costs and expenses of the Trust that, in the opinion of the Trustee, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period; less
- (c) all amounts payable in cash that relate to the redemption or repurchase of Units and that have become payable by the Trust in such Distribution Period or prior Distribution Period; and less
- (d) any interest expense incurred by the Trust between distributions,

provided that any funds borrowed by the Trust or the proceeds of the issuance of Units or other securities of the Trust and related transactions in connection therewith will not be included in the calculations of Cash Flow in respect of any Distribution Period.

### *Computation of Income and Net Realized Capital Gains*

Trust Income for any taxation year of the Trust will be the income for such year computed in accordance with the provisions of the Tax Act, other than paragraph 82(1)(b) and subsection 104(6) thereof, and taking into account such other amounts and adjustments as are determined in the discretion of the Trustee regarding the calculation of income for the purposes of determining the “taxable income” of the Trust; provided, however, that capital gains and capital losses will be excluded from the computation of Trust Income and, if an amount has been designated by the Trust under subsection 104(19) of the Tax Act, such designation shall be disregarded.

Net Realized Capital Gains for any taxation year of the Trust will be determined as the amount, if any, by which the aggregate of the capital gains of the Trust realized in such year exceeds the sum of (i) the aggregate of the capital losses of the Trust realized in such year; (ii) any capital gains that are realized by the Trust as a result of a redemption of Units pursuant to the Trust Declaration and that are payable to redeeming Unitholders under the Trust Declaration; and (iii) each amount determined by the Trustee in respect of any net capital loss for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such year multiplied by the reciprocal of the fraction applicable in determining the proportion of a capital gain for such prior taxation year that is a taxable capital gain.

### *Other Distributions*

In addition to distributions of Distributable Cash Flow, the Trustee may allocate, declare payable and/or make distributions, from time to time, out of Trust Income, Net Realized Capital Gains, the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates and to Unitholders of record on such dates, as the Trustee may determine.

The following amounts will be due and payable to Unitholders of record at the close of business on December 31 in each year:

- (a) the amount of Trust Income for such year not previously paid or made payable to Unitholders in such year; and
- (b) the amount of Net Realized Capital Gains for such year not previously paid or made payable to Unitholders in such year.

#### *Allocation*

Trust Income and Net Realized Capital Gains shall be allocated to the Unitholders for the purposes of the Tax Act in the same proportion as the total distributions received by Unitholders in the taxation year, subject to: (a) the discretion of the Trustee to adopt an allocation method that the Trustee considers to be more reasonable in the circumstances, and (b) the Trustee's ability pursuant to the Trust Declaration to designate as payable to redeeming Unitholders any capital gain and/or income realized by the Trust as a result of an in specie distribution.

#### *Reclassification of Units*

Subject to the consent of the Administrator and any criteria established by the Administrator, Class IWA Unitholders may request to reclassify or switch their Class IWA Units into Class IWF Units. This is called a reclassification. The Trust will not charge any fees for the administration of reclassifications, but Unitholders should check with their dealers to confirm whether any fees will be charged by such dealers. Upon a reclassification from Class IWA Units to Class IWF Units, the number of Units held by the Unitholder will not change since both classes of Units have the same Net Asset Value per Unit.

Generally, reclassification or switches between classes of Units is not considered a disposition for tax purposes, which means that Unitholders will not realize a capital gain or loss. However, Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units. See Item 8 – "Income Tax Consequences and RRSP Eligibility."

#### *Character of Distributions and Designations*

In accordance with and to the extent permitted by the Tax Act and analogous provisions of any applicable Provincial income tax legislation, the Trustee in each year will make designations in respect of the amounts paid or payable to Unitholders for such amounts that the Trustee considers to be reasonable in all of the circumstances, including designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net capital gains realized by the Trust in the year and foreign source income of and foreign taxes paid by the Trust for the year, as well as elect under subsection 104(13.1) and/or subsection 104(13.2) of the Tax Act that income be taxed to the Trust, rather than to the Unitholders. Distributions paid or payable to Unitholders pursuant to Article 6 of the Trust Declaration will be distributed from Trust Income, Net Realized Capital Gains, trust capital or other items in such amounts as the Trustee may, in its absolute discretion, determine. Any distribution of Net Realized Capital Gains will include the non-taxable portion of the capital gains of the Trust that are encompassed in such distribution.

#### *Special Distribution Provisions*

To the extent distributions are calculated in respect of a Distribution Period and payable at the end of such Distribution Period, if for any reason, including the termination of the Trust, such Distribution Period is not completed or such amounts are no longer payable, then the distribution will be pro-rated to the end of the shortened Distribution Period and be payable at the end of such shortened Distribution Period.

In the event that a Unitholder has held his Unit for less than the entire Distribution Period for which a distribution is payable, the Unitholder shall only be entitled to a proportionate share of the distributions based on the proportion that the number of days between the date of first issue of his Units and the last day of the Distribution Period bears to the aggregate total number of days in such Distribution Period.

The Trustee shall have the right but not the obligation to distribute and allocate Distributable Cash, Trust Income, Net Realized Capital Gains and any other applicable amounts among Unitholders in such a manner so as to ensure where

possible that they are treated equitably taking into account differences that may arise as a result of the acquisition of Units at different times in a fiscal year or in different fiscal calendar years.

#### *Enforceability of Right to Receive Distributions*

Notwithstanding any provision of the Trust Declaration, each Unitholder will have the legal right to enforce payment on the Distribution Payment Date or December 31, as the case may be, of any amount payable to such Unitholder as a result of any distribution declared or otherwise made payable pursuant to the Trust Declaration on the applicable Distribution Record Date or the applicable December 31, as the case may be, to, and not yet received by, such Unitholder pursuant to the Trust Declaration.

#### *Method of Payment of Distributions*

Where the Trustee determines that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution that has been declared payable, or otherwise made payable, pursuant to the Trust Declaration on the due date for such payment or for any other reason cannot pay the distribution in cash, the payment may, at the option of the Trustee, include the issuance of additional Units, or fractions of Units, if necessary or desirable, having a value equal to the difference between the amount of such distribution declared to be payable and the amount of cash that has been determined by the Trustee to be available for the payment of such distribution. Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

The value of each Unit that is issued as in the above paragraph will be equal to the Subscription Price for such Unit, unless the Trustee determines that the value of a Unit is materially different than the Subscription Price, in which case the Unit will be issued at such different value.

#### *Withholding Taxes*

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

#### *Calculation of Net Asset Value*

The Trustee will determine, or cause to be determined, the Net Asset Value and Net Asset Value Per Unit of the Trust as of each Valuation Time.

#### *Method of Determining Value*

The Net Asset Value, on a Valuation Date, will be equal to the aggregate value of the Trust Property on the Valuation Date, less the aggregate value of the Trust's liabilities on the Valuation Date and will be subject to valuation rules set by the Trust from time to time. The Net Asset Value as thus determined will be divided by the number of outstanding Units of the Trust (determined before giving effect to any reinvestment of net income, Net Realized Capital Gains or other distributions then payable to Unitholders and before giving effect to any redemptions or issuances of Units to be implemented as of the Valuation Date) to ascertain the Net Asset Value Per Unit as of the Valuation Date.

#### *Redemption*

##### *Redemption - Generally*

Redemption of Units by Unitholders is restricted under the terms of the Trust Declaration. In accordance with the process described below (which is qualified by the provisions of the Trust Declaration), a Unitholder is entitled to make demand on the Trust to redeem such Unitholder's Units. The Trust Declaration describes the salient terms regarding Unitholders' redemption, including: the steps required by a Unitholder to redeem Units, the effect that providing notice to exercise redemption rights

has on a Unitholder, the redemption price payable to the Unitholder, and how the Trust will pay the redemption price to a Unitholder.

*Right of Redemption by Unitholders*

Each Unitholder will be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or any part of the IW Units registered in the name of the Unitholder at the prices determined and payable in accordance with the Trust Declaration.

Each Unitholder will be entitled to require the Trust to redeem on the last day of any calendar month, or if such a day is not a Business Day, on the next Business Day after the last day of the calendar month (such date referred to herein as, the “**Non-IW Redemption Date**”) at the demand of the Unitholder all or any part of the Non-IW Units registered in the name of the Unitholder at the price determined and payable in accordance with the Trust Declaration.

*Exercise of Redemption Right*

- (a) The following applies to a redemption of IW Units:
  - (i) The redemption right must be exercised by causing notice to be given to the Trustee. Such notice will be irrevocable except with respect to any IW Units surrendered for redemption in respect of which the redemption proceeds are not paid by the Trust on or before the date on which such payment is due and except as otherwise provided in the Trust Declaration.
  - (ii) A Unitholder who desires to exercise redemption privileges must do so by delivering a written notice (the “**IW Redemption Notice**”) to the Trust of the Unitholder's intention to redeem IW Units. Any expense associated with the preparation and delivery of IW Redemption Notices will be for the account of the Unitholder exercising the redemption privilege.
  - (iii) By delivering an IW Redemption Notice to the Trust, the Unitholder will be deemed to have irrevocably surrendered such Unitholder's IW Units for redemption.
  - (iv) Any IW Redemption Notice which the Trust determines to be incomplete, not in proper form or not duly executed will for all purposes be void and of no effect and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby.
  - (v) Upon receipt by the Trust of an IW Redemption Notice, the Unitholder of such IW Units shall thereafter cease to have any rights with respect to the IW Units tendered for redemption (other than to receive the redemption payment therefor unless the redemption payment is not made as provided for in the Trust Declaration), including the right to receive any distributions thereon which are declared payable to the Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such IW Redemption Notice.
  - (vi) Subject to applicable laws, the Trust will redeem the IW Units specified in such IW Redemption Notice. Such redemption shall be effective as of the date that the Trust has, to the satisfaction of the Trustee, received the IW Redemption Notice and such further documents or evidence that the Trustee reasonably requires with respect to the identity, capacity or authority of the person giving such notice (the “**IW Redemption Date**”).
- (b) The following applies to the redemption of Non-IW Units:
  - (i) A Unitholder who desires to exercise his, her or its right to redeem Non-IW Units must do so by delivering a duly completed and properly executed written notice (the “**Non-IW Redemption Notice**”), in a form approved by the Trustee, specifying the Class and number of Non-IW Units to be redeemed, to the Trust together with the Unit Certificate(s), if any, representing the Non-IW Units to be redeemed. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the Unitholder exercising the redemption right. By delivering a Non-IW Redemption Notice to the Trust, the Unitholder will be deemed to have irrevocably surrendered such Unitholder's Non-IW Units for redemption.

- (ii) The Non-IW Redemption Notice must be received not less than 60 days before the Non-IW Redemption Date to be considered for that particular Non-IW Redemption Date. If 90 days' notice is not given, the Trustee will not be required to consider redeeming the Non-IW Unit(s) until the next subsequent Non-IW Redemption Date that is more than 90 days from the date that the Non-IW Redemption Notice is received. No form or manner of completion or execution is sufficient unless the same is in all respects satisfactory to the Trustee and is accompanied by any evidence that the Trustee may reasonably require with respect to the identity, capacity or authority of the person giving such notice. The Trustee shall be entitled in its sole discretion to accelerate the Non-IW Redemption Date specified by the Unitholder in the Non-IW Redemption Notice.
- (iii) Upon receipt by the Trust of the Non-IW Redemption Notice and the determination of the Non-IW Redemption Date as provided hereunder, effective as of the Non-IW Redemption Date, the Unitholder shall thereafter cease to have any rights with respect to the Non-IW Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Unitholders of record on a date which is subsequent to the Non-IW Redemption Date. Non-IW Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Trustee, received the Non-IW Redemption Notice and other required documents or evidence as provided in the Trust Declaration.

*Redemption Price*

- (a) The following applies to a redemption of IW Units:
  - (i) Unitholders whose IW Units are redeemed will be entitled to receive a redemption price (the "**IW Redemption Price**") per IW Unit equal to either:
    - (A) where the Units are listed on a stock exchange or similar market, an amount equal to the lesser of:
      - 1. 95% of the market price of the IW Units during the 10 trading day period after the IW Redemption Date; and
      - 2. 100% of the closing market price of the IW Units on the IW Redemption Date; or
    - (B) where the IW Units are not listed on a stock exchange or similar market, the Net Asset Value Per Unit as determined on the Valuation Date which immediately precedes the IW Redemption Date, subject to any administration and processing fees that may be determined and applied by the Trustee, in its sole discretion, from time to time.
- (b) The following applies to a redemption of Non-IW Units:
  - (i) Unitholders whose Non-IW Units are redeemed will be entitled to receive a redemption price (the "**Non-IW Redemption Price**") per Non-IW Unit equal to either:
    - (A) where the Units are listed on a stock exchange or similar market, an amount equal to the lesser of:
      - 1. 95% of the market price of the Non-IW Units during the 10 trading day period after the Non-IW Redemption Date; and
      - 2. 100% of the closing market price of the Non-IW Units on the Non-IW Redemption Date; or
    - (B) where the Non-IW Units are not listed on a stock exchange or similar market, the Net Asset Value Per Unit as determined on the Valuation Date which immediately precedes

the Non-IW Redemption Date, subject to any administration and processing fees that may be determined and applied by the Trustee, in its sole discretion, from time to time.

Notwithstanding (A) and (B) above, the Trustee may reduce the Non-IW Redemption Price by any Early Redemption Charge that may apply to Non-IW Units if such Non-IW Units are redeemed are within the Early Redemption Period. The Early Redemption Charge may be increased, decreased, amended or waived at any time and from time to time at the discretion of the Trustee. For clarity, the Early Redemption Charge may be different for different Classes of Non-IW Units in the discretion of the Trustee.

*Payment of Redemption Price in Cash*

- (a) The following applies to a redemption of IW Units:
  - (i) The IW Redemption Price per IW Unit multiplied by the number of IW Units tendered for redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the IW Redemption Date occurs, provided, however, that the total amount payable by the Trust by cash payment in respect of the redemption of IW Units for the calendar quarter in which the IW Redemption Date occurs will not exceed \$50,000, except as otherwise provided in the Trust Declaration.
- (b) The following applies to a redemption of Non-IW Units:
  - (ii) The Non-IW Redemption Price per Non-IW Unit multiplied by the number of Non-IW Units tendered for redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Non-IW Redemption Date occurs, subject to the following limitations:
    - (A) the total amount payable by the Trust by cash payment in respect of the redemption of Non-IW Units for the calendar quarter in which the Non-IW Redemption Date occurs will not exceed \$50,000, except as otherwise provided in the Trust Declaration; and
    - (B) the Non-IW Redemption Price will not be paid in cash if in the Trustee's opinion, in its sole discretion, the Trust has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Unitholders or the Trust generally.
  - (iii) Where Non-IW Units tendered for redemption during any calendar quarter in which the total amount payable by the Trust pursuant to (b) above meet the conditions of (b)(i)(A) or (B) above, as applicable, are to be redeemed, and the Trustee does not, in its discretion, waive such condition, in any manner and/or to any extent, in respect of all or any number of Non-IW Units tendered for redemption in any particular calendar quarter, as determined by the Trustee, in its discretion, then, in the discretion of the Trustee, such Non-IW Units will be redeemed for: (A) cash on a pro rata basis with all of the Non-IW Units tendered for redemption up to the up to the Quarterly Limit or such other amount determined by the Trustee, in its sole discretion, acting reasonably and in good faith with a view to the fair and equitable treatment of all Non-IW Units tendered for redemption, as applicable, pursuant to (b) above, and, (B) Trust Notes, Debt Securities, LP Units, or any combination thereof, on a pro rata basis, to the extent that cash payment will not be made therefor.

*Payment of Redemption Price in Specie*

- (a) The following applies to a redemption of IW Units:
  - (iv) If the Quarterly Limit is met and the Trustee does not, in its sole discretion, waive such limitation in respect of all IW Units tendered for redemption in any particular calendar quarter, the IW Redemption Price shall be paid and satisfied by way of any of the following methods to be selected by the Trustee, using its sole discretion:

- (A) the issuance and delivery of a number of Trust Notes, each in the principal amount of \$100 (or integral multiples of \$100), having an aggregate principal amount equal to the redemption price per IW Unit multiplied by the number of IW Units tendered for redemption;
- (B) a distribution in specie to the Unitholder of a number of LP Units having an aggregate value determined on the Redemption Date based on the redemption price of the LP Units under the terms and conditions of the Limited Partnership Agreement, equal to the IW Redemption Price per IW Unit multiplied by the number of IW Units tendered for redemption; or
- (C) a distribution in specie to the Unitholder of a number of Debt Securities (each in the principal amount of \$100 (or integral multiples of \$100)), having an aggregate principal amount equal to the IW Redemption Price per IW Unit multiplied by the number of IW Units tendered for redemption.

Notwithstanding the foregoing, the Trustee, in its sole discretion, may but will in no way be obligated to make cash payments on account of the IW Redemption Price in excess of the Quarterly Limit.

(b) The following applies to a redemption of Non-IW Units:

- (i) Subject to waiver by the Trustee, if cash payment is not applicable to Non-IW Units tendered for redemption by a Unitholder, then the Non-IW Redemption Price to which the Unitholder would be otherwise entitled, to the extent that cash payment will not be made therefor, shall be paid and satisfied by way of one or more of the following methods to be selected at the sole discretion of the Trustee:
  - (A) the issuance and delivery of a number of Trust Notes, each in the principal amount of \$100 (or integral multiples of \$100), having an aggregate principal amount, determined on the Non-IW Redemption Date, equal to the Non-IW Redemption Price per Non-IW Unit of a Class of Units multiplied by the number of Non-IW Units of that Class tendered for redemption for which payment by way of cash, Debt Securities or LP Units will not be made;
  - (B) a distribution in specie to the Unitholder of a number of Debt Securities (each in the principal amount of \$100 (or integral multiples of \$100)) having an aggregate principal amount, determined on the Non-IW Redemption Date, equal to the Non-IW Redemption Price per Non-IW Unit of a Class of Units multiplied by the number of Non-IW Units of that Class tendered for redemption for which payment by way of cash, Trust Notes or LP Units will not be made;
  - (C) a distribution in specie to the Unitholder of a number of LP Units with an aggregate value (having regard to the value per LP Unit based on the LP Units Value at that time) equal to the aggregate Non-IW Redemption Price of the Non-IW Units tendered for redemption for which payment by way of cash, Trust Notes or Debt Securities will not be made; or
  - (D) any combination of the methods outlined in (A), (B) or (C), above.

#### *Capital Gains and Income on In Specie Distribution*

Where the Trust makes a distribution *in specie* of a pro rata number of LP Units on a redemption of Units, the Trustee may designate as payable to the particular redeeming Unitholders receiving LP Units portions of the amount of the value of such LP Units: (i) not exceeding the amount of any capital gain of the Trust as a result of the distribution of such property as an amount payable out of the Net Realized Capital Gains of the Trust; and (ii) not exceeding an allocable share of income in respect of the LP Units so distributed determined in accordance with the terms of the Limited Partnership Agreement

together with any other income realized by the Trust as a result of a distribution of LP Units, as an amount payable out of Trust Income.

*General*

- (a) IW Redemption Notices and Non-IW Redemption Notices will be time and date stamped. IW Units and Non-IW Units will be redeemed according to the order in which the related IW Redemption Notices or Non-IW Redemption Notices are received by the Trustee, as applicable.
- (b) Unless, and to the extent that, the Quarterly Limit is waived as specified in the Trust Declaration, and provided that any other provision in the Trust Declaration to limit cash payment for the redemption of Non-IW Units does not apply, Non-IW Units tendered for redemption in any calendar quarter in which the total amount payable by the Trust pursuant exceeds the Quarterly Limit are to be redeemed for a combination of cash and the issuance of Trust Notes, Debt Securities, LP Units, or any combination thereof, 6 on a pro rata basis with the Non-IW Units tendered for redemption, provided, however that, if the Quarterly Limit has not been exhausted by redemptions which pre-date the redeeming Unitholder's Non-IW Redemption Notice then the minimum cash to be distributed to such redeeming Unitholder is to be not less than \$1,000 (unless waived by the Trustee in its sole discretion or the entire Redemption Price is paid in cash). For illustration and greater certainty (and subject always to Article 8), if the Trust receives more than 50 redemption requests in a calendar quarter, then (provided that certain other limitations on cash redemptions do not apply) the first 50 redeeming Unitholders are to receive the first \$1,000 of their Non-IW Redemption Price in cash and the remainder of the Non-IW Redemption Price by the Trust issuing Trust Notes, Debt Securities, LP Units, or any combination thereof, on a pro rata basis, and each redeeming Unitholder beyond the first 50 is to receive the entire Non-IW Redemption Price.

*Cancellation of Redeemed Units*

All Units which are redeemed under the Trust Declaration will be cancelled and such Units will no longer be outstanding and will not to be reissued.

**Retraction**

*Trust's Right of Retraction*

The Trust may retract the Units either in whole at any time or in part from time to time.

*Partial Retraction*

If the Trust elects to retract less than all of the outstanding Units, the Units to be retracted shall be retracted either:

- (a) on a *pro rata* basis;
- (b) be drawn by lot; or
- (c) be selected in such other manner as the Trustee, in its sole discretion, may determine, including the retraction of Units from one or more specified Unitholder.

For this purpose, the Trust may make, and from time to time amend, regulations with regard to the manner in which such Units will be selected for retraction and such regulations shall be binding upon all Unitholders.

*Exercise of Right*

The Trustee shall exercise the retraction right provided for in the Trust Declaration by causing notice to be given to a Unitholder or Unitholders (a "**Retraction Notice**"). Such notice will be irrevocable except with respect to any Units called for retraction in respect of which the retraction proceeds are not paid by the Trust on or before the date on which such payment is due and except as otherwise provided herein.

*Retraction Price*

Unitholders whose Units are retracted pursuant to the Trust Declaration will be entitled to receive payment (the “**Retraction Price**”) per Unit equal to the Net Asset Value Per Unit as at the most recent Valuation Date.

### ***Meetings of Unitholders***

Annual meetings of Unitholders are not required. However, meetings of Unitholders may be called at any time by the Trustee and must be called by the Trustee upon a written request of Unitholders holding in the aggregate not less than 15% of the Units then outstanding, such request specifying the purpose or purposes for which such meeting is to be called. Meetings of Unitholders will be held in the City of Nanaimo or such other City in British Columbia as the Trustee may determine. The Chair of any meeting will be a person designated by the Trustee for the purpose of such meeting except that in lieu of the person so designated or if no person has been so designated, on the motion of any Unitholder, any person may be elected as Chair by a majority of the votes cast at the meeting.

### ***Class Meetings***

Any matter affecting a particular Class of Units alone or affecting a Class of Units differently from other Classes of Units must be approved by Ordinary Resolution of the Unitholders of the affected Class unless such matter:

- (a) is the creation of a Class of Units which has a preference over the affected Class of Units in any Trust Property allocable to the affected Class of Units; or
- (b) would abrogate, diminish or negatively affect any of the rights, privileges or restrictions or conditions in favour of the affected Class of Units, in which case a Special Resolution of the Unitholders of such Class of Units is required.

### ***Quorum***

A quorum for any meeting of Unitholders convened to consider such matter will consist of two or more Unitholders present in person or by proxy and representing not less than 10% of the Units then outstanding. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to another day, not less than 10 days later, selected by the Trustee and notice will be given to the Unitholders of such adjourned meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

### ***Voting Rights***

Only Unitholders of record will be entitled to vote and each Unit will entitle the holder or holders thereof to one vote on a poll. At any meeting of Unitholders, any Unitholder entitled to vote thereat may vote by proxy and a proxy holder need not be a Unitholder. The Trustee may solicit proxies from Unitholders in any matter requiring or permitting the Unitholders’ approval or consent. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them is present at such meeting in person or by proxy, and such joint owners so present disagree as to any vote to be cast, such vote will not be received in respect of such Unit. Fractional Units are not entitled to vote.

### ***Powers Exercisable Ordinary Resolution***

The following matters require approval by Ordinary Resolution and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Ordinary Resolution:

- (a) matters relating to the administration of the Trust for which the approval of the Unitholders is required by policies of the securities regulatory authorities or other applicable laws and regulations in effect from time to time, and such policies, laws or regulations do not require approval by Special Resolution;
- (b) subject to the requirements for a Special Resolution, any matter or thing required to be consented to or approved by the Unitholders; and
- (c) any matter which the Trustee considers appropriate to present to the Unitholders for their confirmation or approval.

### ***Powers Exercisable Special Resolution***

The following powers shall only be exercisable by Special Resolution passed by the Unitholders:

- (a) consenting to the amendment of the Trust Declaration except as provided therein;
- (b) changes to the investment objectives of the Trust;
- (c) the removal of the Trustee;
- (d) the appointment of a new trustee;
- (e) the termination of the Trust;
- (f) a reduction in the amount payable on any outstanding Units upon liquidation of the Trust; or
- (g) the alteration or elimination of any voting rights pertaining to any outstanding Units.

Notwithstanding the above or any other provision in the Trust Declaration, no confirmation, consent or approval shall be sought or have any effect and no Unitholders shall be permitted to effect, confirm, consent to or approve, in any manner whatsoever, where the same increases the obligations of or reduces the compensation payable to or protection provided to the Trustee, except with the prior written consent of the Trustee.

### ***Unitholder Meeting Information***

Prior to each meeting of Unitholders, the Trust will provide to each Unitholder, together with the notice of the meeting:

- (a) a form of proxy which can be used by a Unitholder to appoint a proxy, who need not be a Unitholder, to attend and act at the meeting on behalf of the Unitholder, in the manner and to the extent authorized by the proxy; and
- (b) all information and certifications required by applicable law.

### ***Information and Reports***

After the end of each calendar quarter, the Trustee will distribute or make available in accordance with applicable securities legislation to each Unitholder the Trust's accountant prepared and reviewed financial statements. On or before March 31 in each year, the Trustee will:

- (a) deliver or make available to each Unitholder the Trust's audited financial statements for the previous fiscal year and such other reports as are from time to time required by applicable securities or other laws; and
- (b) deliver to each person who received a distribution at any time during the previous calendar year, tax reporting information in such a manner as will enable such person to report the income tax consequences of investment in Units in their annual Canadian income tax return.

Such financial statements will be prepared in accordance with GAAP; provided that such statements and the obligations to deliver such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities.

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

No Unitholder, in its capacity as Unitholder, will incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind, to any person in connection with any Trust Liabilities. No Unitholder, in its capacity as such, will be liable to indemnify the Trustee or any other person with respect to any Trust Liabilities.

To the extent that, notwithstanding the provisions of the Trust Declaration, any Unitholder, in its capacity as such, may be determined by a judgement of a court of competent jurisdiction to be subject to or liable in respect of any Trust Liabilities,

such judgement and any writ of execution or similar process in respect thereof will be enforceable only against, and will be satisfied only out of, the Units held by such Unitholder.

To the extent that, contrary to the provisions of the Trust Declaration, any Unitholder is held personally liable as such to any other person in respect of any Trust Liabilities, such Unitholder will be entitled to indemnity and reimbursement out of the Trust Property 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, without limitation, all fees and disbursements of counsel. The rights accruing to a Unitholder under the Trust Declaration do not exclude any other rights to which such Unitholder may be lawfully entitled, nor does anything herein contained restrict the right of the Trustee to indemnify or reimburse a Unitholder out of the Trust Property in any appropriate situation not specially provided herein but, for greater certainty, the Trustee has no liability to reimburse a Unitholder for taxes assessed against them by reason of or arising out of their ownership of Units.

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

The Trustee or a director or officer of the Trustee who directly or indirectly has a material interest in a material contract or transaction or proposed material contract or transaction with the Trust, other than an affiliate of the Trust, 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 director or officer of the Trustee must not vote on any resolution to approve the material contract or transaction, unless the material contract or transaction is one relating primarily to his or her remuneration as a director or officer, one for indemnity or insurance, or one with any affiliate of the Trust.

Where the Trustee or any director or officer of the Trustee fails to disclose his or her interest in a material contract or transaction, the Trustee 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 material contract or transaction and directing that the Trustee or such director or officer account to the Trust for any profit or gain realized, provided that if the Trustee or director or officer is acting honestly and in good faith, he or she will not be accountable to the Trust or to the Unitholders for any profit or gain realized from such material contract or transaction, and such material contract or transaction will not be void or voidable and may not be set aside, if: (i) the material contract or transaction was reasonable and fair to the Trust at the time it was approved; (ii) the material contract or transaction is confirmed or approved at a meeting of the Trust duly called for that purpose; and (iii) the nature and extent of the Trustee's or director's or officer's interest in such contract or transaction is disclosed in reasonable detail in the notice calling the meeting of the Trustee.

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

A Unitholder has similar protections, rights and remedies as a shareholder would have under the *Canada Business Corporations Act* (the "CBCA"), although there are many important differences, as described herein. Many of the provisions of the CBCA 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 CBCA corporation, and provisions relating to the calling and holding of meetings of Unitholders included in the Trust Declaration are comparable to those of the CBCA. Unlike shareholders of a CBCA corporation, Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Trust Declaration are generally less extensive than the rights conferred on the shareholders of a CBCA corporation. The appointment of auditors is reserved to the Trustee rather than the Unitholders. Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). As an alternative, Unitholders seeking to terminate their investment in the Trust are entitled to receive, subject to certain conditions and limitations, their *pro rata* share of the Trust's net assets through the exercise of the redemption rights described above under "Redemption". Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties.

Shareholders of a CBCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances, whereas Unitholders may rely only on the general provisions of the Trust Declaration which permit the winding-up of the Trust with the approval of a Special Resolution of the Unitholders. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the

corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The CBCA 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.

#### ***Constraint on Non-Resident Unitholders***

At no time may Non-residents be the beneficial owners of more than 49% of the Units then outstanding. Additionally, at no time shall Non-residents hold or beneficially own, directly or indirectly, Units or any other rights or options, including convertible debentures (“**Options**”) that may entitle them to acquire Units that would result in more than 49% of the Units, at any time, being held or beneficially owned, directly or indirectly, by Non-Residents.

The Trustee may require declarations as to the jurisdictions in which beneficial owners of Units and/or Options are resident. If the Trustee becomes aware that the beneficial owners of 40% of the Units and/or Options then outstanding are or may be Non-residents, or that such a situation is imminent, the Trustee shall not accept a subscription for Units or Options from or issue or register a transfer of Units or Options to a person unless the person provides a declaration that the person is not a Non-resident. If the Trustee determines that 45% or more of the Units and/or Options then outstanding are beneficially held by Non-residents, the Trustee shall send a notice to such Non-resident Unitholders, chosen in inverse order to the order of acquisition or in such other manner as the Trustee may consider equitable and practicable, requiring them to dispose of their Units and/or Options or a portion thereof within a specified period of not less than 10 Business Days to residents of Canada or partnerships which are “Canadian partnerships” for the purposes of the Tax Act.

If the Unitholders receiving such notice have not disposed of the specified number of Units and/or Options or provided the Trustee with satisfactory evidence that they are not Non-Residents within such period, the Trustee may, on behalf of such Unitholders, dispose of such Units and/or Options without further notice and, in the interim, shall suspend the voting and distribution rights attached to such Units and/or Options. For all purposes of such disposition, the Trustee shall be deemed to be the agents and lawful attorneys of such Non-Resident. Upon such disposition the affected holders shall cease to be holders of Units and/or Options and their rights shall be limited to receiving the net proceeds of disposition upon surrender of the Unit certificates representing such Units, subject to the right to receive payment of any distribution declared by the Trustee which is unpaid and owing to such Unitholders. The Trustee shall have no liability for the amount received provided that it acts in good faith.

The Trustee shall have the sole right and authority to make any determination required or contemplated. If the Trustee considers that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, the Trustee shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the Trustee.

The Trustee may determine not to take any of the actions described above if the Trustee has been advised by counsel to the Trust that the failure to take any such actions would not adversely impact the status of the Trust as a “mutual fund trust” for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a “mutual fund trust” for purposes of the Tax Act.

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

The Trustee may at any time terminate and dissolve the Trust by giving written notice to each of the then Unitholders of its intention to terminate the Trust at least ninety (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 Trustee his proportionate share of the value of the Trust in accordance with the number of Units which he then holds.

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

Subject to the restrictions described in Item 2.7 – “Material Agreements – Trust Declaration - Meetings of Unitholders,” any provision of the Trust Declaration may be amended, deleted, expanded or varied by the Trustee, if the amendment is, in the opinion of counsel for the Trustee, not a material change which adversely affects the pecuniary value of the interest of any Unitholders and does not relate to:

- (a) any material change in the position, authority or responsibility of the Trustee;
- (b) any change in the investment policy of the Trust; or
- (c) any change to the Trust Declaration, if such change is material or is otherwise required by the Trust Declaration.

**The foregoing 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 is available from the Trustee and/or Manager.**

***B. Limited Partnership Agreement***

The rights and obligations of the General Partner and the Limited Partners are governed by the Limited Partnership Agreement. The following is a summary of certain of the material provisions of the Limited Partnership Agreement. **This summary does not purport to be complete and reference should be to the Limited Partnership Agreement itself, a copy of which is available from the General Partner. Capitalized terms in this summary which are not defined in this Offering Memorandum, are defined in the Limited Partnership Agreement.**

***Management and Control of the Limited Partnership***

The General Partner is given full power and authority to manage, control, administer and operate the business of the Limited Partnership, except for certain matters being subject to votes of the Limited Partners. No Limited Partner is permitted to take part in the management of the business of the Limited Partnership. The General Partner has unlimited liability for the debts, liabilities and obligations of the Limited Partnership. A Limited Partner will not be liable for any debts, liabilities or obligations of the Limited 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 LP Units, provided such Limited Partner does not take part in the control or management of the business of the Limited Partnership.

***Capital in the Limited Partnership***

The capital of the Limited Partnership consists of an unlimited number of LP Units, plus the interest held by the General Partner.

The General Partner has made a capital contribution of \$10.00 to the Limited Partnership, and has no further obligation to contribute capital. Patrick Sullivan, as the Founding Limited Partner, has also made a capital contribution of \$10.00 to the Limited Partnership, which capital contribution will be returned to him upon the completion of the initial subscription for LP Units. Limited Partners will contribute to the Limited Partnership \$10.00, or such other amount as the General Partner may determine, per Unit subscribed for.

***Allocation of Net Income and Net Loss***

The Net Income (LP) shall be allocated among the partners on the following basis:

- (a) firstly, the General Partner shall be allocated .01% of the Net Income (LP) to a maximum of \$100 per annum;
- (b) secondly, the balance of Net Income (LP) shall be allocated to the Limited Partners.

The Net Loss (LP) shall be allocated among the Partners on the following basis:

- (a) firstly, the General Partner shall be allocated .01% of the Net Loss (LP) to a maximum of \$100 per annum; and
- (b) secondly, the balance of Net Loss (LP) shall be allocated to the Limited Partners.

Notwithstanding the foregoing, if any Limited Partner has a negative balance in his, her or its capital account, the General Partner shall have the right to allocate Net Income (LP) to that Limited Partner in priority to other Limited Partners to the extent of the negative balance. The General Partner shall not allocate Net Loss (LP) to a Limited Partner if after the allocation, the Limited Partner would have a negative balance in his, her or its capital account.

The taxable income, taxable loss, capital gain and capital loss of the Limited Partnership, determined in accordance with the Limited Partnership Agreement, shall be allocated among the partners on the same basis on which Net Income (LP) and Net Loss (LP) are allocated to the General Partner and Limited Partners.

### **Distributions**

Subject to distributions on dissolution of the Limited Partnership:

- (a) distributable cash shall be distributed quarterly, as cash flow permits, as follows:
  - (i) firstly, to the General Partner 0.01% of the Distributable Cash to a maximum of \$100 per annum;
  - (ii) secondly, the balance of the Distributable Cash to the Limited Partners; and
- (b) extraordinary net cash receipts, being the net proceeds from a Sale or Refinancing calculated in accordance with the Limited Partnership Agreement, will be distributed as and when funds are received and are available for distribution, as follows:
  - (i) firstly, in the event of a Sale of a Property, to pay any costs involved in the Sale, and to pay all amounts required to discharge any mortgages or encumbrances registered against the assets;
  - (ii) secondly, to pay to the Limited Partners that amount which is estimated by the General Partner to be required by the Limited Partners to pay any income or other taxes arising as a result of the Sale;
  - (iii) thirdly, to pay all current obligations of the Limited Partnership, including without limitation, mortgage loans and any loans advanced by the General Partner or the Limited Partners, plus accrued interest, and any applicable fees payable under the Management Agreement;
  - (iv) fourthly, the balance of extraordinary net cash receipts will be distributed to the Limited Partners, *pro rata* in accordance with their respective Income Shares.

### **Voting**

Each LP Unit has attached to it the right to exercise one vote at meetings of the Limited Partnership. Certain powers, relating generally to the existence and fundamental powers of the Limited Partnership, are specified in the Limited Partnership Agreement to be exercisable only by way of a Special Resolution passed by the Limited Partners.

### **Financial Information**

The General Partner has agreed under the Limited Partnership Agreement to distribute a copy of audited annual financial statements to each Limited Partner within 90 days after the end of each fiscal year of the Limited Partnership, and to provide each Limited Partner with annual income tax information for each fiscal year by March 31 of the following year to facilitate the declaration by each Limited Partner of his, her or its share of the Limited Partnership's income. All financial statements will be prepared in accordance with IFRS applied on a consistent basis, and will contain a breakdown of any expenses for which Related Parties have been reimbursed. The General Partner will also provide interim financial and management reports regarding the affairs of the Limited Partnership on a semi-annual basis.

### **Residency**

Under the terms of the Limited Partnership Agreement, LP Units may only be held by persons or entities that are residents of Canada for Canadian income tax purposes. If, at any time, a Limited Partner becomes a non-resident for Canadian income

tax purposes, such non-resident Limited Partner may be required to sell such Limited Partner's LP Units to a resident of Canada.

***Distributions upon Wind-up, etc.***

Upon the liquidation, dissolution or wind-up of the Limited Partnership, the assets of the Limited Partnership will be liquidated and the proceeds of dissolution will be distributed in the following order:

- (a) in the event that dissolution occurs upon the sale of the last of the Properties, to pay any costs involved in the sale, and to pay all amounts required to discharge any Mortgage Loans or encumbrances registered against the Properties;
- (b) to pay all expenses incurred in the winding-up of the Limited Partnership;
- (c) to pay all of the liabilities of the Limited Partnership, including any loans or advances made by Limited Partners, any amounts owing to the General Partner in respect of costs and expenses owing to it pursuant to the Limited Partnership Agreement, and any applicable fees payable under the Management Agreement, in the manner required by law;
- (d) to establish such reserves as the General Partner considers necessary;
- (e) to return to each Limited Partner the amount in such Limited Partner's capital account;
- (f) to return to the General Partner the balance in its capital account; and
- (g) to distribute any balance then remaining to the Limited Partners, *pro rata* in accordance with their respective Income Shares.

**The foregoing is a summary only of all of the material provisions of the Limited Partnership Agreement. For a complete understanding of all of the provisions of the Limited Partnership Agreement, reference should be made to the Limited Partnership Agreement itself, a copy of which is available from the General Partner.**

**C. *Management Agreement***

***Powers and Responsibilities of the Manager***

Pursuant to the Management Agreement, the Manager has agreed to provide the following financing, asset management, re-positioning and supervision of property management services to the Limited Partnership, for which it will be paid the fees and reimbursed the expenses as set out below:

***Acquisition, Disposition and Financing Services***

The Manager will provide certain acquisition and financing services to the Limited Partnership, including, among others, the following:

- (a) structuring the acquisition and ownership by the Limited Partnership of the Properties or interests in the Properties, including overseeing the preparation, execution and delivery of all agreements, transfers, documents and instruments required for such acquisitions; and
- (b) structuring the sale and disposition by the Limited Partnership of any Properties or interests in the Properties, including overseeing the preparation, execution and delivery of all agreements, transfers, documents and instruments required for such dispositions.

*Asset Management Services*

The Manager will provide certain asset management services to the Limited Partnership, including, among others, the following:

- (a) providing overall management, financial and business planning for the Limited Partnership, including overseeing the operations of the Properties; and
- (b) advising the Limited Partnership with respect to the disposition of the Properties, and negotiating and carrying out the disposition of the Properties on such terms and conditions and at such times as the Manager may determine.

*Re-positioning Services*

The Manager will provide certain Re-positioning Services in connection with a Re-Positioning Program relating to a Property, including, among others, the following:

- (a) preparing the budget in respect of a Re-positioning Program approved by the Partnership;
- (b) overseeing and coordinating the design of the Re-positioning Program and engaging the services of and supervising such design, engineering and other consultants as are reasonably required for the Re-positioning Program;
- (c) co-ordinating the preparation and negotiation of any construction contract documents;
- (d) supervising and inspecting the progress of the course of construction of the Re-positioning Program so as to accomplish completion of the Re-positioning Program in a timely manner;
- (e) ensuring compliance with general municipal and other governmental requirements relating to the Re-positioning Program; and
- (f) performing and administering any and all other services and responsibilities which are required to be performed for the Re-positioning Program.

*Supervision of Property Management*

The Manager will take all steps necessary to monitor and supervise the management of the Properties by any property manager appointed by the Limited Partnership for that purpose, including, among others, the following:

- (a) retaining and overseeing the services of property managers of the Properties;
- (b) verifying proper maintenance of the Properties through ongoing site inspections and meetings with the property managers;
- (c) reviewing the annual budget and monthly financial performance with respect to that budget; and
- (d) reviewing the need for any capital repairs on an ongoing basis.

*Service Requirements*

In providing services under the Management Agreement, the Manager shall:

- (b) comply with all instructions and directions given to it by the Limited Partnership;
- (c) devote sufficient time and attention to carry out its duties as required under the Management Agreement;
- (d) well and faithfully serve the Limited Partnership; and
- (e) comply with all applicable rules, laws and regulations of any kind whatsoever.

**Fees**

In consideration of the provision of the services described above, the Limited Partnership will pay the following fees to the Manager during the term of the Management Agreement:

Asset Management Fee	A quarterly fee equal to the product of: (a) the Gross Asset Value on the last day of the applicable quarter (being March 31, June 30, September 30 and December 31); and (b) one quarter of 0.5%.
Acquisition Fee	1.0% of the gross purchase price of each Property at the time of acquisition.
Disposition Fee	1.0% of the sale price of a Property (provided, however, that such fee will only be payable in the event that the Limited Partnership must sell, transfer, assign or dispose of a Property or interest therein to generate cash amounts to satisfy redemptions of LP Units by the Trust), upon sale of the Property.
Re-positioning Fee	A monthly fee in an amount equal to 5% of the costs incurred by the Manager in a given month in respect of a Re-positioning Program relating to a Property.
Financing Fee	(a) 1.0% of the loan amount of any initial debt financing; and (b) 1.0% of the loan amount of any Refinancing.

**Expenses**

The Manager shall be reimbursed by the Limited Partnership for all out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described above and any additional services to be performed by the Manager as may be agreed to from time to time by the Manager and the Partnership (collectively, the “**Expenses**”).

The Manager will not be reimbursed for any overhead costs of the Manager, including costs incurred for rent in respect of the Manager’s or any of its affiliate’s own premises, equipment, personnel costs general administrative expenses and other expenses that are customarily considered to be overhead expenses, except as explicitly provided for in the Management Agreement.

**Waiver of Fees**

The Manager may, from time to time, waive the obligation of the Limited Partnership to pay all or any portion of the fees payable by the Limited Partnership to the Manager for any applicable transaction (i.e., acquisition or disposition) or period (i.e., month or quarter), if applicable, during the term of the Management Agreement, provided, however, that the waiver by the Manager of the obligation of the Limited Partnership to pay all or any portion of such fees for any applicable transaction or period, if applicable, shall not act as a waiver of such obligation for any subsequent transactions or periods.

**Indemnities**

The Limited Partnership will indemnify and save harmless the Manager, its directors, officers, employees and other representatives from and against any and all losses, suits, claims, demands, liabilities, penalties, assessments, fines, actions, causes of action, costs and expenses, including legal expenses and including amounts paid to settle an action or satisfy a judgement (for purposes of the Management Agreement, collectively, “**damages**”) in any way arising from or attributable to the performance by the Manager, or its directors, officers, employees and other representatives acting within the scope of their duties, employment or engagement, as applicable, of the Manager’s obligations under the Management Agreement, except as arise from or are attributable to the gross negligence or wilful misconduct of the person seeking indemnification.

No person will be indemnified in respect of damages that arise out of or as a result or in the course of his, her or its failure to act honestly and in good faith, or out of or as a result of or in the course of his, her or its failure to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, or, in the case of

a criminal or administrative action or proceeding that is enforced by a monetary penalty, where such person did not have reasonable grounds for believing that his, her or its conduct was lawful.

The Manager will indemnify and save harmless the Limited Partnership from and against any and all damages which arise from or are attributable to the gross negligence or wilful misconduct of the Manager, its directors, officers, employees or other representatives acting within the scope of their duties, employment or engagement, as applicable, in the performance of the Management Agreement.

### ***Term and Termination***

The Management Agreement will continue in full force and effect until the earlier of the sale of the last of the Properties to be sold and December 31, 2028. The Management Agreement will be automatically renewed thereafter for terms of five years, unless otherwise terminated in accordance with its terms.

The Management Agreement may be terminated by the Limited Partnership in the event that: (i) a bankruptcy, receivership or liquidation order is issued against the Manager; (ii) the Manager makes an assignment for the benefit of creditors or commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada); (iii) the Manager commits a breach or default under the Management Agreement not related to the payment of any money to be paid by the Manager to the Limited Partnership and the same is not cured within 90 days of the Manager receiving notice thereof; (iv) the Manager commits a breach or default under the Management Agreement related to the payment of any money to be paid by the Manager to the Limited Partnership and the same is not cured within 45 days of the Manager receiving notice thereof; or (v) the Limited Partnership gives the Manager 90 days prior written notice of intention to terminate the Management Agreement.

The Management Agreement may be terminated by the Manager in the event that: (i) a bankruptcy, receivership or liquidation order is issued against the Limited Partnership; (ii) the Limited Partnership makes an assignment for the benefit of the Limited Partnership's creditors or commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada); (iii) the Limited Partnership commits a breach or default of a material term of the Management Agreement that is not cured within 90 days of the Limited Partnership receiving notice thereof; or (iv) the Manager gives the Limited Partnership 90 days prior written notice of intention to terminate the Management Agreement.

### ***Payment on Termination***

Upon the termination of the Management Agreement, the Limited Partnership will continue to be responsible for the payment to the Manager of, and upon the Manager's demand therefor, will pay to the Manager any and all fees payable under the Management Agreement and all expenses incurred by the Manager for and on behalf of the Limited Partnership in connection with the performance of its duties and obligations under the Management Agreement.

In addition to any other amounts to which the Manager is entitled under the Management Agreement, upon the termination of the Management Agreement: (i) by the Limited Partnership by giving the Manager 90 days written notice of intention to terminate the Management Agreement, whether at the end of a term or otherwise; (ii) by the Manager in the event that the Limited Partnership commits a breach or default of a material term of the Management Agreement that is not cured within 90 days of the Limited Partnership receiving notice thereof; or (iii) by the Manager by giving the Limited Partnership 90 days prior written notice of intention to terminate the Management Agreement (collectively, the "**Termination Events**"), in the event that the Limited Partnership engages another person to provide services similar to the services provided by the Manager to the Limited Partnership under the Management Agreement, the Limited Partnership shall pay to the Manager, in immediately available funds on the date of termination (such date, the "**Termination Date**") an amount equal to the greater of the following: (x) twelve times the total amount of the Asset Management Fee received and/or earned by the Manager pursuant to the Management Agreement during the most recently completed quarter on or prior to the Termination Date; and (y) \$2,500,000, in each case, plus applicable taxes (in either case, the "**Termination Payment**"). The Limited Partnership shall not be required to pay to the Manager the Termination Payment if the Limited Partnership terminates the Management Agreement for any other reason that does not constitute a Termination Event.

### ***D. Administration Agreement***

Pursuant to the Administration Agreement, the Administrator has agreed to provide to the Trust certain general administrative services, including, among others, the following:

- (a) overseeing the sale of the Units, preparation of offering documents, and the completion of all matters related to the closing of subscriptions for Units and the investment by the Trust in LP Units;
- (b) preparing and filing all reports required in the jurisdictions in which Units have been sold in order to comply with applicable securities legislation;
- (c) establishing and maintaining bank accounts on behalf of the Trust;
- (d) receiving distributions from the Limited Partnership from the investment in LP Units and processing cash flow distributions to Unitholders;
- (e) responding to inquiries by Unitholders and others;
- (f) providing Unitholders with detailed statements for income tax purposes;
- (g) preparing annual financial reports on the Properties and arranging for an audit of such annual financial reports; and
- (h) performing such other administrative duties as a reasonably prudent administrative manager would provide in the same or comparable circumstances and such other administrative duties as the Trust may reasonably request from time to time.

Pursuant to the Administration Agreement, the Administrator will be paid a fee equal to \$10 per annum plus out-of-pocket expenses incurred by the Administrator in completing any of the above duties.

The Administration Agreement will continue in full force and effect until the earlier of: (i) the termination of the Limited Partnership, the dissolution of the Trust and the distribution of all amounts due to Unitholders; and (ii) December 31, 2028. The Administration Agreement will be automatically renewed thereafter for terms of five years, unless otherwise terminated in accordance with its terms.

**E. *Property Management Agreement***

Pursuant to the Property Management Agreement, the Property Manager provides certain financial administration services and limited property management services to the Limited Partnership, including, among other things:

- (a) bookkeeping and related activities;
- (b) maintenance of current rent roll;
- (c) rent collection, with the assistance of the on-site staff;
- (d) monthly cash flow reporting;
- (e) developing and tracking of operating and capital budgets;
- (f) management of suppliers and contractors;
- (g) tenancy agreement preparation and execution;
- (h) management of residential rentals, suite turnover capital expenditure, maintenance capital expenditure, property staff HR issues, and realty tax appeals;
- (i) ensuring compliance with the Residential Tenancy Branch of British Columbia; and
- (j) management of commercial leasing;

Pursuant to the Property Management Agreement, the Property Manager will be paid a fee equal to 4% of the gross revenue derived from the residential properties as described in the residential property management agreement and 5% of the gross revenue derived from the commercial properties as described in the commercial property management agreement. The Property Management Agreement can be terminated by either party following sixty (60) days' written notice to the other party.

**F. VI Agent Engagement Letter**

Pursuant to the VI Agent Engagement Letter, the Trust engaged the Vancouver Island Agent to act as a non-exclusive agent in connection with the Offering (other than an exclusive right to act as agent in respect of the Offering to residents of Vancouver Island). The Vancouver Island Agent is permitted to appoint, at its sole expense, other registered dealers (collectively, the “**Selling Group**”), in each case acceptable to the Trust, as its agents to assist in the Offering. The Trust may accept subscriptions of IW Units from prospective purchasers that are not residents of Vancouver Island pursuant to the Offering from exempt market dealers, securities dealers investment–counselling / portfolio management (or ICPM) firms, other licensed fiduciary entities or family offices (in any case, the “**Permitted Firms**”).

The Vancouver Island Agent is registered under NI 31-103 as an investment dealer in all jurisdictions in Canada where so required, and will at all times during the term of the VI Agent Engagement Letter requirements of NI 31-103 and any other applicable securities laws and in particular, will not sell the IW Units except as permitted by applicable securities laws.

At each Closing by the Vancouver Island Agent, the Trust will pay to the Vancouver Island Agent a fee equal to 4% (four percent) of the aggregate cash proceeds received from the sale of such IW Units, payable in cash (the “**Vancouver Island Agents Fee**”). Of the Vancouver Island Agents Fee, 3% (three percent) of the aggregate cash proceeds received from the sale of such IW Units will be divided among the Selling Group, provided that the Vancouver Agent will receive a bookrunner fee equal to 1% (one percent) of the aggregate cash proceeds received from the sale of orders to the Selling Group (which fee, for greater certainty, shall be payable from, and not in addition to, the Vancouver Island Agents Fee). The Trust may also pay an annual trailer fee of up to 1% (one percent) of the Net Asset Value of the Class IWA Units, in aggregate, to the Agent or members of the Selling Group, as applicable, in respect of Class IWA Units sold through the Vancouver Island Agent or such members of the Selling Group (the “**Agent Percent Trailer**”), on each Distribution Record Date, payable in any manner determined by the Trustee, in its discretion, on behalf of the Trust, including by way of a reduction in the distributions otherwise payable to the affected Class IWA Unitholders. The Trust may pay sales commissions, fees, trailers or other payments to Permitted Firms, as agreed to by the Trust and such Permitted Firms, in connection with the Offering.

In addition, the Trust agreed to protect, indemnify and save harmless the Vancouver Island Agent, its directors, officers, employees, agents and shareholders from and against all losses, claims, damages, liabilities, costs or expenses (other than loss of profits), in any way caused, sustained or incurred by reason of or resulting directly from any breach of the representations, warranties and covenants of the Trust and Trustee in the VI Agent Engagement Letter, provided that such indemnity shall not apply to any losses, claims, damages, liabilities, costs or expenses that are in any way caused, sustained or incurred by reason of or resulting from the gross negligence, fraud or willful misconduct of the party claiming such indemnity or such party being in breach of or default of any material representation, warranty or covenant in the VI Agent Engagement Letter.

Unless terminated earlier in accordance with the provisions of the VI Agent Engagement Letter, the engagement of the Vancouver Island Agent pursuant to the VI Agent Engagement Letter Agreement will terminate on the earlier of: (a) the date on which the Trust and the Vancouver Island Agent enter into a formal agency agreement; and (b) March 31, 2027, whether or not the Offering is completed except as may otherwise be agreed between the parties.

The Vancouver Island Agent is entitled to terminate the engagement by written notice to the Trust in various circumstances, including, among others, the following:

- (a) any order to cease or suspend trading in any securities of the Trust, or prohibiting or restricting the distribution of the securities of the Trust is made, or any proceeding is announced or commenced for the making of any such order, by any securities regulatory authority, any applicable stock exchange or by any other competent authority, and has not been rescinded, revoked or withdrawn;
- (b) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence (including any natural catastrophe, act of war, terrorism, pandemic, including without limitation matters caused by, related to or resulting from COVID-19, or similar event, except, with respect to COVID-19, to the extent that there are material adverse developments related thereto after the date of the VI Agent Engagement Letter), or any law, action, regulation or other occurrence of any nature whatsoever, which, in the opinion of the Vancouver Island Agent, acting reasonably, seriously adversely affects, or involves, or will seriously adversely affect,

or involve, the financial markets generally or the business, operations or affairs of the Trust and its subsidiaries on a consolidated basis;

- (c) there shall occur any event or change (actual, imminent or reasonably expected), or any development including a prospective event or change, financial or otherwise, in the business, financial condition, affairs, operations, assets, liabilities (contingent or otherwise) or capital or ownership of the Trust which, in the Vancouver Island Agent’s opinion, could reasonably be expected to have a significant adverse effect on the market price or value of the Units; or
- (d) the Trust is in breach of, default under or non-compliance with any material representation, warranty, term, or condition of the Trust, as the case may be, contained in the VI Agent Engagement Letter.

**ITEM 3 - COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES**

**3.1 Compensation and Securities Held**

**1. The Trustee**

The following table sets out information about each director, officer and promoter of the Trustee or Trust, as applicable, and each person that has beneficial ownership of, or direct or indirect control over, or a combination of beneficial ownership and direct or indirect control over, 10% or more of any class of voting securities of the Trust (a “principal holder”). Except as otherwise disclosed in this Offering Memorandum, the directors and officers of the Trustee do not presently receive compensation in their capacity as directors and officers.

Name and municipality of principal residence	Positions held (e.g. Director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Trust in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, percentage and type of securities of the Trust <sup>(1)(2)</sup>
Garth Lyle Busch Nanaimo, BC	Director since February 28, 2017	2025: \$36,000 2026: \$31,500	19,107.675 Class IWF (0.24% of voting securities)
David Stewart Hammond Nanaimo, BC	Director since February 28, 2017	2025: \$30,000 2026: \$34,500	17,728.628 Class IWF (0.22% of voting securities)
Shelley Lynn Legin Nanaimo, BC	Director since October 15, 2022	2025: \$24,000 2026: \$33,000	12,876.817 Class IWF (0.16% of voting securities)
Mackenzie James Kyle, Victoria BC	Director since March 1, 2026	2025: n/a 2026: \$16,500	Nil
Donald Sydney McRae Courtenay, BC	Director since March 1, 2026	2025: n/a 2026: \$30,000	Nil
Brendan James Bennett Sutton Victoria, BC	Officer since May 5, 2020 Director since April 1, 2024	Nil <sup>(3)</sup>	19,442.449 Class IWF (0.24% of voting securities)
Heather Dawn Kerry Victoria, BC	Officer since March 13, 2025	Nil <sup>(3)</sup>	Nil
AIE Services Inc. Victoria, BC	Promoter since March 1, 2017	2024: Nil 2025: Nil	Nil
AIE Management Inc. Victoria, BC	Promoter since March 1, 2017	2024: Nil <sup>(4)</sup> 2025: Nil <sup>(4)</sup>	Nil

**Notes:**

<sup>(1)</sup> There is no minimum or maximum to this offering.

<sup>(2)</sup> Percentages are based on Units issued and outstanding as of the date of this Offering Memorandum. See Item 4.1 – “Capital”.

<sup>(3)</sup> No compensation is paid by the Trust to the named director and officer. See Item 3.1 – “Compensation and Securities Held – The Manager”.

<sup>(4)</sup> No compensation is paid by the Trust to the Manager. The Manager will receive fees from the Limited Partnership pursuant to the Management Agreement. See Item 3.1 – “Compensation and Securities Held – The Manager”.

## 2. *The Manager*

In connection with the services provided by the Manager under the Management Agreement the Limited Partnership incurred the following fees for the year ended December 31, 2025 and anticipated to be paid in the current financial year:

	2025	2026
Asset Management Fees	\$1,522,592	\$1,597,965
Acquisition Fees	\$503,738	Nil <sup>(1)</sup>
Financing Fees	\$220,276	Nil <sup>(1)</sup>
Repositioning Fees	\$40,510	Nil <sup>(1)</sup>
<b>Total</b>	<b>\$2,287,116</b>	<b>\$1,597,965</b>

**Notes:**

<sup>(1)</sup> These fees are transaction based. The Trust is not able to estimate such fees at this time.

## 3.2 Management Experience

The following table discloses the principal occupations of the directors and senior officers of the Trustee and Manager over the past five years.

Name	Principal occupations and related experience
<b>Shelley Lynn Legin</b> <b>Director of Trustee</b>	<p>Shelley brings four decades of leadership experience to the Trust, with a strong track record in finance, strategy, and organizational change. Her executive roles have included CFO and VP of Administration at Vancouver Island University, General Manager of Corporate Services for the City of Nanaimo, and VP at Crown Investment Corporation. She’s known for her thoughtful leadership style and her expertise in driving strategic and transformative initiatives</p> <p>Throughout her career, Shelley has remained active in her profession and community, holding board positions with organizations like the Canadian Association of Municipal Administrators, Vancouver Island Economic Alliance, Mid-Island Business Initiative, and the Canadian Association of University Business Officers. She’s also given her time to the Family YMCA and the Globe Theatre Society.</p> <p>Shelley is a CPA and holds an MBA from Queen’s University and a Doctorate in Business Administration from Royal Roads University.</p>
<b>Garth Lyle Busch</b> <b>Director of Trustee</b>	<p>Garth is currently the chair of the Nanaimo Airport Authority. He retired as the Regional Managing Partner for MNP LLP on Vancouver Island and in Northern BC, after more than 40 years helping clients with accounting, tax, and business advice across a wide range of industries. In addition to his professional work, Garth has also been hands-on in real estate, actively involved in commercial and residential construction and leasing since the early 1990s.</p> <p>Community involvement has always been important to Garth. Over the years, he’s taken on leadership roles with a variety of organizations, including Tourism Prince Albert, the High Noon Optimist Club, and the North Saskatchewan Summer Games, and he’s lent his time and expertise to Rotary clubs, the Vancouver Island Economic Alliance, and several local boards and committees.</p> <p>Garth holds a Bachelor of Commerce with Distinction from the University of Saskatchewan and earned his Chartered Accountant designation in 1978.</p>

Name	Principal occupations and related experience
<p><b>David Stewart Hammond</b>  <b>Director of Trustee</b></p>	<p>Now retired, Dave spent four decades at RE/MAX of Nanaimo, working across residential and commercial real estate, including multi-family, retail, office, and industrial properties. Beyond his work as an agent, Dave has also been directly involved in real estate development on Vancouver Island as a principal, bringing a deep understanding of the local market.</p> <p>Dave has always been a committed community builder. He’s a past director of the Vancouver Island Real Estate Board and has held leadership roles with the Nanaimo Hospital Foundation, Nanaimo Schools Foundation, and the Nanaimo Hospice renovation project, among others. In recognition of his contributions, he received the Lifetime Achievement Award for Community Service from the Nanaimo Chamber of Commerce.</p> <p>A graduate of UBC with a Bachelor of Commerce in Real Estate, Dave has been a licensed realtor since 1978 and has proudly served the Nanaimo community since 1980.</p>
<p><b>Mackenzie James Kyle</b>  <b>Director of Trustee and Manager</b></p>	<p>Mackenzie has spent more than 35 years helping organizations implement large-scale change, working across areas such as strategic planning, performance management, and complex project delivery. He has advised organizations in a wide range of industries—including manufacturing, technology, transportation, telecommunications, and the public sector—and has worked internationally throughout the United States, Australia, New Zealand, and Asia.</p> <p>A strategic leader and former MNP Advisory Partner with deep experience in corporate governance, financial oversight, and organizational growth, Mackenzie also brings a strong background in leadership development. He is the author of two books on project and performance management, which have collectively sold more than 50,000 copies in Canada, the United States, and internationally.</p> <p>Mackenzie holds an undergraduate degree in Mathematics from Western University and an MBA from McMaster University. He continues to consult with organizations and speak on topics including leadership, employee motivation, teamwork, and change management.</p>
<p><b>Donald Sydney McRae</b>  <b>Director of Trustee</b></p>	<p>Don is an educator, public servant, and real estate professional who has dedicated much of his career to serving the Comox Valley community. Born and raised in the region, he graduated from G.P. Vanier Secondary before pursuing post-secondary studies at the University of British Columbia and San Diego State University, earning degrees in International Relations and Education as well as a Master of Arts in Educational Leadership.</p> <p>After completing his studies, Don returned to Courtenay, where he taught for 16 years while also serving three terms as a Courtenay City Councillor and as a municipal director with the Comox Strathcona Regional District.</p> <p>In 2009, Don was elected MLA for Comox Valley in the Legislative Assembly of British Columbia, where he later served as Minister of Agriculture, Minister of Education, and Minister of Social Development and Social Innovation. Following his time in provincial politics, he returned home to work as a school administrator until 2025. Today, Don works as a real estate agent and continues to volunteer in the community he proudly calls home.</p>
<p><b>Brendan James Bennett Sutton</b>  <b>Director and Officer of the Trustee and Manager</b></p>	<p>Brendan is the CEO and a Director of All Island REIT. Before stepping into this role, he spent seven years at Devon Properties—Victoria’s leading multi-family property management company—where he focused on accounting, business development, and corporate strategy.</p> <p>Earlier in his career, Brendan worked on community planning projects across Canada, including initiatives for the Halifax Municipality and for the Shoal Lake and Cowessess First Nations in Saskatchewan. He holds a Master’s degree in Urban Planning from Dalhousie University.</p>

Name	Principal occupations and related experience
<b>Heather Dawn Kerry</b> <b>Director and Officer of the Manager,</b> <b>Officer of the Trustee</b>	Heather is the CFO of All Island REIT, bringing a strong mix of financial expertise and leadership experience to the team. Before joining All Island REIT, she spent over nine years as Vice President, Finance at University of Victoria Properties Investments Inc., where she led finance, HR, and administration and played a key role in asset management, development, and risk strategy.  She's also served as CFO at Partners REIT and held leadership roles at CellFor Inc., Aspreva Pharmaceuticals, and KPMG's assurance practice. Heather is a CPA, CA, and holds a Master of Professional Accounting from the University of Saskatchewan and a BBA from Simon Fraser University.

### 3.3 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal and Quasi-Criminal Offences

To the Trust's knowledge, no director, executive officer or control person of the Trustee of the Trust has, or any issuer of which any of those persons was a director, executive officer or control person has:

- (a) during the last 10 years, been subject to: (i) a penalty or other sanction imposed by a court relating to a contravention of securities legislation, (ii) a penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation, or (iii) an order restricting trading in securities that was in effect for a period of 30 or more consecutive days; or
- (b) during the last 10 years, made: (i) a declaration of bankruptcy, (ii) a voluntary assignment in bankruptcy, (iii) a proposal under any bankruptcy or insolvency legislation, or (iv) a proceeding, arrangement or compromise with creditors, or appointment of a receiver, receiver -manager or trustee to hold assets;

To the Trust's knowledge, no director, executive officer or control person of the Trustee of the Trust or the Trust has ever 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 misdemeanor 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 loan agreements between the Trust and any Related Party.

## ITEM 4 - CAPITAL STRUCTURE

### 4.1 Capital

The following are the details of the outstanding securities of the Trust as of the date of this Offering Memorandum:

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding as of the date of this Offering Memorandum	Number outstanding after min. offering <sup>(1)</sup>	Number outstanding after max. offering <sup>(1)</sup>
Class IWA Units	Unlimited	. (2)	2,084,410.568	n/a	n/a
Class IWF Units	Unlimited	. (2)	5,898,902.628	n/a	n/a
Class A2 Units	Unlimited	. (2)	-	n/a	n/a
Class B2 Units	Unlimited	. (2)	-	n/a	n/a
Class F2 Units	Unlimited	. (2)	-	n/a	n/a
Class I2 Units	Unlimited	. (2)	-	n/a	n/a

**Notes:**

<sup>(1)</sup> There is no minimum or maximum to this offering.

(2) The price per security is determined by the Trustee from time to time based on the Net Asset Value.

(3) The rights attaching to the securities are described under Item 5.1 – “Securities Offered” and Item 2.7 – “Material Agreements – Trust Declaration”.

#### 4.2 Long Term Debt

The Trust has an indirect interest in the mortgages in respect of the Properties. The amounts and terms of these loans are described under Item 2.2 – “The Business – Property Debt Summary”.

#### 4.3 Prior Sales

Within the last 12 months, the Trust issued Units as follows:

Date of Issuance	Type of Security	Type of Issuance	Number of securities issued	Price per security	Total funds received
05-May-25	Class IWA Units	DRIP	11,149.19	18.15	\$202,358
05-May-25	Class IWF Units	DRIP	29,970.86	18.15	\$543,971
14-May-25	Class IWA Units	Issuance	66,682.00	18.15	\$1,210,278
14-May-25	Class IWF Units	Issuance	134,465.00	18.15	\$2,440,540
04-Jun-25	Class IWA Units	Issuance	30,273.00	18.15	\$549,455
04-Jun-25	Class IWF Units	Issuance	43,737.00	18.15	\$793,827
30-Jun-25	Class IWA Units	DRIP	11,206.80	18.35	\$205,645
30-Jun-25	Class IWF Units	DRIP	31,072.92	18.35	\$570,188
30-Jun-25	Class IWF Units	Issuance	545.00	18.35	\$10,001
30-Jul-25	Class IWA Units	Issuance	7,927.00	18.35	\$145,460
30-Jul-25	Class IWF Units	Issuance	32,331.00	18.35	\$593,274
29-Aug-25	Class IWA Units	Issuance	3,986.00	18.35	\$73,143
29-Aug-25	Class IWF Units	Issuance	26,979.00	18.35	\$495,065
30-Sep-25	Class IWA Units	DRIP	10,874.67	18.35	\$199,550
30-Sep-25	Class IWA Units	Issuance	1,088.00	18.35	\$19,965
30-Sep-25	Class IWF Units	DRIP	32,099.51	18.35	\$589,026
30-Sep-25	Class IWF Units	Issuance	12,244.00	18.35	\$224,677
31-Oct-25	Class IWA Units	Issuance	5,153.00	18.35	\$94,558
31-Oct-25	Class IWF Units	Issuance	19,080.00	18.35	\$350,118
28-Nov-25	Class IWA Units	Issuance	10,269.00	18.35	\$188,436
28-Nov-25	Class IWF Units	Issuance	62,648.00	18.35	\$1,149,591
31-Dec-25	Class IWA Units	DRIP	10,143.08	18.87	\$191,400
31-Dec-25	Class IWA Units	Issuance	8,476.00	18.87	\$159,942
31-Dec-25	Class IWF Units	DRIP	32,212.51	18.87	\$607,850
31-Dec-25	Class IWF Units	Issuance	10,489.00	18.87	\$197,927
13-Jan-26	Class IWF Units	Issuance	26,498.00	18.87	\$500,017
30-Jan-26	Class IWA Units	Issuance	9,208.48	18.87	\$173,764
30-Jan-26	Class IWF Units	Issuance	84,680.00	18.87	\$1,597,912
27-Feb-26	Class IWA Units	Issuance	34,340.00	18.87	\$647,996
27-Feb-26	Class IWF Units	Issuance	82,641.00	18.87	\$1,559,436

## ITEM 5 - SECURITIES OFFERED

### 5.1 Terms of Units

#### Trust Units

##### *Units Offered and Subscription Price*

The securities offered pursuant to this Offering Memorandum are Class IWA Units, Class IWF Units, Class A2 Units, Class B2 Units, Class F2 Units and Class I2 Units of the Trust, which comprise the only authorized Units of the Trust as of the date hereof. The price per Unit is determined by the Trustee from time to time and will be set forth in the Subscription Agreement(s) entered into between the Subscribers and the Trust.

The Trust may issue fractional Units. Outstanding Units of any class may be subdivided or consolidated in the Trustee's discretion from time to time.

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

##### ***Determination of Net Asset Value***

The Net Asset Value is calculated from the aggregate value of the Trust Property on the Valuation Date, less the aggregate value of the Trust's liabilities on the Valuation Date, and will be subject to valuation rules set by the Trust from time to time.

The Trust Property and Trust liabilities will be based on the quarterly IFRS statements of financial position carrying values plus certain non-IFRS adjustment factors ("**Adjustment Factors**").

Adjustment Factors that may be applied are described below:

##### *Elimination of Derivative Contracts*

The Trust has entered into an interest rate swap agreement, fixing the interest rate on a floating rate mortgage. Under IFRS, this contract is recorded at fair value on the statement of financial position. The Trust intends to hold the swap until maturity in 2026.

##### *Amortization of Expenses*

Capitalization of certain expenses, whose benefits accrue over a long period of time and should be allocated between exiting, remaining, and incoming Unitholders but may be written off or effectively written off under IFRS or where the value of such expense isn't yet reflected. These costs include but are not limited to capital raising and retention costs, marketing costs and other reasonable organizational costs.

##### *Discretionary Adjustments*

Certain discretionary adjustments, if any, to account for extraordinary material changes in the real estate environment subsequent to the audited financial statement date (e.g. pandemics, significant changes in the interest rate environment). Note that discretionary adjustments are allowances against the IFRS balance sheet, and Trust will not make discretionary adjustments to increase the Net Asset Value.

##### ***Voting Rights***

Only Unitholders of record will be entitled to vote and each whole Unit will entitle the holder or holders thereof to one vote on a poll. At any meeting of Unitholders, any Unitholder entitled to vote thereat may vote by proxy and a proxy holder need not be a Unitholder. See Item 2.7 – "Material Agreements – Trust Declaration – Voting Rights."

## **Redemption**

### *General*

Redemption of Units by Unitholders is restricted under the terms of the Trust Declaration. In accordance with the process described in this Offering Memorandum (which is qualified by the provisions of the Trust Declaration), a Unitholder is entitled to make demand on the Trust to redeem such Unitholder's Units. The Trust Declaration describes the salient terms regarding Unitholders' redemption, including: the steps required by a Unitholder to redeem Units, the effect that providing notice to exercise redemption rights has on a Unitholder, the redemption price payable to the Unitholder, and how the Trust will pay the redemption price to a Unitholder.

### *Right of Redemption*

Each Unitholder will be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or any part of the IW Units registered in the name of the Unitholder at the prices determined and payable in accordance with the Trust Declaration.

Each Unitholder will be entitled to require the Trust to redeem on the last day of any calendar month, or if such a day is not a Business Day, on the next Business Day after the last day of the calendar month, being the Non-IW Redemption Date, at the demand of the Unitholder all or any part of the Non-IW Units registered in the name of the Unitholder at the price determined and payable in accordance with the Trust Declaration.

The Trust Declaration includes quarterly limits on cash payments for redemptions, which, if met, permit the Trust to pay the redemption price for Units in-kind through the issuance of debt securities or other securities. Redemptions paid in-kind through the issuance of debt securities or other securities will generally not be qualified investments or may be prohibited investments for Deferred Plans. Unitholders requesting redemptions must comply with the provisions of the Trust Declaration. See Item 10 – "Risk Factors - Risks Associated with Redemptions".

If the Trustee determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust, the Trust may suspend redemptions of its Units. See Item 10 – "Risk Factors - Risks Associated with Redemptions – Temporary Suspension of Redemptions of Units".

For additional information regarding redemptions of Units, see Item 2.7 – "Material Agreements – Trust Declaration – Redemption".

### *Redemption – Sample Calculation*

#### Early Redemption Charge

If the subscriber redeems Class A2 Units prior to the following anniversaries of the issuance date of the Class A2 Units, then the following Early Redemption Charges would apply to all such Class A2 Units redeemed:

- 1<sup>ST</sup> Year = 4.0%
- 2<sup>nd</sup> Year = 3.0%
- 3<sup>rd</sup> Year = 2.0%
- 4<sup>th</sup> Year = 1.0%

Below is a sample calculation for an investor who holds 1,000 Class A2 Units purchased for a price of \$10.00 per Class A2 Unit and redeems such Class A2 Units prior to the second anniversary of the date of issuance, with a redemption price of \$12.00 per Class A2 Units, as determined by the Trustee in accordance with the Trust Declaration.

The redemption amount (\$11,640) = number of Class A2 Units (1,000) x redemption price (\$12.00 per Class A2 Unit) (\$12,000), less the second-year Early Redemption Charge (\$12,000 \* 3.0% = \$360).

The amounts used in the sample calculation do not represent the actual issue price per Class A2 Unit or the redemption price per Class A2 Unit as of the date of this Offering Memorandum and are used for illustrative purposes only. Further, the

sample calculation assumes that distributions were paid in full and in cash and that no administrative or processing fees were applied by the Trustee.

### ***Distributions***

The Trustee will, in respect of each Distribution Period, on or before each Distribution Record Date, declare payable to the Unitholders of record at the close of business on each Distribution Record Date, all or any part of the Distributable Cash Flow for the Distribution Period. Any such distribution will be payable to each Unitholder of record on such Distribution Record Date *pro rata* in proportion to the number of Units held as of record by such Unitholder on such Distribution Record Date. In addition to distributions of Distributable Cash Flow, the Trustee may allocate, declare payable and/or make distributions, from time to time, out of Trust Income, Net Realized Capital Gains, the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates and to Unitholders of record on such dates, as the Trustee may determine. See Item 2.7 – “Material Agreements – Trust Declaration – Distributions”.

### ***Retraction***

The Trust may retract the Units either in whole at any time or in part from time to time in accordance with the provisions of the Trust Declaration. See Item 2.7 – “Material Agreements – Trust Declaration – Retraction”.

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

Upon termination of the Trust, 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 Trustee his proportionate share of the value of the Trust in accordance with the number of Units which he then holds. See Item 2.7 – “Material Agreements – Trust Declaration – Termination of the Trust”.

## **5.2 Subscription Procedure**

### ***General***

The Units are being offered for sale in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Ontario. The Units are conditionally offered if, as and when Subscriptions are accepted by the Trust and subject to prior sale. Subscriptions for Units will be received by the Trust, including through Fundserv, subject to rejection or allotment in whole or in part and the Trust reserves the right to close the subscription books at any time without notice.

This offering is being made in accordance with certain statutory prospectus exemptions contained in securities legislation in the jurisdictions in which the Units are being offered. Such exemptions relieve the Trust from provisions under such statutes requiring the Trust to file a prospectus and, in certain cases, to utilize a registered securities dealer to sell the Units. As such, Subscribers: (a) may not receive the benefits associated with the involvement of such registrants; and (b) will not receive the benefits associated with purchasing the Units pursuant to a filed prospectus, including the review of the material by the securities commissions or similar regulatory authority in such jurisdictions.

### ***Purchase Options***

The Trust has six different classes of Units available for purchase.

#### (a) Class IWA Units

Subscribers may subscribe for Class IWA Units through the Vancouver Island Agent. The Vancouver Island Agent receives an upfront commission of 4.00% of the subscription price and an ongoing trailing commission of 1.00% per annum for so long as the Subscriber remains a holder of such Class IWA Units.

#### (b) Class IWF Units

Subscribers may subscribe for Class IWF Units through the Vancouver Island Agent. The Vancouver Island Agent receives an upfront commission of 4.00% of the subscription price.

(c) Class A2 Units

Subscribers may subscribe for Class A2 Units through a registered dealer. The registered dealer receives an upfront commission of up to 5.00% of the subscription price and an ongoing trailing commission of up to 1.00% per annum for so long as the Subscriber remains a holder of such Class A2 Units. Any such fees will be disclosed to the Subscriber prior to their purchase of Class A2 Units.

If the subscriber redeems Class A2 Units prior to the following anniversaries of the issuance date of the Class A2 Units, then the following Early Redemption Charges would apply to all such Class A2 Units redeemed:

- 1ST Year = 4.0%
- 2nd Year = 3.0%
- 3rd Year = 2.0%
- 4th Year = 1.0%

The Early Redemption Charge will be set-off against the redemption price of any such Class A2 Units.

(d) Class B2 Units

Subscribers may subscribe for Class B2 Units through a registered dealer. The registered dealer receives an upfront commission of up to 4.00% of the subscription price and an ongoing trailing commission of up to 1.00% per annum for so long as the Subscriber remains a holder of such Class B2 Units. Any such fees will be disclosed to the Subscriber prior to their purchase of Class B2 Units.

Subscribers purchasing Class B2 Units must hold upon Closing, unless waived by the Trust, Class B2 Units with an aggregate initial purchase cost not less than Class B2 Minimum Investment Amount, being \$500,000. The Class B2 Minimum Investment Amount may be changed by the Trust from time to time.

An Early Redemption Charge, initially being 3%, will be set-off against the redemption price of any such Class B2 Units prior to the second anniversary of a Subscriber's subscription.

(e) Class F2 Units

Class F2 Units are designed for Fee-Based Accounts. An Early Redemption Charge will be set-off against the redemption price of any such Class F2 Units if such Units are redeemed within the first 6 months of a Subscriber's subscription therefor.

(f) Class I2 Units

Class I2 Units are designed for institutional investors. The fees payable on Class I2 Units will be determined based on negotiation and agreement between a Subscriber and the Trust.

***Exemptions from the Prospectus Requirement***

The Units are being offered on a continuous basis pursuant to exemptions from the requirements of applicable securities legislation. In order to subscribe for Units, Subscribers must agree to provide the Trust, directly or care of the selling agent, with such information and to execute and deliver to the Trust, directly or care of the selling agent, the form of Subscription Agreement (including the certificates, acknowledgements, questionnaires and other documents as the Trust may request) in order to enable it to determine the availability of an exemption, including the following:

- (a) if the Subscriber is relying on "offering memorandum" exemption to the prospectus requirement in section 2.9 of NI 45-106 (the "**Offering Memorandum Exemption**") and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, two copies of a Risk Acknowledgement Form (Form 45-106F4);
- (b) if the Subscriber is relying on the Offering Memorandum Exemption and the Subscriber is resident in or otherwise subject to the securities laws of Manitoba:

- (i) two copies of a Risk Acknowledgement Form (Form 45-106F4), and
  - (ii) if the Subscriber is investing more than \$10,000 pursuant to the Offering Memorandum Exemption, the Subscriber must meet the definition of “eligible investor” (as defined in NI 45-106) and an “Eligible Investor Questionnaire”;
- (c) if the Subscriber is relying on the Offering Memorandum Exemption and the Subscriber is resident in or otherwise subject to the securities laws of Alberta, Ontario or Saskatchewan:
- (i) two copies of a Risk Acknowledgement Form (Form 45-106F4), and
  - (ii) if the Subscriber is an individual, two copies of Schedule 1 and Schedule 2 attached to the Risk Acknowledgement Form (Form 45-106F4). Subscriber investing more than \$10,000 in a 12-month period must meet the definition of “eligible investor”. Subscriber investing more than \$30,000 (but not more than \$100,000) in a 12 month period must meet the definition of “eligible investor” and have received suitability advice with respect to the investment from a portfolio manager, investment dealer or exempt market dealer. These limits do not apply to “accredited investors” (as defined in NI 45-106 or the *Securities Act* (Ontario)) or persons described in section 2.5 of NI 45-106 (however, such Subscriber must complete Schedule 1 and Schedule 2 attached to the Risk Acknowledgement Form (Form 45-106F4);
- (d) if the Subscriber is relying on the “accredited investor” exemption to the prospectus requirement in section 2.3 of NI 45-106 and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, Alberta, Manitoba, Ontario or Saskatchewan:
- (i) the Subscriber must be an “accredited investor” as defined in NI 45-106 or section 73.3 (2) of the *Securities Act* (Ontario), and
  - (ii) if applicable, two copies of a Risk Acknowledgment Form for Individual Accredited Investors (Form 45-106F9);
- (e) if the Subscriber is relying on the “minimum investment” exemption (\$150,000) to the prospectus requirement in section 2.10 of NI 45-106 and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, Alberta, Manitoba, Ontario or Saskatchewan:
- (i) the Subscriber is not an individual (as defined in applicable securities laws), and
  - (ii) the conditions of section 2.10 of NI 45-106 are satisfied;
- (f) if the Subscriber is relying on the “family, friends and business associates” exemption to the prospectus requirement in section 2.5 of NI 45-106 (subject to section 2.6 of NI 45-106 for Saskatchewan residents and 2.6.1 of NI 45-106 for Ontario residents) and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, Alberta, Manitoba, Ontario or Saskatchewan:
- (i) such supporting documentation that the Trust or its legal counsel may request to establish the Subscriber’s qualification to rely on such exemption, and
  - (ii) if applicable, two copies of:
    - A. a Risk Acknowledgment Form (Form 45-106F12) (Ontario residents); or
    - B. a Risk Acknowledgement Form (Form 45-106F5) (Saskatchewan residents), as applicable.

In addition to the foregoing, Units may be issued pursuant to other available exemptions from the prospectus requirements of applicable securities legislation provided the conditions of such exemptions are satisfied.

Subscribers may subscribe for Units by returning to the Trust, directly or care of the selling agent, as the case may be, the following:

- (a) a completed Subscription Agreement (including all applicable schedules, appendices, acknowledgements, certificates and other documents requested by the Trust); and
- (b) a certified cheque, bank draft or by wire transfer payable to the Trust, or, if subscribing through Fundserv, payment must be made through the Fundserv system.

In accordance with the requirements of NI 45-106, the subscription monies advanced by each Subscriber will be held in trust for the Subscriber until midnight on the second business day after the Subscription Agreement is signed by the Subscriber. 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.

Subscriptions received will be subject to rejection or allotment by the Trust in whole or in part in the Trustee's sole discretion. The Trust is not obliged to accept any subscription. If any subscription is not accepted, the Trust will promptly return to the subscriber the Subscription Agreement and the money comprising such subscription. Confirmation of acceptance of a subscription will be forwarded to the subscriber by the Trust. The Trust reserves the right to close the subscription books at any time without notice.

The Trust intends to accept subscriptions for Units on a continuous basis, on such days as the Trustee may determine from time to time. For convenience, subscription funds which are received by the Trust prior to any acceptance date will be held in a separate bank account of the Trust until subscriptions are accepted by the Trust. The deposit of subscription funds by the Trust into such bank account shall not constitute acceptance of the subscription for Units in respect of which such funds have been delivered.

The Units have not been and will not be registered under the *United States Securities Act of 1933*, as amended, and subject to certain exceptions, may not be offered or sold in the United States.

**All subscription documents, including the Subscription Agreement, should be reviewed by prospective subscribers and their professional advisors prior to subscribing for Units. 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.**

## ITEM 6 - REPURCHASE REQUESTS

### 6.1 Redemption History

The Trust's historical redemptions for the periods indicated are set out below.

Description of Security	Date of end of financial year	Number of securities with outstanding repurchase requests on the first day of the year	Number of securities for which investors made repurchase requests during the year*	Number of securities repurchased during the year	Average price paid for the repurchased securities <sup>(1)</sup>	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the year
Class IWA Units	December 31, 2024	-	91,121	91,121	\$17.14	(2)	-
Class IWF Units	December 31, 2024	-	206,072	206,072	\$17.14	(2)	-
Class IWA Units	December 31, 2025	-	67,637	67,043	\$18.20	(2)	594
Class IWF Unit	December 31, 2025	-	90,025	82,440	\$18.12	(2)	7,585
Class IWA Units <sup>(3)</sup>	December 31, 2026	594	20,075	20,688	\$18.87	(2)	-
Class IWF Units <sup>(3)</sup>	December 31, 2026	7,585	89,722	97,307	\$18.87	(2)	-

**Notes:**

- (1) No administration or processing fees were applied by the Trustee.
- (2) Amounts paid in connection with the redemption of Units were from cash on hand from operations or from the sale of Units.
- (3) For the period from January 1, 2026 to the date of this Offering Memorandum.

**ITEM 7 - CERTAIN DIVIDENDS OR DISTRIBUTIONS**

The Trust has not paid dividends or distributions that exceeded cash flow from operations in the two most recently completed financial years, or any subsequent interim period.

**7.1 Net Asset Value Per Unit and Distributions History**

The Trust's historical Net Asset Value Per Unit and Distributions per Unit for the periods indicated are set out below.

Year	Average Net Asset Value Per Unit <sup>(1)</sup>	Distributions (per unit) <sup>(1)(2)</sup>	Extraordinary Distributions (per unit) <sup>(1)</sup>
2017	\$10.00	-	-
2018	\$11.36	\$0.3408	\$0.0417 <sup>(3)</sup>
2019	\$12.36	\$0.3708	-
2020	\$13.30	\$0.3990	-
2021	\$14.37	\$0.4311	-
2022	\$15.92	\$0.4776	-
2023	\$16.36	\$0.4908	-
2024	\$17.32	\$0.6060	-
2025	\$18.43	\$0.6405	-

**Notes:**

- (1) Historical results may not be indicative of future performance. There is no guarantee of performance. See Item 10 "Risk Factors".
- (2) Per Unit distributions declared for all Units that were outstanding for each Distribution Record Date in the calendar year.
- (3) Distribution declared as a result of capital gain consequences from the disposal of certain properties.

**7.2 Distribution Reinvestment Plan**

The Trust has implemented an optional Distribution Reinvestment Plan for all classes of Units, pursuant to which Unitholders are entitled to elect to have all cash distributions from the Trust automatically reinvested in additional Units of the same class. In order to be eligible to participate in the DRIP, the Unitholder must reside in Canada. The DRIP is administered by the Trust. The Trust, or any agent on behalf of the Trust, may from time to time adopt rules and regulations to facilitate the administration of the DRIP.

Full reinvestment of distributions is possible under the DRIP as the Trust will credit to the account of each Unitholder, on each reinvestment made under the DRIP, a fractional interest in a whole Unit (to four decimal places) for any amount that cannot be reinvested in whole Units. If any Units of the Trust are held by a non-resident of Canada, such Unitholder shall not be eligible to participate in the DRIP. Upon ceasing to be a resident of Canada, a Unitholder must forthwith notify the Trust and terminate participation in the DRIP. Other than trailer fees, no brokerage commissions or service charges are payable in connection with the purchase of Units under the DRIP. Units issued under the DRIP are issued by the Trust from its treasury. Participation in the DRIP does not relieve Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP. Unitholders who do not enrol in the DRIP will receive regular cash distributions from the Trust, subject to the provisions of the Trust Declaration, as more particularly described in this Offering Memorandum.

All investors have the option to request enrolment in the DRIP, and enrolment will continue until the investor gives notice to the Trust that the investor no longer wishes to participate in the DRIP. Such notice of termination of enrolment may be given at any time. There are no restrictions on termination of enrolment. The right to participate in the DRIP may not be transferred by a Unitholder without the approval of the Trust.

The Trust reserves the right to amend, suspend or terminate the DRIP at any time, but such action shall have no retroactive effect that would prejudice the interest of a participating Unitholder except as otherwise required by law. Unitholders will

be sent written notice of any such amendment, suspension or termination. The Trust reserves the right to terminate the right of a Unitholder to continue in the DRIP where such Unitholder has failed to comply with the terms of the DRIP.

A Unitholder may terminate participation in the DRIP at any time by notice to the Trust. All notices required to be given to Unitholders under the DRIP will be mailed to Unitholders at the address shown on the records of the Trust. The DRIP is governed and construed in accordance with the laws in force of the Province of British Columbia, Canada and the federal laws of Canada applicable therein.

## ITEM 8 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

### 8.1 General

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

### 8.2 Summary of Income Tax Consequences

The following summary has been provided by Koffman Kalef LLP, adviser to the Trust, and describes, as of the date hereof, the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Unitholder who acquires Units pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times, is resident in Canada for the purposes of the Tax Act, deals at arm's length and is not affiliated with the Trust and holds the Units as capital property. Generally, the Units will be considered to be capital property to a Unitholder provided such Units are not held in the course of carrying on a business and have not been acquired 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, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Unitholders should consult their own tax advisors regarding their particular circumstances as such election would affect the Canadian federal income tax treatment of dispositions by the Unitholder of all of their "Canadian securities" (as defined in the Tax Act).

This summary is not applicable to a Unitholder that is a "financial institution" for purposes of the "mark-to-market" rules, a "specified financial institution", a Unitholder an interest in which is a "tax shelter investment", a Unitholder that is a partnership, a Unitholder that has entered or will enter into, with respect to their Units, a "derivative forward agreement", or a Unitholder that reports its "Canadian tax results" in a currency other than Canadian dollars (all as defined in the Tax Act). This summary does not address the tax considerations of Unitholders borrowing money to acquire Units. All such Unitholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of the Units acquired pursuant to this Offering. This summary describes certain principal Canadian federal income tax considerations based on the application of specific provisions of the Tax Act to the transactions described in the Offering Memorandum, and does not address any tax consequences which could arise as a result of any potential application of the general anti-avoidance rule in subsection 245(2) of the Tax Act to any particular transaction or series of transactions.

This summary is based on the facts set out in this Offering Memorandum. This summary is also based upon the provisions of the Tax Act and the regulations (the "**Regulations**") thereunder in force as of the date hereof and on the publicly available administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the regulations made thereunder which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (collectively, the "**Proposed Amendments**"). There can be no assurance that these proposals will be enacted in their current form or at all, or that the CRA will not change its administrative policies and assessing practices.

This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action. There can be no assurances that such changes, if made, might not be retroactive. Modification or amendment of the Tax Act or Proposed Amendments could significantly alter the tax status of the Trust and the tax consequences of investing in Units. **This summary also does not take into account provincial, territorial, U.S., State, or other foreign tax legislation or considerations, which may differ significantly from those discussed in this summary.**

This summary does not address any Canadian federal income tax considerations applicable to Unitholders who are not resident in Canada for the purposes of the Tax Act. Non-resident Unitholders should consult their own tax advisors regarding

the tax consequences of acquiring and holding Units. All distributions to non-residents will be net of any applicable withholding taxes.

**This summary 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 the particular circumstances applicable to each Unitholder. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. The Trust has not obtained, nor sought, an advance tax ruling from the CRA in respect of this Offering. Prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units based on their particular circumstances.**

## **Tax Status of the Trust**

### *Qualification as a "Mutual Fund Trust"*

This summary assumes that the Trust has qualified at all times since inception, currently qualifies and will continue to qualify as a "mutual fund trust" as defined in the Tax Act. If the Trust does not qualify or ceases to qualify as a mutual fund trust, the Canadian federal income tax considerations described below would be materially different from those described in this summary, and in particular, adverse consequences may arise including that (i) the Trust may become liable to pay certain additional taxes (with the result that the amount of cash available for distribution by the Trust would be reduced and Unitholders may otherwise be adversely affected), and (ii) unless at such time the Units are listed on a designated stock exchange, the Units will not be qualified investments for Deferred Plans (with the result that a Deferred Plan, its annuitant or holder thereof may become liable to pay additional tax or penalties or may be otherwise adversely affected).

To qualify as a mutual fund trust at any particular time, the Trust must satisfy certain requirements including: (i) the Trust must be a "unit trust" (as defined in the Tax Act) resident in Canada; (ii) the Trust must not reasonably be considered to be established or maintained primarily for the benefit of non-residents of Canada; (iii) the only undertaking of the Trust must be the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), or the acquiring, holding, maintaining, improving, leasing or managing of real property (or an interest in real property) or an immovable (or real right in immovables) that is capital property of the Trust, or any combination of such activities; and (iv) the Trust must comply with certain prescribed requirements including that the Units be qualified for distribution to the public and that at all relevant times there must be no fewer than 150 beneficiaries of the Trust each of whom holds at least one "block of units" (as defined in the Regulations) having an aggregate fair market value of not less than \$500 each. For the Trust to qualify as a unit trust, the interest of each Unitholder must be described by reference to units of the Trust and the Units must have conditions requiring the Trust to accept, at the demand of a Unitholder and at prices determined and payable in accordance with the conditions, the surrender of the Units that are fully paid.

### *The SIFT Measures*

The Tax Act contains rules regarding the taxation of certain types of publicly listed or traded trusts and partnerships and their investors (the "**SIFT Measures**"). The SIFT Measures effectively tax certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. The SIFT Measures apply to any "specified investment flow-through" (a "**SIFT**") and its investors.

A SIFT is generally a trust or partnership, investments in which are listed or traded on a stock exchange or other public market, and which holds "non-portfolio property" (as defined in the Tax Act). Non-portfolio property includes certain Canadian real, immovable or resource properties, certain property used in the course of carrying on a business in Canada, and securities in certain intermediary entities which own non-portfolio properties. Neither the Trust nor the Limited Partnership have any immediate plans to list the Units or LP Units on any stock exchange or other public market. Should the Units be in the future listed or traded on a stock exchange or other public market, the Trust expects to hold no property and carry out no activities that would cause it to become liable to SIFT tax.

Consequently the Trust expects, and this summary assumes, that the Trust and the Limited Partnership will not be liable to SIFT tax under the SIFT Measures. If the Units, the LP Units, or any other securities or investments in the Trust or the Limited Partnership become listed or traded on a stock exchange or public market, and if the Trust or the Limited Partnership do

not qualify for certain other exceptions set out in the Tax Act they could become subject to the SIFT provision and the income tax considerations could be materially different from those described in this summary.

### Taxation of the Trust

The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under Part I of the Tax Act on its income for purposes of the Tax Act for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount.

The Trust will generally be required to include in computing income for a particular taxation year its allocated share of the income or loss of the Limited Partnership for the fiscal period of the Limited Partnership ending on or before the year-end of the Trust. Any dividend received by the Limited Partnership will retain its character as a dividend when allocated to the Trust. The Trust's ability to deduct any losses allocated to it by the Limited Partnership will be limited by certain rules under the Tax Act. The Trust may also realize a capital gain or loss on the disposition or deemed disposition of LP Units (including from any distribution *in specie* of LP Units), from the disposition of foreign currency or upon the allocation of a capital gain or loss from the Limited Partnership, as described below under "Taxation of the Limited Partnership". Also, as described under "Taxation of the Limited Partnership" below, cash flow distributed by the Limited Partnership to the Trust will be generally received free from tax, except to the extent that such distributions reduce the adjusted cost base of LP Units held by the Trust to a negative amount at the end of a fiscal year of the Limited Partnership.

In computing its income for purposes of the Tax Act, the Trust may generally deduct reasonable administrative costs, interest and other expenses of a current nature incurred by it for the purpose of earning income. The Trust will be entitled to deduct reasonable expenses incurred by it in the course of issuing Units on a five-year straight line basis (subject to proration for short taxation years), to the extent such costs are not reimbursed.

The Trust will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust's tax liability for that taxation year arising in connection with the distribution of its property on the redemption of Units. The Trust Declaration provides that all or a portion of any income or taxable capital gain realized by the Trust as a result of that redemption may, at the discretion of the Trustee, be treated as income or taxable capital gain paid to, and designated as income or taxable capital gain of, the redeeming Unitholders, and thus generally deductible by the Trust in computing its income. However, the Trust will generally be denied a deduction in computing its income in respect of (i) the portion of any amount allocated to a redeeming Unitholder that is paid out of the Trust's income (other than taxable capital gains), or (ii) the portion of any amount allocated to a redeeming Unitholder that is paid out of the Trust's taxable capital gains that exceeds the taxable capital gain that would otherwise have been realized by the redeeming Unitholder on the redemption (as determined by the Trustee of the Trust using reasonable efforts to obtain the information required to determine the Unitholders' cost amount of their Units). As a result, the taxable component of distributions by the Trust to non-redeeming Unitholders may be adversely affected. The Trustee intends, to the extent possible, to administer the redemption of Units in such a manner that no deduction by the Trust will be denied.

Under the Trust Declaration, an amount equal to the net income (including taxable capital gains) of the Trust (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), plus the non-taxable portion of any net capital gain realized by the Trust, but excluding:

- (i) income and capital gains arising on or in connection with an *in specie* distribution on the redemption of Units which are paid or payable and designated by the Trust to redeeming Unitholders;
- (ii) capital gains, which may be offset by capital losses, if any, carried forward from prior years or, if not so offset, tax on which is recoverable by the Trust; and
- (iii) income, which may be offset by non-capital losses, if any, carried forward from prior years,

may be payable in the year to Unitholders, subject to the qualifications described below.

The Trust Declaration provides that, to the extent cash of the Trust is unavailable for distributions, and the income of the Trust in a taxation year exceeds the cumulative cash distributions for that year, such excess income may be distributed to Unitholders in the form of additional Units or otherwise. Income of the Trust payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the Trust in computing its taxable income.

Losses incurred by the Trust in a particular taxation year cannot be allocated to Unitholders, but may be deducted by the Trust, in the case of non-capital losses in the particular year and in the ensuing twenty taxation years, and in the case of capital losses in the particular year and in any future taxation year to the extent of capital gains in computing taxable income of the Trust in accordance with, and subject to, applicable provisions of the Tax Act.

### **Taxation of the Limited Partnership**

The Limited Partnership is not subject to tax under the Tax Act. Each partner of the Limited Partnership (including the Trust) is required to include in computing the partner's income for a particular taxation year the partner's share of the income or loss of the Limited Partnership for its fiscal year ending in or on the partner's taxation year-end, whether or not any of that income or loss is distributed to the partner in the taxation year. For this purpose, the income or loss of the Limited Partnership must be computed for each fiscal year as if each partnership was a separate person resident in Canada, and will be required to be allocated to partners on the basis of their respective shares of that income or loss as provided for in the Limited Partnership Agreement, subject to certain provisions of the Tax Act in that regard.

If the Limited Partnership incurs losses for purposes of the Tax Act, a limited partner, including the Trust, will be entitled to deduct in the computation of its income for purposes of the Tax Act its share of any such losses for any fiscal year to the extent of that limited partner's "at-risk amount" in respect of the Limited Partnership. In general, the "at-risk amount" of a limited partner in respect of the Limited Partnership for any taxation year will be the adjusted cost base of the limited partner's partnership interest at the end of the year, plus any undistributed income allocated to the limited partner for the year, less any amount owing by the limited partner (or a person with whom the limited partner does not deal at arm's length) to the Limited Partnership (or a person with whom it does not deal at arm's length), and less the amount of any benefit that the limited partner (or a person with whom the limited partner does not deal at arm's length) is entitled to receive or obtain for the purpose of reducing, in whole or in part, any loss of the limited partner from the investment.

On the sale or other disposition of all or some of the Properties, the Limited Partnership, as applicable, must allocate the net proceeds of disposition (gross proceeds less costs of disposition) on a reasonable basis among each separate asset which comprises the property sold. On dispositions of Properties that are capital properties for purposes of the Tax Act, a capital gain will be realized on the amount by which the net proceeds of disposition allocated to a particular depreciable property exceed the capital cost of that property (no capital loss can be realized on depreciable property). A capital gain (or capital loss) will be realized on the amount by which the net proceeds of disposition allocated to a non-depreciable capital property exceed (or are less than) its adjusted cost base.

### **Taxation of Unitholders**

#### *Distributions*

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

The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Unitholder in a taxation year will not be required to be included in computing the Unitholder's income for the year and should not reduce the adjusted cost base of Units held by the Unitholder. Any other amount paid or payable by the Trust in that year (other than as proceeds of disposition) that is in excess of the Trust's net income for that year will not generally be required to be included in the Unitholder's income for the year. However, where such an amount is paid or payable to a Unitholder, the Unitholder will be required to reduce the adjusted cost base of the Units by that amount. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Unitholder will immediately thereafter be nil.

A Unitholder which is a “Canadian-controlled private corporation” (as defined in the Tax Act) may also be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

#### *Purchases of Units*

Since the net income of the Trust will be distributed on a quarterly basis, a purchaser of a Unit may become taxable on a portion of the net income of the Trust that is accrued or realized by the Trust in a period before the time the Unit was purchased but which was not paid or made payable to Unitholders until the end of the period and after the time the Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized by the Trust in a year before the time the Unit was purchased but which is paid or made payable to Unitholders at year end and after the time the Unit was purchased.

#### *Dispositions of Units*

On the disposition or deemed disposition of a particular Unit, a Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of such particular Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder's income, including any capital gain realized by the Trust in connection with a redemption which has been designated by the Trust to the redeeming Unitholder. The taxation of capital gains and capital losses is described below.

The adjusted cost base of a Unit to a Unitholder will include the amount paid by the Unitholder for the Unit, subject to certain adjustments. The cost to a Unitholder of additional Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of income (including the applicable non-taxable portion of net capital gains) distributed by the issue of those respective Units. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly acquired Unit must be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that acquisition. The non-taxable portion of distributions (other than the non-taxable portion of any net capital gains) received on a Unit will generally reduce the adjusted cost base of the Unit.

Where Units are redeemed and the redemption price is paid by the delivery of Debt Securities to the redeeming Unitholder, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Debt Securities so distributed less any income or capital gain realized by the Trust in connection with the redemption of those Units, and which has been designated by the Trust to the Unitholder. Where any income or capital gain realized by the Trust in connection with the distribution of Debt Securities on the redemption of Units has been designated by the Trust to a redeeming Unitholder, the Unitholder will be required to include in computing the Unitholder's income the income or taxable portion of the capital gain so designated.

Where Units are redeemed and the redemption price is paid by the delivery of Debt Securities as described above, the redeeming Unitholder will be required to include in income any interest on Debt Securities acquired (including interest that accrued prior to the date of the acquisition of such Debt Securities by the Unitholder that is designated as income to the Unitholder by the Trust) in accordance with the provisions of the Tax Act. The cost of any Debt Securities distributed by the Trust to a Unitholder upon redemption of Units will be equal to the fair market value of those Debt Securities at the time of the distribution less any accrued interest on such Debt Securities. Similarly, where Units are redeemed and the redemption price is paid by the delivery of LP Units as described above, a redeeming Unitholder will be required to include in income the Unitholder's allocable share of income or loss of the Limited Partnership for purposes of the Tax Act for the year that includes the redemption (and the Unitholder's allocable share of income or loss of the Limited Partnership for all years during which the Unitholder holds the LP Units), in accordance with the provisions of the Limited Partnership Agreement and the detailed rules of in the Tax Act in that regard. In the case of the Unitholder's allocable share of loss of the Limited Partnership for any given fiscal year, the Unitholder, will be entitled to deduct in the computation of its income for purposes of the Tax Act only to the extent of that Unitholder's “at-risk amount” as described above under “Taxation of the Limited Partnership”. The cost of any LP Units distributed by the Trust to a Unitholder upon a redemption of Units will be equal to the fair market value of those LP Units at the time of the distribution.

Where Units are redeemed and the redemption price is paid by the issuance to the redeeming Unitholder of Trust Notes, the proceeds of disposition to the Unitholder of Units will be equal to the fair market value of the Trust Notes issued. The cost of the Trust Notes issued to a Unitholder by the Trust upon redemption of Units will be equal to the fair market value

of the Units disposed in exchange. The Unitholder will thereafter be required to include in computing income for purposes of the Tax Act interest on the Trust Notes, in accordance with the terms of such Trust Notes and the provisions of the Tax Act.

#### *Reclassifications of Units*

Generally, the reclassification of one Class of Units as another class of Units of the Trust will not be considered to be a disposition for tax purposes and accordingly, the Unitholder will realize neither a gain nor a loss as a result of a reclassification. However, Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying between classes of Units.

#### *Taxation of Capital Gains and Capital Losses*

One-half of any capital gain realized by a Unitholder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of a Unitholder must generally be included in the Unitholder's income as a taxable capital gain in the taxation year in which the disposition occurs or in respect of which a net taxable capital gains designation is made by the Trust. One-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units generally may be deducted by the Unitholder against taxable capital gains of the Unitholder in the year of disposition, and to the extent such losses exceed such gains, in the three preceding taxation years or in any subsequent taxation year in accordance with the provisions of the Tax Act.

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may also be liable to pay an additional refundable tax computed with reference to its "aggregate investment income" (as defined in the Tax Act) for the year, which includes amounts in respect of taxable capital gains.

#### *Alternative Minimum Tax*

The Tax Act provides for an "alternative minimum tax" applicable to certain taxpayers including individuals and certain trusts, depending on the amount of their "adjusted taxable income". In general terms, adjusted taxable income of a Unitholder who is an individual or a trust (and therefore the exposure of such Unitholder to liability for alternative minimum tax) must be increased by, among other things, any capital gains realized by such Unitholder on the disposition of Units and by any net income of the Trust that is paid or payable to such Unitholder and that has been designated as a taxable dividend or as a taxable capital gain.

### **8.3 Eligibility For Deferred Plans**

Provided that at a particular time the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be "qualified investments" (as defined in the Tax Act and the Regulations) at that time for Deferred Plans.

Generally, if at any time the Trust does not qualify or ceases to qualify as a mutual fund trust, the Units will not be, or will cease to be, qualified investments for Deferred Plans at that time. Debt Securities, Units or Trust Notes that may be issued by the Trust to holders of Units, on or in connection with redemption of Units, will generally not be qualified investments for Deferred Plans. Where a Unit, a Debt Security or Trust Note held by a Deferred Plan is not a qualified investment, adverse tax consequences will generally arise to the Deferred Plan and the annuitant, beneficiary or holder of the Plan, including, depending on the circumstances, that the Plan and the annuitant, beneficiary or holder may become subject to additional taxes and penalties, or that the annuitant, beneficiary or holder may be deemed to have received income from the Deferred Plan.

Notwithstanding that the Units may be a qualified investment for Deferred Plans as described above, an annuitant or holder of a Deferred Plan will be subject to a penalty tax if the Units held in the Deferred Plan are a "prohibited investment", as defined in the Tax Act, for the Deferred Plan. The Units will generally be a "prohibited investment" for a particular Deferred Plan if the annuitant or holder of the Deferred Plan does not deal at arm's length with the Trust for the purposes of the Tax Act, or has a "significant interest", as defined in the Tax Act, in the Trust. Generally, an annuitant or holder will have a significant interest in the Trust if the Deferred Plan, the annuitant or holder (as applicable), and other persons not at arm's length with the annuitant or holder together, directly or indirectly, hold more than 10% of the outstanding Units of the Trust.

**In light of the foregoing, Subscribers should consult their own tax advisors before acquiring Units in Deferred Plans and again before deciding to exercise the redemption rights attached to such Units held in Deferred Plans.**

#### **ITEM 9 - COMPENSATION PAID TO SELLERS AND FINDERS**

To assist with effecting sales of Units, the Trust has retained several non-exclusive selling agents with effecting sales of Units, including exempt market dealers, investment dealers (ie CIRO Dealers), the Vancouver Island Agent and such other persons that are appointed from time to time by the Trust. The Trust compensates such selling agents with a commission that varies depending on the class of Units purchased. See Item 5.2 – “Subscription Procedure - Purchase Options”.

Any commission, fee or other compensation payable to a selling agent will be disclosed to the Subscriber prior to his, her or its purchase of Units.

For a description of the fees payable to the Vancouver Island Agent, see Item 2.7 – “Material Agreements – The VI Agent Engagement Letter”.

#### **ITEM 10 - RISK FACTORS**

The purchase of Units involves a number of risks. The risks described below are not the only risks involved with an investment in the Units. If any of the following occur, or if others occur, the Trust’s business, operating results and financial condition could be seriously harmed and purchasers of Units could lose all of their investment. Risks affecting the Trust will affect its ability to make distributions on the Units and to redeem Units in cash and on a timely basis. 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 such securities:

##### **Investment Risk**

##### ***This is a Blind Pool Offering***

This is primarily a “blind pool” Offering. The Trust expects that the Available Funds will be applied by the Trust to acquire LP Units. The Limited Partnership will use proceeds from the issuance of LP Units to purchase additional properties, however, the specific additional properties in which the Limited Partnership may invest have not yet been determined. In addition, the Trust may use a portion of the available net proceeds of the Offering to pay expenses of the Trust and to pay amounts in connection with the redemption of Units. Apportionment of the proceeds received by the Limited Partnership from the issuance of LP Units to the Trust may also be used to pay: (a) down mortgage financing on a specific property or group of properties; (b) capital expenditure on a specific property or properties; (c) infill development projects; and (d) due diligence and documentation costs relating to such property acquisitions, sales commissions where applicable, completion costs and other fees and expenses related to acquisitions.

##### ***No Market for Units***

There currently is no market whatsoever for the Units and it is not anticipated that any market will develop. Consequently, holders of such securities may not be able to sell them readily, and Units may not be readily accepted as collateral for a loan. Subscribers 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.

##### ***Highly Speculative***

The purchase of Units is highly speculative. A potential Subscriber should buy them only if it is able to bear the risk of the entire loss of its investment and has no need for immediate liquidity. An investment in the Units should not constitute a major portion of a Subscriber’s portfolio.

##### ***No Guaranteed Return***

There is no representation made by the Trustee that an investment in the Trust will have a guaranteed return to Unitholders, nor that losses will not be incurred by the Trust. The return on an investment in the Units is not comparable to the return on an investment in a fixed-income security. This Offering is not suitable for Subscribers who cannot afford to assume significant risks in connection with their investments.

### ***Reliance on Estimates and Assumptions***

The Trust's business plan and investment strategy have been formulated based on the Trust's analysis and expectations, based on estimates and assumptions by management, regarding economic developments in the Trust Region, current economic and financial environment in Canada, the Canadian real estate markets generally.

### **Risks Associated with Redemptions**

#### ***Temporary Suspension of Redemptions of Units***

If the Trustee determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust, the Trust may suspend redemptions of Units. The suspension may apply to all requests for redemption received prior to the suspension but for which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Trustee of the suspension and that the redemption will be effected at a Redemption Price determined on a later Redemption Date, as applicable, following the termination of the suspension or such other date as the Trustee may determine upon the conditions giving rise to such suspension having ceased to exist or no longer being applicable. Unitholders requesting redemptions may therefore potentially experience delays in receiving redemption payments.

#### ***Use of Available Cash***

The payment by the Trust of the redemption price of Units in cash (as opposed to payment of the redemption price through the issuance of promissory notes or in kind) will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as cash payments of the amount due in respect of redemptions will take priority over the payment of cash distributions.

#### ***Redemption Price***

Any amount received on a redemption of Units will be equal to the redemption price of a Unit (calculated in accordance with the Trust Declaration) multiplied by the number of Units that a Unitholder tenders for redemption, less, as applicable, the Early Redemption Charge, administration and processing fees that may be determined and applied by the Trustee, in its sole discretion, from time to time.

#### ***Determination of Redemption Price***

The redemption price per Unit is calculated based on the Net Asset Value per Unit as determined by the Trustee as of each Valuation Date, and is subject to valuation rules set by the Trust from time to time. There is a risk that the redemption price calculated by the Trustee, subject to the valuation rules set by the Trust, may not accurately reflect the true value of the Units and may not reflect the net asset value per Unit based on the financial statements. Unitholders will have no recourse against the Trust or the Trustee in this respect.

#### ***Payment of Redemption Price by Promissory Note or in Kind***

The Trust Declaration includes a quarterly limit on cash payments for redemptions, which, if met, permit the Trust to pay amounts in connection with the redemption of Units in-kind through the issuance of debt securities or other securities. Redemptions paid in-kind through the issuance of debt securities or other securities will generally not be qualified investments or may be prohibited investments for Deferred Plans. Unitholders requesting redemptions must comply with the provisions of the Trust Declaration.

#### ***Priority of Promissory Notes over Units***

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

## **Issuer Risk**

### ***Reliance on Key Personnel***

The success of the Trust is highly dependent on the services of certain management personnel of the Manager. The loss of the services of such personnel could have an adverse effect on the Trust.

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

Conflicts of interest exist, and may arise from time to time, between investors and the Trustee, directors and officers of the Trustee, Manager, Administrator and the Property Manager, and their respective associates and affiliates. There is no assurance that any conflicts of interest that may arise will be resolved in a manner favorable to investors. Persons considering a purchase of Units pursuant to this Offering must rely on the judgment and good faith of the Trustee, the directors and officers of the Trustee, as applicable, the Manager, the Administrator and the Property Manager in resolving such conflicts of interest as may arise. The Trust and the Manager may be considered affiliates and negotiations between them have not been, and will not be, conducted at arm's length. As a result, the Trust may be subject to various conflicts of interest arising from its relationship with the Manager. The risk exists that such conflicts will not be resolved in the best interests of the Trust. Notwithstanding the foregoing, pursuant to the Trust Declaration, the Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Trust and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. See Item 2.7 "Material Agreements – Trust Declaration – Powers of the Trustee" and "Material Agreements – Trust Declaration – Conflicts of Interest".

### ***Uninsured Losses***

The Manager arranges for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to the Properties and endeavours to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to one or more of the Properties, the Trust could suffer a loss of capital invested and not realize any profits which might be anticipated from the ownership of the Properties.

### ***Tax Matters***

The return on the Unitholders' investment in the Units is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Unitholders of acquiring, holding or disposing of Units.

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

There can be no assurances that the CRA will agree with the tax treatment adopted by the Trust in filing its tax return and the CRA could reassess the Trust on a basis that results in tax being payable by the Trust, thereby reducing the after tax returns to Unitholders.

Pursuant to rules in the Tax Act, if the Trust experiences a "loss restriction event" it will be deemed to have a year-end for tax purposes (which could result in an unscheduled distribution of Trust Income and Net Realized Capital Gains, if any, at such time to Unitholders so that the Trust is not liable for non-refundable income tax on such amounts under Part I of the Tax Act); and it will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Trust will be subject to a loss restriction event if a Unitholder becomes a "majority-interest

beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Trust, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the Trust is a beneficiary in the income or capital, as the case may be, of the Trust whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Trust.

### ***Valuation of the Properties***

Valuation of the Properties may involve uncertainties and judgment determinations and, if such valuations should prove to be incorrect, the Net Asset Value and the Net Asset Value per Unit could be adversely affected. Certain pricing information may not at times be available regarding certain of the Properties. Valuation determinations will be made in good faith by the Trustee in accordance with the Trust Declaration.

The Limited Partnership may own properties which by their very nature may be difficult to value accurately. To the extent that the value assigned to any such property differs from the actual market value, the Net Asset Value per Unit may be understated or overstated, as the case may be.

### ***Current and Future Economic Environment***

Continued concerns and uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, trade issues with other countries, including the United States of America, and the systemic impact of unemployment, volatile energy costs, geopolitical issues, supply chain issues, health events such as pandemics (including COVID-19), and the availability and cost of credit may contribute to increased market volatility and weakened business and consumer confidence. Such economic uncertainties and market challenges, which may result from a continued or exacerbated general economic slowdown experienced by Canada as a whole, by the local economies where the Trust’s Properties are located or where the Trust’s tenants conduct business, or by the real estate industry in particular, and their effects could materially and adversely affect the Trust’s ability to generate revenues, thereby potentially reducing its future operating income and earnings. A difficult operating environment could also have a material adverse effect on the ability of the Trust to maintain occupancy rates at the Properties, which could harm the Trust’s financial condition. Under such economic conditions, the Trust’s tenants may be unable to meet their rental payments and other obligations due to the Trust, which could have a material adverse effect on the Trust’s financial position. See Item 2.3 – “Development of Business – Current Economic Conditions”.

In respect of the Trust’s real estate purchases, the Trust is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its purchases, or the number of investors seeking to acquire properties decreases, the value of the Trust’s investments may not appreciate or may depreciate. Accordingly, the Trust’s operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

Increased inflation could have a more pronounced negative impact on any variable rate debt the Trust is subject to or incurs in the future and on its results of operations. Similarly, during periods of high inflation, annual allowable rent increases as may be provided for in any of the Trust’s leases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Trust’s tenants if increases in their operating expenses exceed increases in revenue. This may adversely affect the tenants’ ability to pay rent, which could negatively affect the Trust’s financial condition.

### ***Major Assets; Geographic Concentration***

Properties indirectly acquired by the Trust in the Trust Region represent the major asset of the Trust and therefore the Trust’s financial performance is directly tied to the performance of these particular assets. The Trust, through the Limited Partnership, does not expect to have a large portfolio of diverse real estate assets; therefore, its success is dependent on the success of the Properties to be acquired by Limited Partnership.

### ***Net Worth of the Trustee; Limited Recourse***

The Trustee and the Manager are companies without material assets. Should a claim be made against any of them, it will likely be difficult to realize upon any judgment which might be obtained against it.

### ***Vacancy Rates of Properties***

The Trust's Properties, including the Properties which comprise the commercial Properties, are, from time to time, susceptible to high vacancy rates. 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.

### ***Interest Rate Fluctuations***

It is anticipated that the value of 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 Units. A decrease in interest rates may encourage tenants to purchase condominiums or other types of housing, which could result in a reduction in demand for rental properties. Changes in the interest rates may also have effects on vacancy rates, rent levels, repositioning costs and other factors affecting the Trust's business and profitability. The mortgage loans arranged by the Limited Partnership may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Limited Partnership's cost of borrowing.

### ***Revenue Shortfalls***

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.

### ***Cybersecurity***

In the ordinary course of the Trust's business, the Trust collects, stores, processes and/or transmits sensitive data belonging to subscribers, Unitholders, partners, vendors, employees and contractors, as well as, proprietary business information and intellectual property of the Trust. The secure processing, maintenance and transmission of this information is critical to the business of the Trust. The Trust has implemented a secure operating framework which includes policies and governance, prevention and detection technologies, backup and recovery processes and other procedures and technology in the protection of its data, software and infrastructure assets from loss, theft, unauthorized access, vandalism, cyber-attacks, or events such as power outages or surges, floods, fires or other natural disasters. Despite such security measures, data, systems and infrastructure may be vulnerable to cyber-attacks or breached due to employee error, malfeasance or other disruptions. These security breaches could materially compromise information, disrupt business operations or cause the Trust to breach obligations, thereby exposing the Trust to liability, reputational harm and/or significant remediation costs. A theft, loss, corruption, exposure, fraudulent use or misuse of information whether by third parties or as a result of employee malfeasance could result in significant remediation and other costs, fines, litigation or regulatory actions against the Trust, as well as, cause reputational harm, negatively impact the Trust's competitive position and affect financial results.

### ***Limitations on Non-Resident Ownership***

The Trust Declaration provides that at no time may Non-residents be the beneficial owners of more than 49% of the Units then outstanding. The limitation on ownership of the Units by Non-residents may have an adverse impact on the liquidity of the Units.

### ***Industry Risk***

#### ***General***

An investment in Units is an indirect investment in the business of the Limited Partnership, including the Properties acquired by the Limited Partnership. As such, the Units have attached to them the risks associated with investing in real estate generally, including, without limitation, interest rate risk, tenant occupancy levels, environmental risks, competition for real estate properties, changes in economic conditions, as described below. If any such risk factors affect the business of the

Limited Partnership or the Properties owned by the Limited Partnership, the Trust's financial condition would be adversely affected.

### ***Risks of Real Estate Investment***

Investment in real estate is subject to numerous risks, including the highly competitive nature of the real estate industry, changes in general or local conditions, failure of tenants to pay rent, changes in neighbourhood property values, interest rates, availability of mortgage funds, increases in real estate tax rates and other operating expenses, the possibility of competitive overbuilding and of the inability to obtain full occupancy of the properties, governmental rules and fiscal policies, including rent control legislation, which limit potential rent increases, and other events and factors which are beyond the control of the Trust.

There is no assurance that the Limited Partnership will be able to obtain sufficient mortgage financing to finance the acquisition of real estate investments, or on commercially acceptable terms, or that any such mortgage financing will be renewed upon maturity or, if renewed, renewed on the same terms and conditions (including the rate of interest). The real estate properties may not generate sufficient funds to service the mortgage financing taken out in respect of them. If a default occurs, a property could be foreclosed upon. Indebtedness with variable interest rates will result in fluctuations in the Limited Partnership's cost of borrowing.

### ***Illiquidity of Real Estate***

Investments in real estate properties are relatively illiquid. Such illiquidity will tend to limit the Limited Partnership's ability to change its portfolio promptly in response to changing economic or investment conditions.

### ***Market & Regulatory Risks***

The economic performance and value of the Limited Partnership's interest in properties acquired by it will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- changes in the national, regional and local economic climate;
- local conditions, including a reduction in demand for properties like the properties acquired by the Limited Partnership;
- the attractiveness of the properties acquired by the Limited Partnership to purchasers and renters;
- competition from other available similar projects; and
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

### ***Competition***

The Limited Partnership competes with other investors and owners of similar properties to those to be acquired by the Limited Partnership in the surrounding areas. Certain of these competitors may have greater financial and other resources and greater operating flexibility than the Limited Partnership. The existence of competing parties could have a material adverse effect on the revenues or profitability of the Limited Partnership and its ability to meet its debt obligations, which would adversely affect the Trust's financial condition.

### ***Potential Liability under Environmental Protection Legislation***

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the owner of real estate properties or its related entities 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. The failure to remove or remediate such substances, if any, may adversely affect the Limited Partnership's ability to sell such a property or to borrow using a property as collateral.

### ***Climate Change***

The Limited Partnership and its Properties may be exposed to risks associated with the physical effects of climate change, such as natural disasters and increasingly frequent and serious weather conditions. Such events could interrupt the Limited Partnership's and its tenants' operations and activities, damage its Properties, diminish traffic and require the Trust to incur additional expenses, including in respect of insurance, materials and energy costs. Climate change may also have indirect effects on the Limited Partnership's business by increasing the cost of (or making unavailable) property insurance on terms the Trust finds acceptable, as well as increasing the cost of renovations, energy, water and other services at its Properties. Although the Limited Partnership cannot predict with certainty the rate at which climate change is occurring and the physical effects of climate change on its Properties and operations, the Limited Partnership's financial position and results from operations could be adversely affected by the materialization of any of the risks identified herein related to climate change, which would adversely affect the Trust's financial condition.

### ***Market Disruption and Geopolitical Risk***

Geopolitical, environmental and other events may disrupt securities markets and adversely affect global economies and markets. These disruptions could prevent or affect the Trust and the Limited Partnership from implementing its investment policies and achieving its investment objectives, and increase the Trust and the Limited Partnership's exposure to the other risks detailed in this Offering Memorandum. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region might adversely affect markets, issuers, and/or foreign exchange rates in other countries, including Canada. War, terrorism, public health crises, and geopolitical events, such as sanctions, tariffs, trade disputes, conflicts, the imposition of exchange controls or other cross-border trade barriers, have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on North American and world economies and markets generally.

### ***Aboriginal Rights and Title Claims***

The Limited Partnership's portfolio of Properties may include properties located on lands subject to Aboriginal rights claims, including Aboriginal title claims. A recent judicial decision, *Cowichan Tribes v. Canada (Attorney General)*, 2025 BCSC 1490, recognized that Aboriginal title can coexist with private fee-simple ownership. While the decision is under appeal and its final implications remain uncertain, it has raised questions about the interaction between Aboriginal title and private property interests. The impacts of this decision on privately owned lands may include increased title insurance requirements or exclusions, longer transaction timelines, higher due-diligence costs and impacts on value. These developments are outside the Trust's control and could adversely affect the business, financial condition and results of operations of the Trust and the Limited Partnership.

### ***Risks Related to Public Health Crises***

Public health crises, epidemics, pandemics or any other similar disease or illness (each a "Health Crisis") could adversely impact the Trust, including through: a general or acute decline in economic activity in the Trust Region; increased unemployment, reduced immigration, closure of college and university campuses, household consolidation (young adults moving back in with their parents), supply shortages, mobility restrictions and other quarantine measures; increased government regulation, inability to access governmental programs or processes on a timely basis, efficacy of governmental relief efforts; and the quarantine or contamination of one or more of the Trust's Properties. Contagion in a property or market in which the Trust operates could negatively impact its occupancy, reputation or attractiveness of that market. Furthermore, increased government regulation relating to a Health Crisis could result in legislation or regulations that may restrict the Trust's ability to enforce material provisions under its leases among other potential adverse impacts. All of these occurrences may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Trust, including the Redemption Price per Unit as calculated under the Trust Declaration.

**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 his/her/its 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 11 - REPORTING OBLIGATIONS

As the Trust is not a “reporting issuer” as defined in the applicable securities legislation, the continuous reporting requirements of those statutes do not generally apply to the Trust.

Notwithstanding the foregoing, issuers relying on the offering memorandum exemption to distribute securities in certain provinces are required to file, deliver or make reasonably available, as applicable, certain prescribed documents within prescribed time periods with or to, as applicable, the applicable securities regulatory authority and each holder of a security acquired under the offering memorandum exemption.

In Ontario, Québec, Saskatchewan, and New Brunswick, the Trust must, within 120 days after the end of each its financial years, deliver to the securities regulatory authorities annual financial statements and make them reasonably available to each Trust Unitholder who has acquired Trust Units under this Offering Memorandum. In Alberta, the Trust must, within 120 days after the end of each its financial years, file with the securities regulatory authority annual financial statements and make them reasonably available to each Unitholder who has acquired Units under this Offering Memorandum. In Nova Scotia, the Trust must, within 120 days after the end of each its financial years, make the annual financial statements reasonably available to each Unitholder who has acquired Units under this Offering Memorandum. Such financial statements must be provided until the earlier of the date that the Trust becomes a reporting issuer in any jurisdiction in Canada or the Trust ceases to carry on business and it must be accompanied by a notice of the Trust disclosing in reasonable detail the use of the aggregate gross proceed raised by the Trust raised under this Offering Memorandum.

In New Brunswick, Nova Scotia and Ontario, the Trust must make reasonably available to each Subscriber who has acquired Units under this Offering Memorandum, a notice of each of the following events within 10 days of the occurrence of the event: (a) a discontinuance of the Trust’s business; (b) a change in the Trust’s industry; or (c) a change of control of the Trust.

The Trust intends to provide to each Unitholder audited annual financial statements and all other information required to file Canadian income tax returns on or before March 31 in each calendar year.

## ITEM 12 - RESALE RESTRICTIONS

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

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Trust becomes a reporting issuer in any province or territory 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.

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

**The Trust has no current intention of becoming a reporting issuer in any jurisdiction and therefore the foregoing restriction on trading will continue indefinitely (subject to the availability of certain limited exemptions which may not apply in the circumstances).**

## ITEM 13 - PURCHASERS’ RIGHTS

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

### 13.1 Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Units. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the Units.

### **13.2 Rights of Action in the Event of a Misrepresentation**

Applicable securities laws in the offering jurisdictions provide you with a remedy to sue to cancel your agreement to buy the Units or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a “**misrepresentation**” means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below. Subscribers should refer to the applicable securities laws of their respective offering Jurisdiction for the particulars of these rights or consult with professional advisors.

#### **Investors in British Columbia**

If you are a resident in British Columbia and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, you have a statutory right to sue:

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

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action or commence your action for damages within the earlier of: (a) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (b) three years after the transaction that gave rise to the cause of action.

#### **Investors in Alberta**

If you are a resident in Alberta and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, you have a statutory right to sue:

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

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action or commence your action for damages within the earlier of: (a) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (b) three years after the transaction that gave rise to the cause of action.

### **Investors in Ontario**

If you are a resident of Ontario and there is a misrepresentation in this Offering Memorandum, together with any amendment to it, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy the Units; or
- (b) for damages against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action.

You must commence your action for damages within the earlier of: (a) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (b) three years after the date of the transaction that gave rise to the cause of action.

A misrepresentation is defined in the *Securities Act* (Ontario) as an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary in order to make any statement therein not misleading in light of the circumstances in which it is made. A material fact, when used in relation to securities issued or proposed to be issued, is defined in the *Securities Act* (Ontario) as a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of such securities.

### **Investors in Saskatchewan**

If you are resident in Saskatchewan and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, subject to certain limitations, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy the Units; or
- (b) for damages against:
  - (i) the Trust, the Trustee, every person who was a director or the promoter of the Trust or the Trust, respectively, at the date of this Offering Memorandum,
  - (ii) 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,
  - (iii) every person who, or company that, in addition to the persons or companies mentioned in clauses (i) and (ii), signed this Offering Memorandum, and
  - (iv) every person who, or company that, sells the Units on behalf of the Trust under this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action.

You must commence your action for damages within the earlier of: (a) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (b) six years after the date of the transaction that gave rise to the cause of the action.

In addition, subject to certain limitations, where any advertising or sales literature (as such terms are defined in the Saskatchewan securities legislation) disseminated in connection with the Offering contains a misrepresentation, a purchaser who purchases Units referred to in that advertising or sales literature has a right of action against the Trust, the Trustee, every promoter and director of the Trust or the Trustee, respectively, as the case may be, and every person who or company that sells Units under the Offering with respect to which the advertising or sales literature was disseminated. In addition, subject to certain limitations, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of Units, the purchaser has a right of action for damages against the individual who made the verbal statement.

### **Investors in Manitoba**

If you are a resident in Manitoba and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, you have a statutory right to sue:

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

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action or commence your action for damages within the earlier of: (a) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (b) two years after the day of the transaction that gave rise to the cause of action.

### **Cautionary Statement Regarding Report, Statement or Opinion by Expert**

This Offering Memorandum includes: (i) the independent auditor's report prepared by Deloitte LLP on the annual consolidated financial statements of the Trust dated March 12, 2026; and (ii) a summary of the income tax consequences to Canadian residents prepared by the Trust's tax adviser, Koffman Kalef LLP. You do not have a statutory right of action against these parties for a misrepresentation in the offering memorandum. You should consult with a legal adviser for further information.

***You should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.***

***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.***

**THE SECURITIES LAWS OF ALBERTA, BRITISH COLUMBIA, MANITOBA, SASKATCHEWAN AND ONTARIO ARE COMPLEX. THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF**

**THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.**

**THE RIGHTS DISCUSSED ABOVE ARE IN ADDITION TO, AND WITHOUT DEROGATION FROM, ANY OTHER RIGHTS OR REMEDIES WHICH THE SUBSCRIBERS MAY HAVE AT LAW. SUBSCRIBERS SHOULD CONSULT THEIR OWN LEGAL ADVISORS WITH RESPECT TO THEIR RIGHTS AND THE REMEDIES AVAILABLE TO THEM.**

**ITEM 14 - FINANCIAL STATEMENTS**

See attached.

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# Consolidated financial statements of All Island Equity REIT

December 31, 2025

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Independent Auditor's Report	1-2
Consolidated statement of financial position	3
Consolidated statement of income and comprehensive income	4
Consolidated statement of changes in net assets attributable to holders of redeemable units	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements	7-22

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## Independent Auditor's Report

To the Unitholders of  
All Island Equity REIT

### Opinion

We have audited the consolidated financial statements of All Island Equity REIT (the "REIT"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of income and comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the REIT as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### Basis for Opinion

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

### Other Matter

The financial statements of the REIT for the year ending December 31, 2024, were audited by another auditor, who issued an unmodified audit opinion on those consolidated financial statements dated March 14, 2025.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the 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 REIT'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 REIT'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 REIT 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units within the REIT as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

The signature of Deloitte LLP is written in a cursive, handwritten style.

Chartered Professional Accountants  
March 12, 2026

**All Island Equity REIT**  
**Consolidated statement of financial position**

As at December 31, 2025  
(Expressed in Canadian dollars)

	Notes	2025 \$	2024 \$
<b>Assets</b>			
Non-current assets			
Investment properties	4	<b>296,511,728</b>	236,643,274
Derivative financial instruments		<b>56,975</b>	214,860
		<b>296,568,703</b>	236,858,134
Current assets			
Cash and cash equivalents		<b>342,144</b>	120,204
Trade receivables and other		<b>496,447</b>	275,914
Prepaid expenses and deposits		<b>1,622,316</b>	2,279,526
		<b>2,460,907</b>	2,675,644
<b>Total assets</b>		<b>299,029,610</b>	239,533,778
<b>Liabilities</b>			
Non-current liabilities			
Long-term portion of loans	5	<b>121,006,784</b>	99,474,532
Current liabilities			
Line of credit	5	<b>3,707,516</b>	1,469,977
Trade payables and accrued liabilities	10	<b>1,950,482</b>	2,211,841
Security deposits		<b>948,622</b>	734,904
Deferred revenue		<b>169,058</b>	103,729
Current portion of loans	5	<b>23,812,731</b>	2,352,835
		<b>30,588,409</b>	6,873,286
<b>Total liabilities</b>		<b>151,595,193</b>	106,347,818
Commitments	11		
<b>Net assets attributable to holders of redeemable units</b>	6	<b>147,434,417</b>	133,185,960

The accompanying notes are an integral part of the consolidated financial statements.

Approved on behalf of the Trustee of All Island Equity REIT

\_\_\_\_\_, "Bernard Adrian Vanderhorst", Director

\_\_\_\_\_, "Garth Lyle Busch", Director

## All Island Equity REIT

### Consolidated statement of income and comprehensive income

Year ended December 31, 2025

(Expressed in Canadian dollars)

	Notes	2025 \$	2024 \$
<b>Earnings from property operations</b>			
Rental revenue		<b>18,549,982</b>	15,246,555
Property operating expenses		<b>(7,194,611)</b>	(6,190,628)
		<b>11,355,371</b>	9,055,927
<b>Other expenses</b>			
Administration fees and other	10	<b>2,428,051</b>	1,813,991
Professional fees		<b>232,382</b>	206,170
		<b>2,660,433</b>	2,020,161
<b>Financing expenses</b>			
Interest expense		<b>4,902,441</b>	3,196,375
Amortization of deferred financing fees		<b>698,417</b>	478,851
Other expense (income)		<b>3,886</b>	(22,365)
		<b>5,604,744</b>	3,652,861
<b>Operating income</b>		<b>3,090,194</b>	3,382,905
<b>Other income (loss)</b>			
Unrealized gain on revaluation of investment properties	4	<b>7,609,781</b>	8,771,197
Unrealized loss on revaluation of derivative financial instruments		<b>(157,886)</b>	(41,477)
		<b>7,451,895</b>	8,729,720
<b>Net income and comprehensive income</b>		<b>10,542,089</b>	12,112,625
<b>Weighted average number of units</b>		<b>7,403,225</b>	6,940,493

The accompanying notes are an integral part of the consolidated financial statements.

## All Island Equity REIT

### Consolidated statement of changes in net assets attributable to holders of redeemable units

Year ended December 31, 2025

(Expressed in Canadian dollars)

Notes	Number of				Total units #	Total \$
	Class A PAY units	Class F PAY units	Class A DRIP units	Class F DRIP units		
	#	#	#	#		
<b>Balance as at January 1, 2024</b>	415,828	1,314,036	1,961,032	3,237,420	6,928,316	118,882,332
Unit issuance – Raised	6 12,778	87,551	119,254	314,054	533,637	9,168,320
Unit issuance – Distribution	6 —	—	48,393	111,631	160,024	2,771,442
Distribution – Paid	—	—	—	—	—	(1,490,127)
Distribution – DRIP	—	—	—	—	—	(2,771,442)
Unit redemptions	6 (18,544)	(100,566)	(72,577)	(105,506)	(297,193)	(5,093,030)
Transfers between units	(3,823)	318,038	(110,060)	(204,155)	—	—
Unit issuance costs	—	—	—	—	—	(394,160)
Net income and comprehensive income	—	—	—	—	—	12,112,625
<b>Balance as at December 31, 2024</b>	<b>406,239</b>	<b>1,619,059</b>	<b>1,946,042</b>	<b>3,353,444</b>	<b>7,324,784</b>	<b>133,185,960</b>

	Number of				Total units #	Total \$
	Class A PAY units	Class F PAY units	Class A DRIP units	Class F DRIP units		
	#	#	#	#		
<b>Balance as at January 1, 2025</b>	<b>406,239</b>	<b>1,619,059</b>	<b>1,946,042</b>	<b>3,353,444</b>	<b>7,324,784</b>	<b>133,185,960</b>
Unit issuance – Raised	6 16,619	25,393	117,235	317,125	476,372	8,696,257
Unit issuance – Distribution	6 —	—	43,374	125,356	168,730	3,109,988
Distribution – Paid	—	—	—	—	—	(1,720,874)
Distribution – DRIP	—	—	—	—	—	(3,109,988)
Unit redemptions	6 (6,924)	(31,518)	(60,712)	(58,507)	(157,661)	(2,866,487)
Transfers between units	(10,713)	269,421	(366,473)	107,765	—	—
Unit issuance costs	—	—	—	—	—	(402,528)
Net income and comprehensive income	—	—	—	—	—	10,542,089
<b>Balance as at December 31, 2025</b>	<b>405,220</b>	<b>1,882,356</b>	<b>1,679,466</b>	<b>3,845,182</b>	<b>7,812,224</b>	<b>147,434,417</b>

The accompanying notes are an integral part of the consolidated financial statements.

## All Island Equity REIT

### Consolidated statement of cash flows

Year ended December 31, 2025

(Expressed in Canadian dollars)

	2025	2024
	\$	\$
<b>Operating activities</b>		
Net income	<b>10,542,089</b>	12,112,625
Items not affecting cash		
Amortization of deferred financing fees	<b>698,417</b>	478,851
Unrealized gain on revaluation of investment properties	<b>(7,609,781)</b>	(8,771,197)
Unrealized (gain) loss on derivative financial instruments	<b>157,886</b>	41,477
Interest expense	<b>4,902,441</b>	3,196,375
	<b>8,691,052</b>	7,058,131
Changes in non-cash working capital		
Trade receivables and other	<b>(220,533)</b>	(16,430)
Prepaid expenses and deposits	<b>657,210</b>	(1,947,043)
Trade payables and accrued liabilities	<b>(261,359)</b>	1,138,610
Security deposits	<b>213,718</b>	(57)
Deferred revenue	<b>65,329</b>	70,503
	<b>9,145,417</b>	6,303,714
<b>Investing activities</b>		
Purchase of investment properties	<b>(49,351,187)</b>	(1,262,408)
Capital additions to investment properties	<b>(2,907,486)</b>	(4,186,536)
	<b>(52,258,673)</b>	(5,448,944)
<b>Financing activities</b>		
Gross proceeds from issuance of units	<b>8,696,257</b>	9,168,320
Cash distributions	<b>(1,720,874)</b>	(1,490,127)
Units redeemed	<b>(2,866,487)</b>	(5,093,030)
Unit issuance costs	<b>(402,528)</b>	(394,160)
Line of credit advances	<b>2,237,539</b>	1,469,977
Loan proceeds received	<b>46,513,675</b>	445,000
Financing fees paid	<b>(1,250,560)</b>	(50,500)
Repayment of loan principal	<b>(2,969,385)</b>	(2,759,053)
Interest paid	<b>(4,902,441)</b>	(3,196,375)
	<b>43,335,196</b>	(1,899,948)
Change in cash and cash equivalents	<b>221,940</b>	(1,045,178)
Cash and cash equivalents, beginning of year	<b>120,204</b>	1,165,382
<b>Cash and cash equivalents, end of year</b>	<b>342,144</b>	120,204
<b>Non-cash transactions</b>		
Distributions reinvested in units	<b>3,109,988</b>	2,771,442

The accompanying notes are an integral part of the consolidated financial statements.

# All Island Equity REIT

## Notes to the consolidated financial statements

December 31, 2025

(Expressed in Canadian dollars)

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### 1. Nature of operations

All Island Equity REIT (the "REIT") is a limited purpose, unincorporated, open-ended investment trust, governed by the terms and conditions of a Declaration of Trust dated March 1, 2017, as amended on May 29, 2018, and July 19, 2022, and by the general laws of trusts and the laws of British Columbia, Canada. AIE Services Inc. acts as the trustee of the REIT ("Trustee"). The registered office of the Trustee is 19th Floor, 885 West Georgia Street, Vancouver, BC, V6C 3H4 and the head office of the REIT in Victoria, BC.

The REIT commenced operations on May 14, 2017. The principal activities of the REIT involve the indirect ownership and management of a diversified portfolio of primarily residential properties in British Columbia, through its wholly owned subsidiary, All Island Equity REIT Limited Partnership.

### 2. Basis of presentation and statement of compliance

#### (a) Statement of compliance

These consolidated financial statements (the "financial statements") have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

These financial statements for the year ended December 31, 2025, were authorized for issue by the Board of Directors of the Trustee (the "Board") on March 12, 2026.

#### (b) Basis of measurement

These financial statements have been prepared on a going concern basis, under historic cost convention, except for investment properties and derivative financial instruments which have been measured at fair value.

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the REIT's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3(i).

#### (c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the REIT's functional currency. All amounts presented have been rounded to the nearest dollar.

### 3. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below:

#### (a) Basis of consolidation

The financial statements comprise the financial statements of the REIT and its subsidiaries, over which the REIT has control. Control exists when the REIT has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. The financial statements of subsidiaries are consolidated from the date that control commences and continue to be consolidated until the date that control ceases.

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

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**3. Material accounting policies (continued)**

*(a) Basis of consolidation (continued)*

The financial statements reflect the financial position, results of operations and cash flows of the REIT, its 100% owned subsidiary, All Island Equity REIT Limited Partnership (the "Limited Partnership"), and all related bare trust nominees, or similar, companies. Intra-group transactions and balances are eliminated in preparing the financial statements.

*(b) Property acquisitions and business combinations*

When investment properties are acquired, management considers the substance of the agreement in determining whether the acquisition represents an asset acquisition or a business combination. The basis of the judgment is set out in Note 3(i).

Where such acquisitions are not determined to be a business combination, they are treated as an asset acquisition. The cost to acquire the property is allocated between the identifiable assets acquired and liabilities assumed based on their relative fair values at the acquisition date. Otherwise, acquisitions are accounted for as a business combination.

All acquisitions to date have been determined to be asset acquisitions.

*(c) Investment properties*

Investment properties comprise of properties held to earn rental revenue or for capital appreciation or both. Investment properties are measured initially at cost, including directly attributable expenditures. Subsequent to initial recognition, investment properties are measured using the fair value model. The REIT defines fair value to be the value a third party is willing to pay, in an arm's length transaction, for an investment property. Therefore, in the year of acquisition, the fair value of recently acquired investment properties is the purchase price and subsequent year's valuations form the new basis for the fair value recorded for the investment properties. Gains or losses arising from changes in fair values are included in the statement of income and comprehensive income in the year which they arise.

*(d) Classification of redeemable units*

Financial Instruments: Presentation ("IAS 32") requires that redeemable units of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability when they meet the criteria specified in IAS 32.

The REIT's redeemable units do not meet the criteria in IAS 32 for classification as equity as they involve contractual obligations on the part of the REIT. Therefore, the redeemable units have been classified as financial liabilities and referred to as net assets attributable to holders of redeemable units on the statement of financial position. The classification of the units as financial liabilities with presentation as net assets does not alter the underlying economic interest of the unitholders in the net assets and the net operating results attributable to unitholders.

*(e) Revenue recognition*

The REIT earns revenue from tenants primarily from base rent for the use of space leased, and also from recoveries of property taxes and insurance and service revenue from utilities, cleaning and property maintenance costs. Revenue from lease components is recognized as revenue on a straight-line basis over the lease term subject to ultimate collection being reasonably assured in accordance with IFRS 16.

# All Island Equity REIT

## Notes to the consolidated financial statements

December 31, 2025

(Expressed in Canadian dollars)

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### 3. Material accounting policies (continued)

#### (e) Revenue recognition (continued)

Revenue related to the service component of the REIT's leases is accounted for in accordance with IFRS 15, Revenue from Contracts with Customers. These services consist primarily of a recovery of utilities, cleaning and property maintenance costs for which the revenue is recognized as the costs are incurred, which is when the services are rendered.

#### (f) Financial instruments

All financial instruments are initially measured at fair value with subsequent measurement based on their respective classification. For financial assets, the subsequent measurement is based on the REIT's business model for managing the asset and the cash flow characteristics of the asset. The REIT's financial assets are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest and, therefore, are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

Financial asset/liability	Measurement
Cash and cash equivalents	Amortized cost
Derivative financial instruments	Fair Value through Profit and loss
Trade and other receivables	Amortized cost
Trade payables and accruals	Amortized cost
Security deposits	Amortized cost
Loans	Amortized cost

For financial assets and liabilities subsequently measured at amortized cost using the effective interest method, estimated future cash receipts and payments for liabilities are discounted over the expected life of the financial asset or financial liability, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method or any difference between that initial amount and the maturity amount, and for financial assets, adjusted for any loss allowances. Net gains and losses from changes in fair value are recognized in profit (loss) upon derecognition or impairment.

#### Impairment of financial assets

Financial assets carried at amortized cost are assessed at each reporting date on whether they are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The REIT applies the expected credit loss ("ECL") approach in determining provisions for financial assets carried at amortized cost. The REIT has elected to measure loss allowances for trade and other receivables at an amount equal to lifetime ECLs. The approach that the REIT has taken for trade receivables is a provision matrix approach whereby lifetime expected credit losses are recognized based on aging characterization and credit worthiness of the tenants. Specific provisions may be used where there is information that a specific tenant's expected credit losses have increased. The specific accounts are only written off once all the collection avenues have been explored or when legal bankruptcy has occurred.

## All Island Equity REIT

### Notes to the consolidated financial statements

December 31, 2025

(Expressed in Canadian dollars)

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### 3. Material accounting policies (continued)

#### (f) *Financial instruments (continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the REIT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the REIT's historical experience and informed credit assessment and including forward-looking information. The credit risk on a financial asset is considered to have increased significantly if it is more than 90 days past due.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the consolidated statement of income and comprehensive income.

#### (g) *Income taxes*

The REIT qualifies as a "mutual fund trust" under the *Income Tax Act* (Canada) and as a Real Estate Investment Trust ("REIT") eligible for the 'REIT Exemption' in accordance with the rules affecting the tax treatment. Pursuant to the Declaration of Trust, the Board intends to distribute or designate all taxable income to the unitholders of the REIT and to deduct such distributions and designations for Canadian Income Tax purposes. Accordingly, the REIT is not taxable on its income provided all of taxable income is designated to the unitholders.

#### (h) *Fair value*

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In certain circumstances, the initial fair value may be based on other observable current market transactions, without modification or on a valuation technique using market-based inputs.

Fair value measurements recognized in the consolidated statement of financial position are categorized in accordance with the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices in active markets for similar assets or liabilities or valuation techniques where significant inputs are based on observable market data.

Level 3: Valuation techniques for which any significant input is not based on observable market data.

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety.

The REIT measures investment properties at fair value at the end of each reporting period. Management estimates the fair value of its investment properties using the direct capitalization income method for most of its properties. For the REIT's leasehold properties, management estimates the fair value using a combination of the direct capitalization income method and the direct comparison approach. For the direct capitalization income method, the fair value is determined by applying a capitalization rate to stabilized net operating income. The result is further adjusted for potential leasing costs, capital expenditures, and costs to stabilize income. Since significant adjustments may be made to key inputs, the REIT measures the fair value under level 3 of the fair value hierarchy.

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

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**3. Material accounting policies (continued)**

*(i) Significant accounting judgments and estimates*

Judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities are reviewed on an ongoing basis. Actual results may differ from these estimates.

*(i) Judgments*

In the process of applying the REIT's accounting policies, management has made the following critical judgments, which have the most effect on the amounts recognized in the financial statements:

*Asset acquisitions*

The REIT periodically acquires individual investment properties. As disclosed in Note 2(b), at the time of acquisition, management considers whether or not the acquisition represents the acquisition of a business or an asset acquisition under IFRS 3, Business Combinations ("IFRS 3"). The determination is based on whether the investment property has an integrated set of activities acquired in addition to the property and the extent of ancillary services provided by the property.

When the acquisition of a property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities.

*Lease contracts*

The REIT has entered into property leases on its investment property portfolio as the lessor. The REIT makes judgments in determining whether certain leases, in particular those leases with long contractual terms, are operating or finance leases. The REIT must assess each lease separately against land and building. The REIT has determined that all of its leases are operating leases as the REIT retained substantially all of the risks and benefits of ownership.

*Lessor entities*

The REIT incorporated two entities that act as lessors in their respective headleases. The REIT does not have power over the lessor entities nor exposure or rights to variable returns from its involvement in the lessor entities and, therefore, the entities are not consolidated under IFRS 10, Consolidated financial statements.

*(ii) Estimates*

The significant areas of estimation include the following:

*Valuation of investment properties*

The fair value of the investment properties is determined using recognized valuation techniques. Appraisals are performed annually for all properties, except for those acquired during the year, by accredited independent appraisers with recognized and relevant professional qualifications. Management reviews each appraisal and ensures that the assumptions used are reasonable and the final fair value amount reflects those assumptions used in the determination of the fair values of the investment properties.

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

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**3. Material accounting policies (continued)**

(i) *Significant accounting judgments and estimates (continued)*

(ii) *Estimates (continued)*

*Valuation of investment properties (continued)*

The determination of the fair value of the investment properties requires the use of estimates such as future cash flows from assets (based on the review of anticipated cash flows involving assumptions relating to occupancy, rental rates and residual value, and overall repair and condition of the property) and capitalization rates applicable to those assets. These estimates are based on market conditions existing at the reporting date.

The following approaches, either individually or in combination, are used by management, together with the appraisals, in their determination of the fair value of the investment properties:

The Income Approach derives market value by estimating the future cash flows that will be generated by the investment property and then applying an appropriate capitalization rate or discount rate to those cash flows. This approach can utilize the direct capitalization method and/or the discounted cash flow analysis.

The Direct Comparison Approach involves comparing or contrasting the recent sale, listing or optioned prices of properties comparable to the investment property and adjusting for any significant differences between them.

Management reviews each third-party appraisal obtained and ensures the assumptions used by the appraisers are reasonable and the final fair value amount reflects those assumptions used in the various approaches above. Where an appraisal is not obtained at the reporting date, management reviews the approaches described above, for each investment property, and estimates the fair value.

The significant assumptions used by management in estimating the fair value of investment property are set out in Note 4.

*Provisions*

Provisions are recognized by the REIT when: i) the REIT has a present legal or constructive obligation as a result of past events; ii) it is probable that an outflow of resources will be required to settle the obligation; and iii) the amount can be reasonably estimated. If the time value of money is material, provisions are discounted using a current rate that reflects the risk profile of the liability, and the increase to the provision due to the passage of time will be recognized as interest expense.

(j) *Standards, amendments and interpretations adopted*

There were no IFRS Accounting Standards as issued by the IASB adopted by the REIT in the current fiscal year that impacted the financial statements.

At the date of authorization of the financial statements, the REIT has not applied the following revised IFRS Accounting Standards as issued by the IASB that have been issued but are not yet effective.

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

**3. Material accounting policies (continued)**

(j) *Standards, amendments and interpretations adopted (continued)*

*IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. The amendments clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities with an exception for derecognition of financial liabilities settled via an electronic transfer.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

*IFRS 18, Presentation and Disclosure in the Financial Statements*

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements (“IFRS 18”), which sets out the overall requirements for presentation and disclosures in the financial statements. The new standard will replace IAS 1, Presentation of Financial Statements (“IAS 1”). Although much of the substance of IAS 1 will be included in IFRS 18, the new standard incrementally will:

- With a view to improving comparability amongst entities, require presentation in the statement of operations of a subtotal for operating profit and a subtotal for profit before financing and income taxes (both subtotals as defined in the new standard);
- Enhance the requirements for aggregation and disaggregation of financial statement amounts;
- Require limited changes to the statement of cash flows, including elimination of options for the classification of interest and dividend cash flows; and

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted.

The REIT is assessing the impact of these future amendments but does not believe they will materially impact the financial statements.

**4. Investment properties**

The balance of the investment properties is as follows:

	<b>2025</b>	2024
	\$	\$
Balance, beginning of year	<b>236,643,274</b>	222,423,133
Purchase of new investment properties	<b>49,351,187</b>	1,262,408
Capital additions	<b>2,907,486</b>	4,186,536
Disposal of investment properties	—	—
Unrealized gain on revaluation of investment properties	<b>7,609,781</b>	8,771,197
Balance, end of year	<b>296,511,728</b>	236,643,274

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

**4. Investment properties (continued)**

The significant assumptions made to the fair value of the investment properties are:

	<b>2025 Weighted average</b>	<b>2025 Range</b>
Capitalization rate (%)	<b>4.45%</b>	<b>3.25% - 5.75%</b>
	2024 Weighted average	2024 Range
Capitalization rate (%)	4.45%	3.50% - 5.75%

Fair values are most sensitive to changes in the capitalization rates. An increase or decrease in the capitalization rate by 25 basis points would decrease or increase the fair value by \$15.8 million or \$17.7 million respectively.

**5. Loans**

Loans are secured by charges on the REIT's investment properties which have a carrying value of \$284,541,184.

	<b>As at December 31, 2025</b>		
	<b>Weighted average rate %</b>	<b>Weighted average term</b>	<b>2025 Total \$</b>
Fixed rate debt			
CMHC insured fixed rate mortgages	<b>3.03%</b>	<b>5.25 Years</b>	<b>115,032,965</b>
Fixed rate mortgages	<b>3.86%</b>	<b>1.46 Years</b>	<b>31,948,141</b>
			<b>146,981,106</b>
Floating rate debt			
Variable rate mortgages	<b>Prime + 0.55%</b>	<b>0.9 Years</b>	<b>1,196,481</b>
			<b>148,177,587</b>
Deferred financing costs			<b>(3,358,072)</b>
			<b>144,819,515</b>

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

**5. Loans (continued)**

	As at December 31, 2024		
	Weighted average rate %	Weighted average term	2024 Total \$
Fixed rate debt			
CMHC insured fixed rate mortgages	2.74%	6.27 Years	82,485,551
Fixed rate mortgages	3.28%	2.04 Years	21,708,426
			<u>104,193,977</u>
Floating rate debt			
Non revolving term loans			
Variable rate mortgages	Prime + 0.5%	1.92 Years	439,318
			104,633,295
Deferred financing costs			<u>(2,805,928)</u>
			<u>101,827,367</u>

	2025 \$	2024 \$
Current portion of long term debt	<b>24,617,741</b>	2,829,693
Current portion of unamortized mortgage transactions costs	<b>(805,010)</b>	(476,858)
Non current portion of long term debt	<b>123,559,846</b>	101,803,603
Non current portion of unamortized mortgage transaction costs	<b>(2,553,062)</b>	(2,329,071)
	<b>144,819,515</b>	<u>101,827,367</u>

Scheduled principal repayments and maturities on loans for each of the next five years and thereafter are as follows:

	Scheduled Principal payments \$	Principal maturities \$	Total repayment \$
2026	3,509,319	21,108,422	24,617,741
2027	2,854,360	5,437,192	8,291,552
2028	2,483,678	19,660,729	22,144,407
2029	2,323,535	14,227,417	16,550,952
2030	1,987,535	18,004,021	19,991,556
Thereafter	2,536,311	54,045,068	56,581,379
Total	<u>15,694,738</u>	<u>132,482,849</u>	<u>148,177,587</u>

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

**5. Loans (continued)**

The REIT had the following net finance costs during the year:

	<b>2025</b>	2024
	\$	\$
Finance expense		
Interest on		
Line of credit	<b>359,219</b>	197,017
Mortgages	<b>4,543,222</b>	2,999,358
	<b>4,902,441</b>	3,196,375
Change in fair value of derivative financial instrument	<b>157,886</b>	41,477
Deferred financing fees amortization expense	<b>698,417</b>	478,851
Finance costs, net	<b>5,758,744</b>	3,716,703

*Line of credit*

The REIT has a line of credit of up to \$8,500,000 (\$12,000,000 in 2024), secured by certain investment properties, repayable on demand and bearing interest at the bank's prime rate plus 1.5% per annum.

Under the terms of the loan agreements, the REIT is required to comply with certain loan covenants. As at December 31, 2025, all covenants were met.

**6. Unitholders' equity**

Under the Declaration of Trust, the REIT is authorized to issue unlimited number of redeemable REIT units without par value. The Trustee has the power and authority, from time to time, for and on behalf of the REIT, to create one or more classes or series of units on such terms and conditions as may be determined by the Trustee.

The REIT currently has two classes of units being Class A and Class F units. All Class A units allow for a trailer fee (an annual fee which may be paid by the REIT to registered securities dealers and exempt market dealers) of up to 1% of the Net Asset Value. Otherwise, all units of each class are entitled to participate equally with respect to distributions made.

Unitholders can elect to either receive distributions in cash or participate in the Distribution Reinvestment Plan ("DRIP"). The DRIP allows holders to have cash distributions reinvested in additional units of the same class of units held. Unitholders can switch between receiving distribution in cash or participating DRIP at their discretion.

*(a) Unit issuance*

During the year, the REIT issued 476,372 (533,637 in 2024) units for gross proceeds of \$8,696,257 (\$9,168,320 in 2024).

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

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**6. Unitholders' equity (continued)**

*(b) Unit redemptions*

During the year, the REIT redeemed 157,661 (297,193 in 2024) units for total consideration of \$2,866,487 (\$5,093,030 in 2024).

The total value of units tendered for redemption will be paid to a unitholder by way of a cash payment no later than the last day of the month following the calendar quarter in which the redemption request occurs, subject to the following limitations:

- (i) the total amount payable by the REIT by cash payment in respect of the redemption of units for the calendar quarter in which the redemption request occurs will not exceed \$50,000; and
- (ii) the total amount payable by the REIT by cash payment in respect of the redemption of units in any twelve-month period ending at the end of the calendar quarter in which the redemption request occurs will not exceed 1/4 of 1% of the aggregate subscription price of all units that were issued and outstanding at the start of such twelve-month period.

Notwithstanding the foregoing, the Trustee, in its sole discretion, may but will in no way be obligated, to make cash payments in excess of the limits set out in the Trust Declaration.

To date, all units tendered for redemption have been paid by way of cash payment.

*(c) Payment of redemption price in specie*

If any of the conditions in (b)(i) and (b)(ii) above preclude the payment of the redemption request in cash, and the Trustee does not, in its sole discretion, waive such limitation in respect of all units tendered for redemption in any particular calendar quarter, the redemption amount shall be satisfied by way of any of the following methods to be selected by the Trustee, using its sole discretion:

- (i) the issuance of Trust Notes, equal to the redemption request;
- (ii) a distribution in specie to the unitholder of Limited Partnership units under the terms and conditions of the Limited Partnership Agreement, equal to the redemption request; or
- (iii) a distribution in specie to the unitholder of a number of debt securities equal to the redemption request.

*(d) Distributions*

During the year, the Trustee approved total distributions of \$4,830,862 (\$4,261,569 in 2024) on the Class A and Class F units, of which \$3,109,988 (\$2,771,442 in 2024) was reinvested through the DRIP and \$1,720,874 (\$1,490,127 in 2024) was paid in cash.

The distribution rate is determined by, among other considerations, the assessment of cash flows as determined using adjusted cash flows from operating activities and incorporating existing and anticipated circumstances of the REIT and ultimately approved by the Trustee, in its sole discretion. Distributions may be adjusted for amounts paid in prior periods if the actual adjusted cash flows from operating activities for those prior periods are greater or less than the estimates used for those prior periods. In addition, the Trustee may declare distributions out of the income and/or realized capital gains of the REIT to the extent such amounts have not already been paid, allocated or distributed.

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

**7. Operating leases – REIT as Lessor**

The REIT has entered into leases with tenants on its investment property portfolio. The residential leases typically have initial lease terms of one year, then continue on a month-to-month basis and the commercial tenants have initial lease terms ranging between one and five years with periodic upward revisions of the rental charge according to the prevailing market conditions.

Future minimum lease payments for commercial tenants under non-cancellable operating leases in the aggregate and for each of the following periods are as follows:

	<b>2025</b>	2024
	<b>\$</b>	\$
Within one year	<b>1,058,649</b>	1,005,758
Two to five years	<b>2,299,543</b>	2,644,437
Over five years	—	130,825
	<b>3,358,192</b>	3,781,020

*Victoria Leasehold Portfolio*

On November 16, 2021, the REIT purchased the freehold interest in a portfolio consisting of five properties in Victoria, BC. Four of the properties (the "Leasehold Properties") have head leases registered on title that mature on 31 December 2073 (the "Leasehold Obligation").

These head leases are sub-leased to individual suites (the "Lessee Units") in accordance with the terms and conditions of the leasehold contract. The contract allows the owners (the "Lessees") of each sub-leased unit to occupy the Lessee Units until the maturity of the head lease. On maturity, the right to occupy the Lessee Units lapses and the Leasehold Obligation ceases. In aggregate, 276 Lessee Units are registered on title, of which, at December 31, 2025, the REIT owns 100 (95 in 2024) of the Lessee Units with the remaining 176 (181 in 2024) Lessee Units owned by third parties.

Under the terms of the Leasehold Obligation, the Lessee Units do not pay rent but are responsible for their proportionate share of the costs incurred related to the respective Leasehold Properties, acting reasonably (the "Operating Costs"). Operating Costs include all amounts payable, including capital expenditures, and are paid monthly by the Lessees.

The REIT recognizes any expenses incurred as it relates to the REIT's ownership of the 100 Lessee Units.

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

**8. Capital management**

The REIT defines capital as the aggregate of unitholders' equity and loans. The REIT's objectives in managing capital are to maintain a level of capital that complies with investment and debt restrictions pursuant to the offering memorandum, complies with existing debt covenants, funds its business strategies and builds long-term unitholders' value. The REIT's capital structure is approved by the Board through its periodic reviews. The REIT is not subject to externally imposed capital requirements.

**9. Financial instruments**

For certain REIT financial instruments, including cash and cash equivalents, trade and other receivables, and trade payable and accruals, the carrying amounts approximate their fair values due to the immediate or short-term maturity of these financial instruments.

The fair values of loans are determined by discounting the future contractual cash flow under current financing arrangements at discount rates that represent borrowing rates presently available to the REIT for loans with similar terms and maturity and measured under level 2 fair value hierarchy.

The following table presents the carrying amounts and fair values of the REIT's financial instruments that are carried at amortized cost:

	<b>Carrying amount</b>	<b>2025 Fair value</b>	Carrying amount	2024 Fair value
	\$	\$	\$	\$
Cash and cash equivalents	<b>342,144</b>	<b>342,144</b>	120,204	120,204
Derivative financial instruments	<b>56,975</b>	<b>56,975</b>	214,860	214,860
Trade and other receivables	<b>496,447</b>	<b>496,447</b>	275,913	275,913
Trade payable and accruals	<b>1,950,482</b>	<b>1,950,482</b>	2,211,841	2,211,841
Line of credit	<b>3,707,516</b>	<b>3,707,516</b>	1,469,977	1,469,977
Loans	<b>144,819,515</b>	<b>141,678,259</b>	101,827,366	104,633,294

*Financial risk management*

The Board of the REIT has the overall responsibility for the establishment and oversight of the REIT's risk management framework. The REIT's risk management policies are established to identify and analyze the risks faced by the REIT, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to the REIT's activities.

In the normal course of business, the REIT is exposed to several risks from its use of financial instruments. These risks, and the actions taken to manage them, are as follows:

(a) *Credit risk*

Credit risk is the risk of financial loss to the REIT if a tenant or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the REIT's cash and cash equivalents and trade receivables from tenants.

The REIT's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The REIT minimizes the risk by checking tenants' credit histories, requesting security deposits and initiating a prompt collection process.

**All Island Equity REIT**  
**Notes to the consolidated financial statements**

December 31, 2025

(Expressed in Canadian dollars)

**9. Financial instruments (continued)**

*Financial risk management (continued)*

*(a) Credit risk (continued)*

Trade and other receivables are comprised primarily of current balances owing and the REIT has not experienced any significant receivable write-offs. The REIT performs frequent reviews of its receivables and has determined there is no significant provision for doubtful accounts as at December 31, 2025 and 2024.

The REIT places cash and cash equivalents with Canadian financial institutions with high credit ratings, and these financial institutions are expected to meet their obligations.

*(b) Interest rate risk*

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The REIT is exposed to interest rate risk on the fixed rate loans should the REIT want to repay a loan prior to maturity due to changes in market interest rates.

*(c) Liquidity risk*

Liquidity risk is the risk that the REIT will not be able to meet its financial obligations as they fall due. Real estate property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT was required to liquidate a real estate property investment, the proceeds to the REIT might be significantly less than the aggregate carrying value of such property.

The REIT's approach to managing liquidity is to ensure that it will have sufficient cash available to meet those liabilities which are not expected to be refinanced when they come due. As at December 31, 2025, the REIT reasonably expects that all mortgages with maturities in 2026 will be refinanced and has sufficient cash on hand to settle all other current liabilities.

As disclosed in Note 6(c), the REIT is exposed to redemption risk. Should the REIT be precluded from paying the redemption request in cash, the payment will be made in specie.

The following are the contractual maturities of financial liabilities as at December 31, 2025.

	<b>Carrying amount</b>	<b>Due in 1 year</b>	<b>Over 1 year</b>
	\$	\$	\$
Trade payable and accruals	<b>1,950,482</b>	<b>1,950,482</b>	—
Line of credit	<b>3,707,516</b>	<b>3,707,516</b>	—
Loans	<b>144,819,515</b>	<b>23,812,731</b>	<b>121,006,784</b>

## All Island Equity REIT

### Notes to the consolidated financial statements

December 31, 2025

(Expressed in Canadian dollars)

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#### 10. Related party transactions

The REIT's related parties consist of AIE Management Inc., directors, and key members of management. Transactions between the REIT and related parties were in the normal course of operations and were measured at fair value, which represented the amount of consideration established and agreed to by the related parties.

##### *Transactions with AIE Management Inc. (the "Manager")*

The Manager is related to the REIT by virtue of having officers and directors in common with the REIT. The Manager is also the General Partner of the Limited Partnership.

As of December 31, 2025, the Limited Partnership Agreement states that net income or loss of the Limited Partnership from the ordinary course of operations of the investment properties will be allocated as follows:

- Firstly, 0.01% to the General Partner to a maximum of \$100 per annum; and
- Secondly, the balance of net income or loss shall be allocated to the REIT, as the sole Limited Partner.

In connection with the services provided by the Manager under the Management Agreement (Note 11), the REIT incurred the following fees:

	<b>2025</b>	2024
	<b>\$</b>	\$
Asset management fee	<b>1,522,592</b>	1,426,097
Asset acquisition fee	<b>503,738</b>	15,776
Financing fees	<b>220,276</b>	—
Repositioning fees	<b>40,510</b>	—
	<b>2,287,116</b>	1,441,873

In connection with the above fees, as at December 31, 2025, \$84,055 (\$31,088 in 2024) is included in accounts payable and accrued liabilities.

##### *Transactions with the Trustee*

The Trustee is related to the REIT by virtue of having officers and directors in common with the REIT. The Trustee has no business activities other than acting as Trustee of the REIT.

During the years December 31, 2025 and 2024, there were no transactions with the Trustee.

During the year ended December 31, 2025, the REIT incurred director fees of \$131,771 (\$112,500 in 2024).

## **11. Commitments**

Under terms of the Management Agreement between the REIT and the Manager, the REIT must pay the Manager:

- An acquisition fee equal to 1.00% of the gross purchase price of each investment property purchased in the year;
- An asset management fee up to 0.50% of the Gross Asset Value (defined as the fair market value of all assets of the REIT);
- A disposition fee of 1.00% of the sales price of an investment property, provided that such fee will only be payable in the event that REIT must sell, transfer, assign or dispose of a property or interest therein to generate cash to satisfy redemptions of Limited Partnership units by the Trust; and
- Re-positioning and financing fees if those services are provided by the Manager.

Should the REIT or the Manager wish to terminate the Management Agreement under terms of the Management Agreement (the "Termination Event") the REIT shall pay the Manager, in immediately available funds on the date of termination, an amount equal to the greater of: (1) twelve times the total amount of the asset management fee received and/or earned by the Manager during the most recently completed quarter on or prior to the termination date; and (2) \$2,500,000, in each case, plus applicable taxes.

The REIT shall not be required to pay the Manager the termination payment if the REIT terminates the Management Agreement for any other reason that does not constitute a Termination Event, including if the Manager is in breach of the contract, or is unable to discharge its duties thereunder.

**SCHEDULE 1 – DESCRIPTION OF RESIDENTIAL PROPERTIES**

Region	Property Name	Address	Year Built	Units
<b>Comox Valley</b>	Oakcrest	1155 Stewart Ave	1981	10
	Carriage House	1155 England Ave	1982	10
	Fairmont	432 11th St	1983	6
	Berkshire Manor	825 Harmston Ave	1984	9
	Sonoma	1049 Stewart Ave	1968	10
	Tradewinds	1600/1610 Comox Valley Ave	1982	68
	Sandpiper South	1650 Comox Valley Ave	1965	15
	Sandpiper North	1650A Comox Valley Ave	1981	15
	Westwater	60 Anderton Ave	1982	42
	Edgewater	355 Anderton Ave	1976	23
	Hycroft	1835 Cliffe Ave	1976	33
	Greenbrier	750 8th St	1993	16
	Briarwood	720 8th St	1994	4
	Brandywine	675 Cumberland Rd	1994	8
	Villa Montecito	1331 England Ave	1995	12
	Glenshee	1800 Comox Valley Ave	1973	25
	Cedar Manor	463 12th St	1965	7
	Capri	1081 Stewart Ave	1965	10
	Belvedere	1170 Fitzgerald Ave	1965	3
	Blue Jay	450 19th St	1966	17
The Pines	1055 10th St	1972	33	
Seascape	2187 Comox Avenue	1974	74	
Riverside	1600 Riverside	2024	92	
<b>Campbell River</b>	Harbourview	790 9th Ave	1965	13
	Creekside Terrace	535 Rockland Road	1995	28
	635 8th Avenue	635 8th Ave	2016	16
	667 8th Avenue	667 8th Ave	2015	4
	790-794 Dogwood	790/794 Dogwood St	1956	6
	Scenic View Manor	710 Dogwood St	1974	48
	534 Cedar Street	534 Cedar	1977	11
	778 Dogwood Street	778 Dogwood	2016	3
<b>Victoria</b>	Firwood	915 Cook St.	1962	31
	El Mirador <sup>(1)</sup>	777 Cook St.	1966	49
	Edgemont Villa <sup>(1)</sup>	909 Pendergast Ave.	1967	22
	Ocean Villa <sup>(1)</sup>	20 Olympia Ave.	1965	27
	Villa Royale <sup>(1)</sup>	964 Heywood Ave.	1968	3
<b>Kelowna</b>	Okanagan Place 2	1950,1955, 1960 Pacific Court	1978	108
	Malibu Apartments	1979 Pandosy Street	1977	27
<b>Penticton</b>	City Gate	671 Martin	1968	31
	Arran House	2902 South Main Street	1978	77

**Notes:**

- All properties are Fee Simple Interest, see Schedule 2 – Mortgage Summary for list of encumbrances.
- There are no restrictions on sale or disposal on the Properties
- Due to the age of some of the buildings there may be asbestos present
- Utilities are currently being provided on all Properties

**SCHEDULE 2 – MORTGAGE SUMMARY**

***Residential Property Mortgages***

Lendor	Property Name	Balance Outstanding at March 31, 2026		Maturity	Interest Rate
		First Mortgage	Second Mortgage		
Peoples Trust	Riverside	\$9,397,953	-	1-Mar-34	4.05%
	Riverside	\$14,666,380	-	1-Dec-29	3.62%
	Okanagan Place 2	\$16,097,440	-	1-Sep-32	2.96%
	Arran House	\$9,969,967	-	1-Sep-32	2.96%
	Tradewinds	\$10,055,644	\$10,771,545	1 <sup>st</sup> - 1-Mar-28	1 <sup>st</sup> - 3.22%
	Glenshee				
	Greenbrier				
	Villa Montecito				
	Berkshire Manor			2 <sup>nd</sup> 1-Mar-28	2 <sup>nd</sup> - 5.00%
	Fairmont				
	Cedar Manor				
	Westwater	\$5,057,499	(1)	1-Sep-32	3.41%
	Firwood	\$5,109,281	-	1-Dec-26	2.15%
	Malibu Apartments	\$5,128,557	-	1-Sep-32	2.96%
	Creekside Terrace	\$1,541,864	(1)	1-Jun-30	2.17%
	Blue Jay	\$1,021,068	(1)	29-Jul-30	2.17%
	635 8th Avenue		-		
	667 8th Avenue	\$3,668,610	(1)	1-Mar-31	1.69%
790-794 Dogwood		-			
Coast Capital Savings Credit Union	Carriage House	\$860,646	-	1-Jun-27	4.71%
	Seascape	\$10,532,475	-	May 1, 2030	3.43%
	Oakcrest		-		
	Capri		-		
	Sonoma	\$3,283,240	-	5-Sep-32	4.14%
	Briarwood		(1)		
	Belvedere		(1)		
RBC	City Gate	\$3,426,448	-	5-Jul-30	1.73%
	Sandpiper South				
	Sandpiper North	\$3,737,951	-	1-Jul-30	1.80%
	Brandywine				
Scotiabank	Ocean Villa	\$3,567,675	-	2-Dec-26	3.20%
	El Mirador	\$5,478,672	-	2-Dec-26	3.20%
	Edgemont Villa	\$2,991,143	-	2-Dec-26	3.60%
Coastal Community Credit Union	534 Cedar Street	\$2,470,278	-	5-Nov-26	2.75%
	Harbourview				
MCAP	Hycroft	\$3,161,483	-	1-Dec-31	2.61%
	Edgewater	\$2,145,741	-	1-Dec-31	2.61%
	The Pines	\$2,575,005	(1)	1-Dec-31	2.61%
National Bank	Scenic View Manor	\$3,602,496	-	1-Mar-31	1.95%
n/a	778 Dogwood Street	-	(1)	-	-
	Villa Royale	-	-	-	-

**Commercial Property Mortgages**

Lendor	Property Name	Balance Outstanding at the date of this Offering		Maturity	Interest Rate
		First Mortgage	Second Mortgage		
Coast Capital Savings Credit Union	Arbour Court	\$2,517,816	-	1-Jun-27	4.71%
	777 Fitzgerald	\$1,190,244	-	1-Jun-27	4.71%
	Fitzgerald Centre	\$1,052,915	-	1-Jun-27	4.71%
	355 11th St	\$718,296	-	5-Nov-26	2.90%
	780 Grant	\$1,322,278	-	5-Nov-26	2.90%
n/a	North Gate Plaza	-	(1)	-	-

**Notes:**

<sup>(1)</sup> Acts as security for the VanCity Line of Credit

**ITEM 15 - DATE AND CERTIFICATE**

Dated May 11, 2026

**This Offering Memorandum does not contain a misrepresentation.**

***On behalf of the Trustee in its capacity as trustee of the Trust and as Promoter:***

**AIE SERVICES INC.**

*"Brendan James Bennett Sutton"*

Name: Brendan James Bennett Sutton  
Title: Director and Chief Executive Officer

*"Heather Dawn Kerry"*

Name: Heather Dawn Kerry  
Title: Chief Financial Officer

*"Shelley Lynn Legin"*

Name: Shelley Lynn Legin  
Title: Director

*"Garth Busch"*

Name: Garth Busch  
Title: Director

***On behalf of the Manager and as Promoter:***

**AIE MANAGEMENT INC.**

*"Brendan James Bennett Sutton"*

Name: Brendan James Bennett Sutton  
Title: Director

*"Heather Dawn Kerry"*

Name: Heather Dawn Kerry  
Title: Director

*"Mackenzie James Kyle"*

Name: Mackenzie James Kyle  
Title: Director